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# 2019 Integrated Annual Report

# The people at Orange working to respond to Covid-19

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**The Coronavirus health crisis has meant Orange has had to act fast and fulfil its responsibility to ensure unprecedented service availability for people to ensure they can stay in touch with their friends and family, access news and continue to work wherever possible to mitigate business and economic impacts. Everyone should be able to count on network reliability everywhere in the world during this major peak in connectivity. This technical feat is only possible thanks to the commitment of Orange teams working day in, day out to maintain ties between communities, businesses, the public sector and healthcare workers.**

## **Responding to the health emergency**

→ In France and around the world, we support healthcare providers who need reliable and effective technology to respond to this situation. Orange was called upon by hospitals to roll out solutions to help manage the crisis, such as alert and call systems to simultaneously mobilise care workers. In order to safeguard hospital data, Orange Cyberdefense offered its expertise free of charge to assist the medical community in preventing cyberattacks, which unfortunately have multiplied. We also encourage our entire Group to develop emergency solutions, whether on a small or large scale, and whether digital or material. The Orange Digital Center in Tunisia, in collaboration with the Ministry for Health, is leading around 40 Solidarity FabLabs to use digital technology to produce 20,000 approved plastic face shields for healthcare professionals, which have been distributed to local hospitals.

## **Maintaining service continuity**

→ The Group is working to enable all its business customers to continue operations throughout the world. Orange Business Services has increased the capacity of its networks and platforms to support the surge in secure connections, facilitate the widespread implementation of remote working and scale up customer service capabilities (including contact numbers, voice guides, chatbots, call centres and multi-channel messages) to handle the rising number of calls. A total of nearly 3,500 employees are working to maintain customers' critical and essential operations out in the field as well as in our monitoring centres and data centres, which are vital to ensure the availability, security and integrity of our networks.

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## Coping with life in lockdown

→ During the lockdown period, all our entities are offering free extras to enable our customers to maintain ties with their family and friends. For example, Orange France has offered an additional 10GB of data to its 16 million Orange and Sosh mobile subscribers.

We have also made 20 pay-TV channels available free of charge to all customers who own an Orange TV set-top box. To allow children to continue following the school curriculum as best they can, we have opened up our educational content for free and are supporting teachers throughout the world with our Digitaliada learning management system in Romania, webinars for teachers in Poland as well as free mobile connectivity to access a range of school and university content in Africa and the Middle East. Elderly people are the most at risk not only from Covid-19, but also the isolation inevitably caused by the lockdown. That's why we have donated a number of adapted devices (mobiles, tablets and SIM cards) to hospitals, healthcare facilities and nursing homes to enable patients and residents to stay in touch with their loved ones. In France, we have also launched the #OnResteEnsemble initiative to allow everyone, whether or not they are Orange customers, to send short video clips to their parents, grandparents and friends during the ad breaks on France's main TV channels.

## Supporting public authorities

→ In line with our Human Inside philosophy, we have conducted a significant number of community initiatives in our operating countries. Orange has donated €8 million to support initiatives in Europe, Africa and the Middle East to prevent, protect and care for patients as well as provide essential equipment such as masks, hand gel, gloves, glasses and gowns. In France, the Minister for the Economy and Finance enlisted Orange to set up an emergency number for struggling businesses in record time. Because the lockdown can unfortunately lead to a rise in domestic violence, our teams have also developed a solution to allow the telephone operators working for France's 3919 domestic violence helpline to continue handling calls from their homes. Furthermore, we have worked in collaboration with Inserm, the French National Institute of Health and Medical Research, to introduce a system to collect and analyse anonymous data to study the correlation between the lockdown measures introduced and the spread of the virus in order to anticipate ongoing waves of infection.

## Rising to the challenge

→ We have set up a crisis unit reporting directly to Stéphane Richard and each day the Executive Committee monitors the measures taken and action put in place. Our VPN servers continue to enable our 100,000 employees throughout the world to work from home.

And, above all else, we are paying special attention to the health and safety of our people working in the field by implementing extra protective hygiene and prevention measures in line with the latest health and government recommendations. ✕



## Summary

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Our purpose as seen by our stakeholders	— P.08
Orange at a glance	— P.26
Editorial by Stéphane Richard	— P.28
Engage 2025 strategic plan	— P.32
A business model focused on creating and sharing value	— P.34
Considerations, risks and opportunities	— P.38
Governance	— P.40
2019 highlights	— P.49

## Commitment

Promoting digital equality	— P.56
Combating climate change	— P.60

## Ambitions

Reinventing our operator model	— P.68
Accelerating in growth areas	— P.76
Placing data and AI at the heart of our innovation model	— P.84
Co-creating a future-facing company	— P.90

## Performance

Financial and non-financial results	— P.100
Performance in 2019	— P.106
Social and economic impact	— P.108
Risk management	— P.110
Mission accomplished for Essentials2020	— P.114

# An unprecedented, collaborative effort

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**Our purpose highlights the role our company plays in society. By incorporating it into our bylaws, we are setting those words in stone to guide the company's decisions and build trust with all stakeholders.**

→ The approval of the Group's purpose, submitted to the Shareholders' Meeting on 19 May 2020, and its subsequent integration into Orange's bylaws, marked the completion of the collaborative project launched by Chairman and Chief Executive Officer Stéphane Richard at the 2019 Shareholders' Meeting. In the summer of 2019, we began the process of putting our collective vision into words by consulting Group employees. In this context, Stéphane Richard posted a question on Twitter that attracted more than 15,000 comments and proposals from employees in a month. A consultation phase followed at the end of August, during which 130,000 votes were collected via a multilingual mobile app developed by the start-up Toguna. The Group CSR Department organised two events with a number of think tanks and opinion leaders, as it has done to discuss key issues over the past six years, while the Executive Committee attended three half-day workshops on the Group's purpose. The final stage involved one-on-one meetings with employee representatives, Board members, NGOs, think tanks, customers, authorities, sub-contractors and investors, building on the collaborative approach. This input helped develop the Group's purpose, unveiled by Stéphane Richard on 10 December 2019: "As a trusted partner, Orange gives everyone the keys to a responsible digital world."

## The meaning behind Orange's Purpose and its contribution to society

→ **Trust** was mentioned by all of our stakeholders in the consultation process. This is a core strength and essential to setting us apart from other organisations in the digital sector. Orange provides the keys to digital autonomy and empowerment through technology while guaranteeing data protection. We offer these keys to everyone and everywhere, as Orange is committed to digital equality.

Finally, these keys grant people access to a responsible digital world. Our vision for digital technology is wholly positive and purposeful; we want digital technology to be more people-focused, more inclusive and more sustainable. More people-focused because technology should support relationships, whether social or business. More inclusive because technology should serve to connect everyone with the broader world in a way that reduces inequality. And more sustainable because technology should be designed to reduce its environmental impact and facilitate the emergence of a low-carbon world. ✕



**We would like to thank our 10 stakeholders** — an Orange director, an Orange employee and representatives from an international organisation, a responsible investor, a non-profit organisation, a local authority, a think tank, as well as a journalist, a customer and a partner — **who candidly shared their thoughts on our purpose and the expectations it raises.**

**“Once approved and integrated into the bylaws, the purpose will guide the Group’s strategic decisions.”**

**Charles-Henri Filippi**

Lead director of the Orange Board of Directors  
(2008-2020)

→ Prior to the enactment of France’s Action Plan for Business Growth and Transformation (PACTE) in 2019, Orange was already considering its contribution to society. Many of the Group’s stakeholders were pleased to see we were planning to define our purpose. Employees and customers alike maintain a strong attachment to Orange’s public service heritage and the tenets of trust, proximity, service quality and humanity in which its identity is rooted.

First as a member of the Audit Committee, then as Chairman of the Governance and Corporate Social and Environmental Responsibility Committee, and now as lead director of the Board of Directors, I have witnessed the Group’s profound transformation over the past decade. Orange has made a number of crucial strategic decisions – investing heavily in infrastructure and service quality, deploying new value-added activities and streamlining global operations – and thereby restored the Group to its position as a market leader, set it back on a growth trajectory and earned back the trust of its stakeholders. In this way, Orange was able to both reconnect with its culture and transform it significantly in response to major shifts in society, always with the same priority to place people at the heart of its business.

Orange as a group understands its history and role in society while remaining firmly focused on the future. We listen to our various audiences and maintain constant dialogue with all of our stakeholders. It was with all this in mind that we constructed the purpose. We opened the development process to all stakeholders, which saw an unprecedented level of participation. In this, my last year on the Board of Directors, it was with great interest that I took part in the process and was delighted to see everyone buy into a shared vision of what Orange stands for.

Our purpose sets out a number of universal responsibilities as well as those specific to the nature and role of our Group in society. It acts as our compass at a time when humanity is facing so many environmental, health, demographic, technological and economic challenges. During the current global health crisis, the unwavering efforts of the teams at Orange enable everyone to remain connected to families, loved ones, work and lives. It goes beyond words and formal statements to demonstrate the reality of our commitment. ✕



# “Digital technology is essential for growth in Africa.”

**Fatoumata Sy**

Investigator with the Global Fund to Fight AIDS, Tuberculosis and Malaria

→ In developing countries, especially in Africa, technology acts as an effective catalyst for social development, revolutionising healthcare in particular. Collecting data in real time enables public health bodies such as the WHO to deliver suitable and timely responses, even in the most hard-to-reach areas. Digital health opens access to quality healthcare, which in the past was only available in societies with the most comprehensive medical knowledge and effective systems. It's also making the work of health professionals easier, in particular by raising awareness of major public health issues, such as vaccinations and smoking, supporting prevention, for example with health text-messaging programmes as with the current Covid-19 pandemic, and providing remote health services via telemedicine. Nonetheless, Africa still suffers from glaring inequalities in digital access. For example, 56% of people in South Africa use the internet compared with 1% of people in Eritrea. It is essential to reduce such inequalities and provide everyone with key digital services.

The Orange group's purpose “to give everyone the keys to a responsible digital world” targets all countries and all populations. In Orange's 18 operating countries in the Middle East and Africa, the Group can set the example and lead a business strategy that's people-focused and positions social development and the well-being of populations as a priority. By setting up ever-more international partnerships in both the public and private sectors, telecoms companies must spearhead the digital revolution and ensure it serves the common good. The 17 United Nations Sustainable Development Goals calling for global action in the areas of education, health, social inclusion and the environment will be impossible to achieve without universal access to powerful digital tools, and without these tools being distributed fairly across all populations. ✕





## “We would approve of a clear and genuine commitment.”

### **Sabrina Ritossa Fernandez**

**Analyst and ESG\* Specialist at Sycomore AM, a responsible investor**

→ When it first came about, sustainable development was dealt with by separate teams of people within the marketing departments of major corporations. Over time, it has gradually come to be seen as a core strategic focus for business. Nowadays, to be virtuous, a company has to build its operations around its CSR objectives in the same way it does with financial performance. This approach is encouraged in France as businesses are now able to define and adopt a specific purpose. In 2019, many companies seized this opportunity to set out their ambition to benefit the common good. At Sycomore AM, a responsible investor, we closely assess these ambitions. We would approve of a clear and genuine commitment in line with the corporate strategy. A company’s purpose shouldn’t just pay lip service to a cause. Every decision, at every level of the company, must factor in their reason for being. It’s still too early to assess the impact of the measures put in place; we’ll have to wait five years before we can start drawing any kind of conclusions.

Orange’s purpose accurately reflects the language used and action taken by the Group over recent years. As a major telecoms operator, Orange has a leading role to play in society in two ways. As an internet access provider, it promotes inclusive internet access in all its operating countries as well as financial services, especially through Orange Money in Africa and the Middle East. Orange also acts as a safeguard in the digital world, guaranteeing individual freedoms on the web. To achieve its corporate strategy while offering the highest quality services at affordable prices, the Group must continue its efforts in innovation, cybersecurity and transparency. ✕

\*ESG: environmental, social and governance criteria.



**“I made the decision to join the Group 12 years ago because the company is sincere about its promises. My own values and ethics were reflected in the way people work at Orange and are integrated into the Group’s very strategy. By defining its purpose, Orange is once again blazing a trail. In Spain, it’s a very innovative approach, and I’m sure businesses throughout the country will feel inclined to follow suit. I was part of a working group that helped define the purpose, and we felt it was really important to underline the responsibility Orange has as an international group towards its employees and the process to develop digital technology for its customers. We have a duty to make these tools accessible and teach everyone how to use them, especially children. We also believed that Orange’s purpose should include its efforts to combat climate change.”**

**Bénédicte Pluquin**

**Big Data Business Developer with Orange Wholesale Spain**

# “Building a better world for future generations.”

## **Lyes Bouabdallah**

**Chief Executive Officer at Positive Planet International, a French non-profit organisation that stimulates growth and fights poverty through entrepreneurship**

→ Many businesses still view the integration of social and environmental considerations as a constraint, when in reality it's an opportunity to bring about long-term growth that benefits us all. By incorporating its purpose in its bylaws and making the Group accountable to people and the planet, Orange proves that it's possible, maybe even necessary, to align financial profitability with social and environmental progress.

In this way, Orange's purpose reflects our own values and strategy to support positive entrepreneurs looking to change the world. Orange's purpose can only strengthen the long-standing relationship we've built by collaborating on major development projects that benefit disadvantaged communities.

Our two companies have been working together over many years to help female entrepreneurs in Africa, and more recently we've teamed up to promote and support companies in West Africa. We appreciate the Group's genuine commitment to digital inclusion, its strong regional presence as a benchmark operator in West Africa and its innovative, socially-beneficial solutions such as Orange Money, which is why Orange is one of our main partners.

For example, our close partnership means we both support the French Development Agency for Inclusive and Digital Business in Africa programme (AFIDBA). Set up by the French Development Agency in 2019, the programme seeks to identify and accelerate 60 positive start-ups, helping them to flourish in Morocco, Ghana, Senegal and Burkina Faso. ✕





# “Digital technology represents a powerful tool for regional inclusion.”

**Laure de La Raudière,**  
MP for the 3<sup>rd</sup> constituency of Eure-et-Loir, France

→ People living in rural areas have the same needs as those living in urban centres. It's nothing new to say that it is an absolute necessity to ensure equal access to the internet and mobile telephone network across regions. Just over 10 years ago, when we started deploying fibre cables in built-up, highly populated areas, I called on the government to turn their approach on its head and prioritise rural communities where internet connections were already weakest due to the length of the lines. We've made significant progress over recent years, helped in part by the Public Initiative Networks, such as the one put in place in Eure-et-Loir by the local authority in collaboration with Orange. Nowadays, as mobile coverage still suffers from too many black spots, the upcoming deployment of 5G must seek to provide an identical high quality service to the entire country. By connecting people, encouraging the emergence of new kinds of remote working and paving the way to a new economy, inclusive digital technology offers a genuine opportunity to help resolve regional development issues and overturn rural isolation. Major digital companies and politicians must continue to work together to achieve this goal.

Through its purpose, Orange has pledged to give “everyone the keys to a responsible digital world”. This promise needs to be brought to life starting with the CEO and management team and extending all the way out through employees, including those on the front line dealing with customers and sub-contractors. As a long-standing operator and a local outfit that is trusted by individuals and businesses alike, Orange has the means and the will to conduct this project successfully. ✕



# “It’s up to businesses to foster the necessary conditions for change.”

**Laurent Bigorgne**

Director of the Institut Montaigne, a European-focused independent French think tank

→ When a company the size of Orange defines its purpose, it demonstrates a significant shift in the way economic agents see their role in global society. It is possible that Orange’s initiative to include its purpose in its bylaws could encourage other companies in France, Europe and around the world to do the same. Today, all businesses need to strongly define and demonstrate their commitment to society and the environment. There is no need for restrictive top-down legislation applied only by a few governments – indeed this kind of approach tends to suffocate competition. The only way to drive change is for companies to take action and increase awareness.

Orange’s purpose addresses one of the key challenges we are facing in today’s world, that of trust. Traceability, transparency and security are essential considerations in an era when mistrust in institutions, businesses and each other is growing and people are all too keen to turn to social media to express their opinion, often with vitriol. Digital technology is a double-edged sword. While it can bring about exceptional progress that improves well-being, health, justice and democracy for humanity the world over, it has a dark, sometimes scary side that can appear both uncontrolled and uncontrollable. In this context, the fact that a major European provider of inclusive digital services like Orange has stated its intention to become a trusted partner represents a significant commitment that is exceptionally important for the future of our society.

We hope Orange will continue to reinforce its position as a force for economic good and take on an active role as a major driver of digital transition in France, Europe and the world. We are also relying on Orange to adapt its action to suit local priorities and different regional realities as well as a full range of needs across all generations. ✕





## “Taking an inclusive design approach to innovation.”

**Jean-Marc Maillet-Contoz**

Entrepreneur and founder of the disability magazine Handirect

→ The recent health crisis brought about by Covid-19 has confirmed the power of technology in maintaining relationships and social ties. This situation demonstrates how digital tools improve the lives of people with disabilities by the way they transcend situations such as national lockdowns and make it easier to connect with others. Digital technology significantly facilitates communication, access to knowledge and information, as well as administrative tasks. It gives people with disabilities the possibility to express their talent at work using specially adapted tools.

It's easy to see how such technology can serve to empower people with disabilities as well as integrate them into society and the workplace, but we still have a long way to go. All digital businesses must integrate “inclusive design” principles into their innovation strategy in order to further develop tools that everyone can use. The challenge is even greater when you consider that, in an ageing society such as ours in France, increasing numbers of people are finding themselves incapacitated. It's unthinkable to exclude entire groups just because they can't adapt to technology. Indeed, it is the technology that needs to adapt.

Orange already goes a long way in these efforts, offering customers solutions to improve autonomy with a wide range of products (broadband, mobile and connected devices) and services, and an adapted retail network and customer services. Yet it also needs to support its partner companies to move towards an “inclusive design” approach, helping them to progress technologically in a way that's accessible to as many members of society as possible. ✕



**“For over a decade, Orange has been providing us with videoconferencing solutions and data communication networks around the world. Orange’s digital technology helps reduce our company’s CO<sub>2</sub> emissions by allowing us to drastically cut down on business travel. What’s more, aggregating data makes it possible to streamline and optimise the energy we use in manufacturing processes, plant operations, and the way we transport goods. Orange’s purpose reflects the way it conducts its business – trust is implicit in partnerships and will undoubtedly reinforce the strong relationships we have built together. Its commitment to environmental sustainability and social responsibility is laudable. We value social commitment very highly, so much so, we have factored it into our partner-selection process.”**

**Peter Dew**

Chief Digital Officer at DSM, an international company specialised in life sciences and material sciences based in the Netherlands

# “Innovation, especially digital innovation, must respect people.”

**Carlo Purassanta**

Area Vice President of Microsoft France

→ It is up to businesses to make the world a better place. This is especially true of tech companies, as they are able to capitalise on new digital intelligence to drive this major transformation forwards. To help build the kind of world we want to live in, more than ever before, innovation must take into consideration the ways it impacts and benefits individuals, society and the environment.

That is why innovation, especially digital innovation, must respect people, their data and their work, in order to have a much greater impact in terms of value added as a result of such innovation. It should also do what it can to protect biodiversity and combat the climate challenge, the urgency of which is now unquestionable. Furthermore, it has to reduce inequality and help drive economic growth and social development for all.

These beliefs are central to the way we work at Microsoft and form the foundation for our corporate mission to “empower every person and every organisation on the planet to achieve more”. It’s a simple phrase that we apply to everything we do. We also seek to bring this commitment to life to help the environment by investing heavily in research into solutions to capture CO<sub>2</sub>. We aim to go above and beyond carbon neutrality and completely eliminate our carbon footprint by 2050, by offsetting all the CO<sub>2</sub> Microsoft has emitted since it was founded in 1975.

Orange and Microsoft share the same vision of what digital companies should bring to society and the world. Indeed, Orange’s purpose perfectly complements the mission pursued by Microsoft. As partners, we are closely aligned and carefully coordinated. We share the same goals and the same vision for the future. We need to keep thinking together about not only the impact our businesses have on society and the environment, but also the role we can play in making the world a better place. Now more than ever, we have to constantly remain on the same track about the way we think and the things we do. ✕





## **Our purpose**

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**As a trusted partner,  
Orange gives everyone the  
keys to a responsible  
digital world.**

# At a glance

# €42.2

billion in revenues

# 147,000

employees

# 266

million customers worldwide



# 26

countries and a global presence with  
Orange Business Services

**€7.3**

billion in investment

**N°1**

for broadband and mobile convergence packages in Europe

**5.4%**

reduction in CO<sub>2</sub> emissions between 2018 and 2019

**82.2%**

of electrical and electronic waste recovered at Group level

## 4 business activities

- Enhanced connectivity (retail, business and wholesale customers)
- Business IT support services
- Cybersecurity
- Financial services

# Stepping up to the plate

by Stéphane Richard

Chairman and Chief Executive Officer

**At the time of writing, the entire world is going through a very challenging time, and no-one is able to say with any kind of certainty when it might end. Guided by our purpose, we are helping to tackle the Coronavirus pandemic wherever we can. As an essential service provider, we are proud of the way our Orange teams have really stepped up to the plate.**

→ “As a trusted partner, Orange gives everyone the keys to a responsible digital world.” Such is our purpose, which informs the role that drives us and brings us together as a community. It reflects where we’ve come from and paves the way for where we’re going. By integrating our purpose into the company bylaws, it forms the central element to who we are and the precious relationships that connect us with our customers and all our stakeholders.

Our purpose becomes all the more meaningful during this health crisis that has spread from China to the entire world. In this unprecedented crisis, the Orange group has an essential part to play in all its operating countries. That’s because our networks help organise the emergency response under unrelenting pressure, they have had to cope with a huge number of different digital uses and remote working, and they are enabling us all to stay in touch with one another, maintaining social ties. Our data can also be very useful for public authorities trying to anticipate the spread of the virus and adapt the availability of healthcare in certain countries. I am very proud that a business like ours is orienting its expertise and innovation capabilities to serve the public interest in strict compliance with data protection requirements.

The mobilisation we have seen across our businesses

and regions has been incredible. I would like to thank everyone at Orange, especially those out in the field – our teams are working day and night to keep operations ticking over. I would also like to thank those behind the great many acts of kindness seen throughout the Group. It warms my heart to see Orange demonstrate such community spirit in these difficult times.

Our purpose also binds us and fuels our strategy, as reflected in the new Engage 2025 strategic plan. It ensures we fulfil our environmental and societal commitment, where our primary focus is promoting digital equality. We are keen to further improve inclusion by tackling the digital divide. Our initial response involves rolling out networks in rural areas – the easiest answer given our operator model. This is especially true in France, as part of the New Deal and Public Initiative Networks but also in Africa and the Middle East, where the Group leverages innovative technical solutions to expand coverage in rural areas. Contrary to what people may think, the digital divide isn’t due to a lack of coverage. Indeed, one of the main obstacles to getting people online is their lack of know-how and resources. That’s why, in all our operating countries, we promise to help people access digital technology and teach them how to use it. We’re also deploying special plans for low-income families in Europe and



we'll continue to offer ever-more affordable smartphones in Africa and the Middle East.

Our second focus is to address the climate emergency, which undoubtedly represents the greatest challenge facing humanity. It affects people of all ages, across the world and in all areas of the economy, and I firmly believe we can play an essential role in the transition to a low-carbon world. That's why we've set ourselves an ambitious target to achieve the commitments undertaken by the telecoms industry to reach net carbon zero by 2040, 10 years ahead of schedule, despite the considerable surge in uses and data on our networks. To do so, we will increase the proportion of renewable energies we use and make unprecedented strides forwards in energy efficiency, largely due to our investment in the networks of the future. For example, fibre uses on average three times less energy than ADSL, and 5G outperforms all other networks for an equivalent consumption.

This core commitment runs through our entire strategic plan, which is structured around four ambitions.

The first is to reinvent our operator model by capitalising on our leading position in networks. The telecoms industry is at a critical junction. It has to invest heavily in the networks of the future, despite increasingly intense competition, with OTT providers continuing to permeate the telecoms industry. At Orange more specifically, we are keenly aware that our unique selling points – our deployments and network quality – are becoming less of a factor. We therefore have to completely overhaul our operator model in Europe to identify new ways to offer customers enhanced fibre broadband and 5G mobile connectivity. This enriched performance will bring about speeds of up to 10 Gb/s and a multitude of new services such as immersive content, smart home services, edge computing and massive IOT (Internet of Things).

Furthermore, we will completely reinvent our operator model by developing our infrastructure and diversifying into other areas. We will continue to invest in our own fibre technology while at the same time identify investor partners for certain deployments, particularly through Public Initiative Networks in France. Orange will also step up the transition from copper to fibre in France. We will develop mobile network RAN sharing agreements while maintaining our points of difference and developing TowerCos in most of our operating countries in Europe.

Beyond our core business, the second ambition of the Engage 2025 plan is to accelerate in growth areas, including Africa and the Middle East, BtoB and financial services. In Africa and the Middle East, we aim to become the reference digital operator through several effective growth drivers, such as mobile data and a multi-service strategy in energy, e-health and content.

BtoB and IT services represent the second growth area for the Group. More than ever, we believe in bringing together telecoms and IT businesses, as reflected in the incredible surge in interest for on-demand and virtual connectivity services. We will take advantage of our local presence and recognised position as market leader to offer our business customers the best connectivity through 5G and fibre. Above all else, we will continue to expand our integration services in cybersecurity, the cloud, smart mobility and data intelligence.

Orange will look to financial services as the third growth area. The banking licence we have recently been granted will enable us to supplement our Orange Money payment and money transfer services in Africa with banking services such as micro-credit deals. In Europe, we will capitalise on the considerable success achieved by Orange Bank, rolling out these services in all our operating countries by 2025 and we will put together packages combining banking and telecoms services to develop new products in payments, credit and insurance.

The third ambition of our strategic plan involves placing data and AI at the heart of our innovation model so as to enter a new stage in our digital transformation. I am convinced these new technologies offer considerable potential that will make it possible to redefine the customer experience to offer the best physical and digital services. We will develop an "enhanced" customer experience in which services are easy to use, specialised and responsible. Orange will also use AI and data to improve its networks, initially by optimising its deployments and management of mobile sites.

The fourth ambition of the Engage 2025 strategic plan seeks to tackle the skills challenge. In 2025, the company's profile will be considerably different from what it is today. We will be more international, with 50% of our workforce employed outside France, compared with 38% currently. The proportion of BtoB employees will have nearly doubled compared with 2015 levels and we will need twice as many specialists in cutting-edge technologies. To support these

# “Our commitment to digital equality and the environment runs through the entire Engage 2025 strategic plan.”

changes, we will put in place an ambitious upskilling and professional reorientation programme open to all employees. Further to our focus on strengthening the skills we already have within the Group, we must also attract top talent from outside Orange, which is why our strategy prioritises increasing the appeal of the company. Orange aims to rank among the 10 most popular companies for university graduates.

Our growth plan may be ambitious, but we believe it is entirely achievable. Once we have overcome this virus that is currently confining and isolating us, we will be able to look to the future. The most important thing we can do right now is help the authorities, support hospitals and healthcare workers, provide essential services to our customers and take care of one another.

We can be proud of the fact that we really have stepped up to the plate since the start of the Covid-19 pandemic.

I would like to sincerely thank all our employees on the front line working to maintain our networks and serving our customers in the few stores that have remained open, as well as everyone working from home in conditions that are sometimes far from ideal. You are keeping our company going and safeguarding essential services in our operating countries.

We are living in a very difficult time, and no-one can say when things might settle back down, but the crisis is likely to last for quite a while. That's why we need to stay focused and stick together. Together, we will come through this challenge stronger, more united and more solid than ever.

But until then, take care of yourselves and your loved ones.

**Stéphane Richard**



**Engage 2025 is the new strategic plan that will carry the Group through to 2025, picking up from the Essentials2020 plan launched in 2015. To achieve our social and environmental commitment, Engage 2025 combines two major focuses: growth and responsibility.**

# Engage 2025 strategic plan

## Setting an example in social and environmental responsibility

→ At Orange we are convinced that in the years ahead strong economic performance will not be possible without exemplary performance on social and environmental issues. That's why our positioning is based on a responsible business model committed to our employees, customers and society.

Orange is taking action to promote digital equality so that everyone can benefit from the digital revolution. As well as committing to providing digital coverage in rural areas, Orange has pledged to train and support those excluded from the digital world by offering inclusive services through Orange Digital Centers, which are opening in all the Group's operating countries.

To combat the climate breakdown, the Group has set itself the ambitious goal of reaching the telecoms industry's (GSMA) net zero carbon commitment by 2040 – 10 years ahead of schedule – and this despite of the explosive rise in data on its networks. This will be achieved through further investments in renewable energies and the circular economy as well as ongoing efforts to improve energy efficiency.

## Reinventing Orange to pave the way to sustainable growth

→ We will reinvent our operator model by offering our customers enhanced connectivity, with higher speeds and new complementary services, and by strengthening our

leadership in more open infrastructure. We will also stimulate growth in three key areas. First, Orange has set its sights on becoming the reference digital operator in the Middle East and Africa by growing mobile data, deploying 4G and implementing its multi-service strategy. Next, we will take advantage of the convergence of telecoms and IT services by boosting the transformation of our BtoB activities while also meeting businesses' ever-growing needs for cybersecurity services. Finally, Orange Bank, which has attracted over 500,000 customers in just two years, will launch its financial services in all of our operating countries in Europe by 2025, while we also expand the range of Orange Money services on offer in Africa and the Middle East.

To achieve its growth targets for 2025, Orange will continue pursuing its digital transformation, placing AI and data at the heart of its innovation model to improve the customer experience by personalising offers, providing smarter networks and becoming a more agile company as a whole.

To meet its promise of being a digital and caring employer, Orange must also address the skills challenge by supporting all its employees. In 2025, the company will be more international, more focused on BtoB and at the cutting edge of new technologies. The Group aims to rank among the most attractive employers. We will back up our growth targets with an operational efficiency programme that will focus on boosting agility to improve Group-wide collaboration, automating network management and maintenance processes and further developing shared services. ✕



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**Reinventing  
our operator  
model**

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**Placing data and  
AI at the heart  
of our innovation  
model**

# Engage 2025



**Making a lasting  
commitment  
to digital equality and  
the planet**

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**Accelerating  
in growth areas**

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**Co-creating  
a future-facing  
company**

**By deploying a robust network and developing innovative and responsible products and services, we play an active role in society and enable customers around the world to take advantage of digital technologies.**

# A business model focused on creating and sharing value

## Trust, a fundamental value at Orange

→ Orange champions a vision of a positive digital world through four key values: trust, proximity, service quality and humanity. Trust is at the heart of both our business model and the relationships we build with our customers, stakeholders and partners. It forms the foundation for our vision, offering an alternative to other major operators in the world of technology, connectivity and, more generally, inclusive digital relationships.

## Our business model

→ Our infrastructure provides greater connectivity to our retail, business and wholesale customers. Indeed, we're offering faster speeds by rolling out fibre-optic broadband, deploying 5G and developing additional services in customers' homes (content, at-home services as well as remote surveillance and assistance). Our expertise as both a network operator and digital services integrator all along the digital value chain means we combine the full range of skills required to support businesses with SDN technology, data and AI, cybersecurity, multicloud and smart mobility services and more. It's through our smart and reliable networks that we develop financial services for Orange Money and Orange Bank.

Each of our Engage 2025 ambitions – which include reinventing our operator model, accelerating in growth areas, placing data and AI at the heart of our innovation model and co-creating a future-facing company – has been designed to maximise the value we create. We also strongly believe that financial performance goes hand in hand with social and environmental responsibility, which is why our goals of

promoting digital equality and achieving net zero carbon emissions by 2040 underpin our new strategic plan. Understanding the impact of, and the role we play in the technological, economic, environmental and social factors that shape the world, has led us to champion a vision of a digital world that is people-focused, inclusive and responsible.

## Sharing value for a digitally responsible world

→ The following pages illustrate the way in which Orange shares the value it creates with its stakeholders. Our employees represent our most valuable asset, which is why we promote employability and skills development to effectively implement our strategy. Our infrastructure enables us to offer a customer experience that combines the best in human and digital services. In 2019, Orange invested €672 million in research and development to drive responsible innovation centred on inclusive products and services, cybersecurity and eco-design.

Our robust financial position ensures profitability and performance for our lenders, investors and shareholders. External purchases accounted for €19.3 billion in 2019, demonstrating that our suppliers are the first to benefit from our cash flows. We foster responsible, ethical collaboration with our suppliers, to ultimately create jobs and improve the quality of working conditions across our entire value chain. The strong presence we have built up in regional communities means we actively contribute to digital inclusion and wealth creation both locally and nationally. Furthermore, we're taking action to respond to the climate emergency by reducing our CO<sub>2</sub> emissions and improving energy efficiency. ✕

**Technological considerations**

High-speed connectivity, AI and big data, network and data security, network virtualisation

**Economic considerations**

Competition, regulation, key suppliers, macroeconomic context



**Social considerations**

Social cohesion, human rights, demographic changes, privacy and data protection, and regional development

**Environmental considerations**

Climate breakdown, preservation of resources and biodiversity

## Our assets

### People

- 147,000 employees across the world
- 31.1% of women in management networks

## Value created

Developing skills for the future and employability for all

### Industrial and commercial assets

- A mobile network with 40,000 towers directly owned in Europe
- 39.5 million homes connectable to very high-speed broadband
- 450,000 km of submarine cable owned or co-owned
- A powerful brand: ranked 64<sup>th</sup> in the BrandZ Top 100 most valuable global brands
- 5,169 stores across the world and 900,000 resellers in Africa

Leading the field

### Intellectual assets

- €672 million invested in Research & Innovation
- Operator with the most patents filed in Europe, developing 230 patent-protected inventions in 2019

Responsible innovation

### Financial assets

- Significant equity of €34.4 billion
- Reasonable debt ratio: net debt/EBITDAaL of telecoms activities = 1.96x
- A stable and long-term shareholder base: 23% public sector, 5.42% employees and former employees

Solid financial performance

## Our ecosystem

### Suppliers and partners

- BuyIn, a joint venture between Orange & Deutsche Telekom, optimises procurement of networks, terminals and IT services platforms and equipment
- Every critical supplier has signed a CSR clause
- 124 CSR audits conducted under the Joint Audit Cooperation (JAC)

Responsible and ethical working relationships throughout the value chain

### Regions and society

- 26 countries for consumer services and a global presence with Orange Business Services
- 4G network covers 98% of the population in 8 operating countries in Europe and 17 countries (including two minority shareholdings) in Africa and the Middle East
- Network of 17 Orange Fabs, 109 Solidarity FabLabs and 2 Orange Digital Centers, Orange Foundation present in 30 countries

Regional presence and digital inclusion

### Environment

- CO<sub>2</sub> emissions: 1.3 million tonnes (Scopes 1 and 2)
- Environmental management (ISO 14001) certification for 60% of the Group's scope

Towards carbon neutrality and a circular economy

- 11,000 recruitments on unlimited contracts across the Group, including 3,000 in France
- Over 6,000 internships and work-study programmes in France
- 26 hours of training per Group employee (65% of the workforce)

- 266 million customers, including 3,000 multinationals outside France
- No.1 in convergence in Europe with 10.8 million customers
- No.1 in mobile network quality for the 9<sup>th</sup> year running (Arcep)
- 18 million active Orange Money customers and over 500,000 Orange Bank customers

- Accessibility: Over 70% of Orange stores in mainland France are Autonomy-certified, and 117,000 telephones adapted for the elderly were sold in France
- Eco-design approach to products: the carbon footprint of the Livebox 5 is 29% lower than the Livebox 4
- Cybersecurity: over 200 malicious websites shut down every day

- EBITDAaL: €12.9 billion
- Organic cash-flow from telecoms activities: €2.3 billion

- Improved working conditions for 1.3 million people employed by suppliers since 2010 through audits conducted by the JAC
- Responsible supplier relations and procurement label in France, which integrates ISO 20400 guidelines

- Contribution to wealth creation, such as 11% of GDP in Senegal and 2% in Moldova
- €23 million invested by the Orange Foundation, primarily to help vulnerable women and young people
- €295 million invested to support entrepreneurship over the last 10 years

- 5.4% reduction in CO<sub>2</sub> emissions and 2.3% reduction in energy consumption between 2018 and 2019
- 82.2% of electrical and electronic waste recovered at Group level
- 16.3% of unwanted mobile devices sold by Orange across Europe are collected

## Customers

**€42.2 billion**  
Revenues

## Suppliers and partners

**€19.3 billion**  
External purchases and leases

## Employees

**€8.5 billion**  
Wages and employee benefit expenses

## Regions

**€5.0 billion**  
Investments in the networks

## Public sector

**€3.8 billion**  
Licences and taxes

## Shareholders

**€2.1 billion**  
Dividends paid

## Lenders and financial investors

**€1.5 billion**  
Finance costs

The advent of digital technology has revolutionised our world and ushered in major changes to our lives, jobs, education, health, etc. Though the realm of possibilities brought about by technology has never been so vast, it comes with certain risks that have to be assessed in order to factor in social, environmental and economic considerations. This risk assessment is built into our Engage 2025 strategic plan.

# Major considerations, risks and opportunities

## Technological considerations

→ Internet access is expanding in the Middle East and Africa, primarily through the deployment of 4G mobile networks and in Europe, with investments in fibre-optic broadband and 5G launches. It is through these new networks, along with greater capacity in existing networks and increasingly widespread ownership of smartphones, that the growing demand for video streaming and online services is being met. At the same time, Network Function Virtualisation, which involves separating the hardware from the software, makes networks more flexible and responsive, and it's now possible to automate, programme and control them remotely. AI and data will transform operations and considerably improve efficiency, with estimates suggesting that by 2025, 70% of value created by AI technology will arise from redesigning process. Similarly, the active market for selling stolen data and the threat of cyberattacks that hangs over every company mean network security is more crucial than ever.

## Economic considerations

→ Our industry is undergoing an economic shift and competition is intensifying. Over-the-top (OTT) companies, which offer media services directly via the internet, are becoming increasingly popular with the general public and businesses alike. Meanwhile, big tech companies are looking to capitalise on their infrastructure in BtoB and wholesale markets while multiplying their low-cost packages on the retail market. The Group faces major economic challenges due to concentration in certain key sectors of its supply chain as well as from an ever-increasing number of strict regulations, particularly when it comes to obtaining and renewing licences.

Furthermore, telecoms operators are essential in maintaining public services, economic activity and social ties due to the quality and reliability of the networks they deploy.

## Social considerations

→ Four billion people in the world – more than half the global population – do not have access to the internet, including 3.2 billion who lack the means or know-how. This means there is not only a lack of access to connectivity, equipment, basic services, information and knowledge, but also to a large portion of the economy and the labour market. Digital inclusion is all the more pressing as more than half of the world's population growth by 2025 will come from Africa, where the Group is present. On top of this, consumers expect telecoms operators to earn their trust by protecting their privacy and data, contributing to regional development by bringing very high-speed broadband to sparsely populated areas and promoting freedom of speech in their operating countries. These expectations are arising alongside stakeholders' ever-increasing demands on companies to uphold human rights in their operations and supply chains.

## Environmental considerations

→ The climate breakdown is felt even more keenly with the increasingly extreme weather events we're experiencing and the impact this has on the economy, society and biodiversity. While data and data usage are projected to account for nearly 20% of global electricity consumption by 2025, operators are first and foremost essential in the transition to a low-carbon world, primarily by helping to reduce the CO<sub>2</sub> footprint of other industries. ✕

## Opportunities

## Risks

### Technological considerations

**Very high-speed broadband, AI and data, network and data security, network virtualisation**

- Enhanced connectivity
- New BtoB/BtoC/wholesale services
- Improved customer experience
- Cybersecurity services
- Innovation in financial services
- Operational efficiency

- Cyber threats
- Investment capacity
- Rarity of skills
- Disintermediation
- Social acceptability

### Economic considerations

**Competition, regulation, key suppliers, macroeconomic context**

- Growth in multi-services
- Growth in Africa and the Middle East
- Network sharing
- Collaborative development of solutions
- Business continuity

- Monetisation of investment
- Unpredictable changes in tax and regulations
- Supply chain disruption
- Pressure on tariffs
- Concentration of key suppliers
- Geopolitical instability

### Social considerations

**Social cohesion, human rights, demographic changes, privacy and data protection, and regional development**

- Development of inclusive and accessible solutions
- Deployment and expansion of coverage
- Protection of freedom of expression
- Control of excessive use
- Support for people in new uses

- Digital divide
- Breaches of human rights by a third-party connected to Orange
- Breaches of fundamental freedoms resulting from injunctions from local authorities
- Cyberattacks and data theft

### Environmental considerations

**Climate breakdown, preservation of resources and biodiversity**

- Low-carbon solutions and innovations
- Development of the circular economy
- Avoidance of certain emissions through the use of digital technology
- Development of offers to reduce emissions in other industries
- Stakeholder dialogue

- Impact of extreme weather events
- Multiplication of regulatory constraints
- Obstacles hampering the development of new technology
- Delay in the energy transition

**Orange has a stable, robust and experienced governance team to steer the Engage 2025 strategic plan and achieve its long-term performance goals. The governance structure is balanced at every level and includes independent directors and directors representing our main shareholders (public sector and employees). Members are chosen to ensure a diverse range of skills, broad international experience and a more balanced representation of men and women.**

# Strong governance

## Core and complementary expertise on the Board of Directors

→ The Board of Directors sets the Group's major strategic, economic, social, financial and technological policies and oversees their effective implementation by senior management. At the end of 2019, the Board was made up of 15 members, each appointed for a four-year term of office. Together they bring the general business skills and specialist areas of expertise required to achieve the Group's strategy and ambitions (see the following pages). Such complementarity and diversity enrich the Board's discussions and guarantee its strength. A representative from the Orange Works Council attends Board meetings, as does a representative from the Global Works Council when the Board presents its financial results. Both representatives attend as non-voting members.

At the end of 2016, the independent director Charles-Henri Filippi was also appointed lead director. His term of office is due to expire at the end of the Shareholders' Meeting of 19 May 2020. The lead director exercises statutory powers and is entrusted with the duties and powers set out in the Internal Guidelines of the Board. He ensures the Board is able to carry out its responsibilities effectively and maintains smooth relations with senior management. He is responsible for identifying and preventing potential conflicts of interest, ensuring the governance system is effective – in particular in crisis situations – and is involved in evaluating the Board. The lead director is the point of contact for senior management in compliance-related matters and reports to all members of the Board on the effectiveness of the compliance procedures and

risk levels. In addition, he attends a meeting of the Risks Committee each year. The lead director also engages with the Group's investors and shareholders.

In 2019, in addition to the standard monitoring of Group operations – which included assessing operational performance, financial results, risk factors, budgets and setting the compensation of the Group's corporate officers – the Board reviewed the acquisitions completed by Orange Business Services since 2013, especially Enovacom, Business & Decision and Basefarm. It also scrutinised the acquisition of Spanish football broadcasting rights, the first two years of Orange Bank and the acquisition of 5G frequencies. More specifically, in 2019, the Board approved the sale of its remaining stake (2.49%) in the BT Group and the full 95.5% interest in Orange Niger. It also discussed the proposed acquisition of SecureData and approved the acquisition of SecureLink. Furthermore, it approved the Group's trajectory after the Engage 2025 strategic plan was agreed.

As set out in its Internal Guidelines, the Board assessed its operating practices and committees in 2019. The assessment, which this year was conducted by an independent firm, concluded that the Board's operations (effective coordination between directors and members of senior management) and performance (quality of work and decisions) were deemed to be satisfactory by the substantial majority of directors. Directors believe the governance bodies operate effectively and the Board works in a cooperative and collegial manner, in accordance with the best practice recommended by the Afep-Medef Code. The areas of improvement identified mainly concerned improved succession planning, greater diversity of international and



## The Board of Directors in 2019

Average no. of years of service (at end-2019)	<b>4.2</b>
Average age	<b>56</b>
Number of meetings	<b>11</b> (level on 2018)
Collective attendance rate	<b>89.9%</b>
Gender representation	<b>45% (women) / 55% (men)</b>
Proportion of independent directors	<b>63%</b> (excluding directors representing employees and employee shareholders)
Committee meetings	<b>9 for the Audit Committee 9 for the Governance and Corporate Social and Environmental Responsibility Committee 2 for the Innovation and Technology Committee</b>

## Composition

Chairman and Chief Executive Officer	<b>Stéphane Richard</b>
Independent directors	<b>Alexandre Bompard Charles-Henri Filippi Anne-Gabrielle Heilbronner Christel Heydemann Helle Kristoffersen Bernard Ramanantsoa Jean-Michel Severino</b>
Directors representing the public sector	<b>Bpifrance Participations</b> (represented by <b>Nicolas Dufourcq</b> ) <b>Hélène Dantoine</b> <b>Anne Lange</b>
Directors representing employees	<b>Sébastien Crozier Fabrice Jolys René Ollier</b>
Director representing employee shareholders	<b>Philippe Charry</b>

For details of the dates at which the terms of office of each director began or are due to expire, see section 5.1.1 of the 2019 Universal Registration Document.

technical experience on the Board and more detailed follow-up of decisions taken to ensure the Board receives full and accurate information.

### Active specialised committees

→ Three committees provide proposals, recommendations and opinions in their respective areas of expertise to inform the Board of Directors' discussions and decisions. They are the Audit Committee, the Governance and Corporate Social and Environmental Responsibility Committee and the Innovation and Technology Committee. Committee members are chosen to reflect the principles of balance and diversity that apply within the Board. These three committees are chaired by independent directors and all include one director representing employees and one representing the public sector. In 2019, the Audit Committee worked on financial reporting, internal control, risk management, the Code of Ethics and strategic growth projects, including interests in Africa and the Middle East. The Governance and Corporate Social and Environmental Responsibility Committee assessed the compensation of the Group's corporate officers, the governance system and the effectiveness of the Board of Directors. It also continued to review the Group's corporate social responsibility actions, such as implementing the Code of Conduct and the Group's Duty of care plan, as well as preparing any non-financial performance statements. The Innovation and Technology Committee focused on safeguarding cybersecurity (BtoB and BtoC) and 5G deployment. Directors travelled to Lille in northern France to oversee field testing on 10 5G towers that were deployed in 2018.

### An Executive Committee focused on Engage 2025

→ The Chairman and Chief Executive Officer works alongside two Delegate Chief Executive Officers with clearly defined areas of expertise. A lead director is entrusted with significant responsibilities and authority, ensuring robust corporate governance that focuses on efficiency and performance while guaranteeing a balance of power.

The Executive Committee was restructured in 2018 to boost expertise in the key areas of cybersecurity, digital transformation and mobile financial services. The new team is also more international, with the addition of directors from high-growth regions such as Spain and the Middle East and Africa.

### The Orange director programme

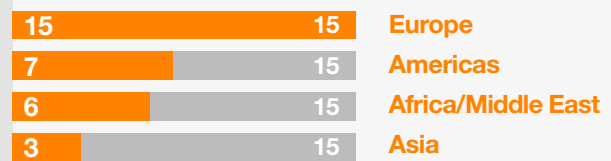
→ As well as placing great importance on governance at Group level, Orange also promotes excellence within its entities. To consistently improve the management and supervision of its subsidiaries and joint ventures, Orange continuously maintains a dynamic programme — including training courses, conferences and debates, as well as various tools and shared standards highlighting best practice — for members of its local boards of directors and supervisory boards. Orange firmly believes that applying the highest standards of governance improves performance. ✕

# Balanced and varied skills on the Board

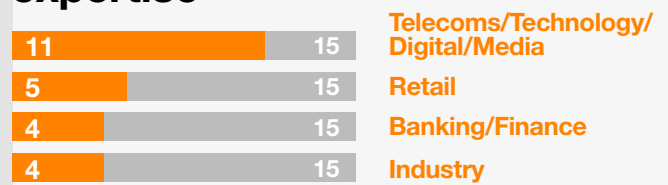
An independent firm conducted an analysis of the range of skills possessed by members of the Board, confirming that it demonstrates the qualities required to critically consider the matters with which it is presented. The charts opposite present the balanced range of essential skills possessed by the 15 members of the Board.

- Legal/Compliance/Governance/Ethics
- CSR and sustainable development
- HR and employee support
- Senior management
- Finance/Audit/Accounting/Risk
- M&A and investor relations
- Regulatory framework
- Innovation and technology
- Sales/Marketing
- Production/Supply chain

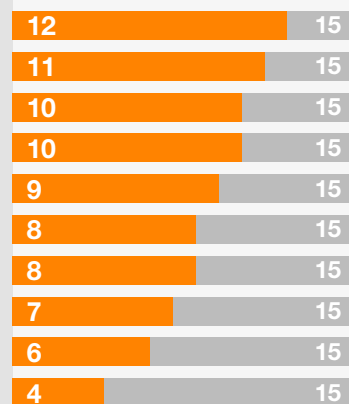
## International experience



## Industry expertise



## Corporate expertise



# Executive Committee

The Executive Committee comprises 15 members who coordinate the implementation of the Engage 2025 strategic plan, monitor operational, social and technical targets and optimise the allocation of resources.



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|----|-------------------------------------|--|
| 1. | <b>Stéphane Richard</b>             | Chairman and Chief Executive Officer   |
| 2. | <b>Ramon Fernandez</b>              | Delegate Chief Executive Officer, CEO Finance, Performance and Europe                            |
| 3. | <b>Gervais Pellissier</b>           | Delegate Chief Executive Officer, Group Transformation and President of Orange Business Services |
| 4. | <b>Fabienne Dulac</b>               | Deputy Chief Executive Officer, Orange France  |
| 5. | <b>Mari-Noëlle Jégo-Laveissière</b> | Deputy Chief Executive Officer, Technology and Global Innovation                                 |
| 6. | <b>Paul de Leusse</b>               | Deputy Chief Executive Officer, Mobile Financial Services  |
| 7. | <b>Laurent Paillassot</b>           | Deputy Chief Executive Officer, Orange Spain   |



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|---|---|
| <p>8. <b>Christine Albanel</b></p> <p>9. <b>Jérôme Barré</b></p> <p>10. <b>Hugues Foulon</b></p> <p>11. <b>Nicolas Guérin</b></p> <p>12. <b>Valérie Le Boulanger</b></p> <p>13. <b>Béatrice Mandine</b></p> <p>14. <b>Alioune Ndiaye</b></p> <p>15. <b>Helmut Reisinger</b></p> | <p>Senior Executive Vice-President, Corporate Social Responsibility, Diversity, Partnerships and Inclusiveness, Deputy Chairwoman of the Orange Foundation</p> <p>Senior Executive Vice-President, Orange Wholesale and International Networks</p> <p>Senior Executive Vice-President, Strategy and Cybersecurity activities</p> <p>Senior Executive Vice-President, Group General Secretary and Secretary of the Board of Directors</p> <p>Senior Executive Vice-President, Group Human Resources</p> <p>Senior Executive Vice-President, Internal and External Communication for the Group and Brand</p> <p>Senior Executive Vice-President, Orange Middle East and Africa</p> <p>Senior Executive Vice-President, Orange Business Services</p> |
|---|---|

The Orange compensation policy for senior executives reflects the focus on corporate social responsibility at the highest level of the Group's governance, the Engage 2025 strategic plan and performance targets for the short, medium and long term.

# Compensation balanced equally between financial and non-financial performance targets

## A comprehensive compensation policy

→ Each year, the compensation of Orange's corporate officers is assessed by the Board of Directors on the basis of recommendations made by the Governance and Corporate Social and Environmental Responsibility Committee. It is also subject to approval at the annual Ordinary Shareholders' Meeting as part of shareholders' Say on Pay.

We implement our Corporate Social Responsibility (CSR) strategy by incorporating non-financial performance criteria into the compensation packages of corporate officers and members of the Executive Committee. These criteria include social indicators, such as workforce participation rates for women, accident frequency rates and the Employee Barometer, and environmental indicators, including the change in CO<sub>2</sub> rate per customer use and the renewable electricity rate. This last indicator was introduced in 2020 as part of the Group's efforts to reach net zero carbon emissions, which will be achieved in particular by switching to renewable energy sources.

Non-financial criteria help to reconcile short-term operational profitability targets with longer-term objectives to create value and defend shareholder interests. The policy applies to all senior executives to ensure they are working towards the same targets.

## The three pillars of executive compensation

→ The compensation of Orange's corporate officers is made up of three components.

### Fixed compensation

The fixed compensation of corporate officers is

determined based on the level and complexity of their responsibilities, their experience and professional background, and market analysis for comparable positions. In 2019, it remained unchanged from the previous year.

### Variable compensation

Variable compensation is intended to give corporate officers an incentive to fulfil the annual performance targets set by the Board of Directors in line with the corporate strategy. The variable component is split into levels of performance with a balanced weighting between financial (50%) and non-financial (50%) criteria. The variable component is determined using specific objectives and quantitative performance measures, including non-financial indicators.

The variable component represents 80% of the fixed compensation awarded to the Chairman and Chief Executive Officer, and can increase to 100% where targets are exceeded, and a maximum of 60% of the fixed compensation awarded to the Delegate Chief Executive Officers\*.

### Performance shares

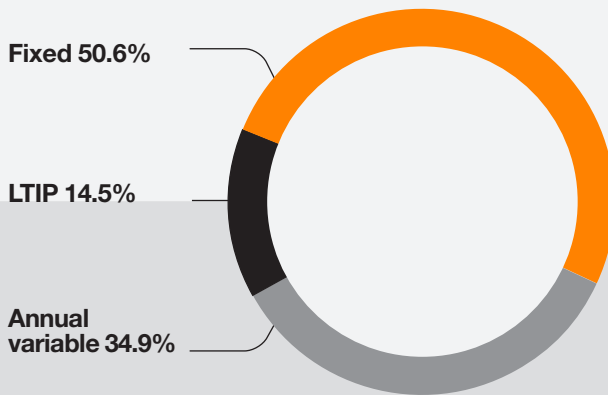
Corporate officers benefit from performance shares grants under the Long-Term Incentive Plan (LTIP) in order to effectively align their interests with those of the company and the expectations of shareholders. Performance is measured over a three-year period and is based on criteria that take into account the direct contribution of executives to the long-term overall performance of the company. The plan is open to members of the Executive Committee, as well as executive and leadership networks. ✕

\* For more information, see the 2019 Universal Registration Document.

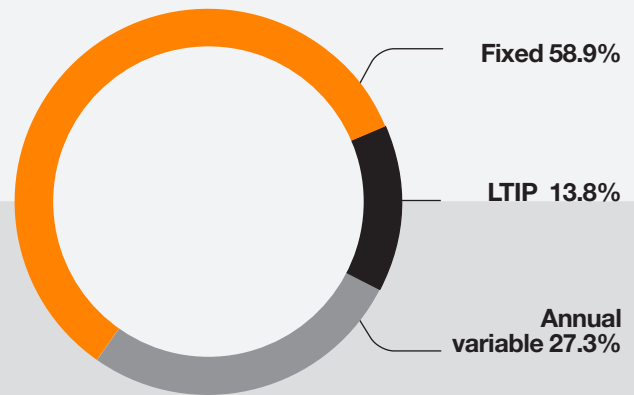


## 2019 Compensation: quantitative, measurable criteria

### Chairman and CEO



### Delegate Chief Executive Officers



### Annual variable compensation

#### Financial criteria

30% operating cash flow

20% change in revenues

#### Non-financial criteria

33% employee experience indicators

17% BtoC and BtoB customer experience indicators

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### 2019-2021 LTIP

#### Performance indicators

50% total shareholder return

50% organic cash flow (telecoms activities)

#### Moderating criteria

CO<sub>2</sub> rate per customer usage, Net Promoter Score, Brand Power Index  
average broadband and mobile data throughput, revenues from diversification

**By making ethical conduct central to the way the Group operates, Orange is going above and beyond regulatory requirements to meet its stakeholders' growing demand for transparency. We believe that sustainable performance is only possible when it is built on trust.**

# Ethical principles to enable sustainable performance

## Ethics and compliance

→ Orange's Compliance Department ensures compliance with laws and regulations in order to protect the Group, its employees and its executives from the risks of non-compliance. We do so by identifying and analysing risks as well as by implementing operational action plans and taking a structured approach to raising awareness, training and sharing best practices. This approach finds its roots in our Code of Ethics, which sets out guidelines for our stakeholders and governs the professional conduct of our employees. Our network of ethics advisors implements the approach operationally, and the Group Compliance Department organises international ethics events, such as the Ethics & Compliance Day, which are orchestrated at entity level by the Ethics and Compliance network.

## Anti-corruption

→ Orange follows a zero-tolerance policy when it comes to corruption and influence peddling. Our network of Compliance Officers runs the anti-corruption compliance programme, which focuses in particular on staff training. With versions already available in both French and English, the UN-Orange online anti-corruption certification was translated into Spanish in 2019, and 35,000 certificates were issued in the past year alone. The Group's Fraud & Compliance approach to due diligence, which underwent a thorough review in 2019, has been deployed across the vast majority of the Group's divisions and operating countries. The new version of the "Eliot" system for declaring gifts and other benefits received and offered is used in 80% of the Group's entities.

## The ethical implications of AI

→ While AI has been identified as one of Orange's key growth drivers, a number of ethical principles need be met in order to ensure that the technology benefits everyone. This includes respect for diversity, privacy, transparency of algorithms and system security. To further develop this approach to AI, the Group has teamed up with the non-profit organisation Impact AI, which works with industry stakeholders to produce a collective response to the ethical and societal challenges that AI presents, and supports innovative positive impact projects. Furthermore, we support initiatives in France such as Objectif IA and we train our employees at our Orange Campus. We also signed the first International Charter for inclusive Artificial Intelligence with the Arborus fund in early 2020.

## Responsible purchasing

→ Orange pursues a responsible approach to purchasing and upholds its social responsibility principles in its relationships with suppliers. The policy requires a CSR clause to be written into all of the Group's framework agreements and local contracts. A Code of Conduct details the ethical, social and environmental commitments expected from suppliers. Orange is listed on the EcoVadis platform, and it ensures its suppliers are too. The Group also conducts its own audits. In 2019, the Orange France purchasing department received ISO 20400 certification and the Responsible supplier relations and procurement label. Over the past five years, the amount of goods and services Orange has sourced from France's sheltered employment sector has been steadily increasing, reaching €20.1 million in 2019. Orange is also helping to boost responsible purchasing standards through the JAC (Joint Audit Cooperation), an association of telecoms operators that monitors and assesses compliance with CSR principles among the largest suppliers in the industry. ✕



# 2019 highlights

## Brand

### An international campaign on digital responsibility

“We all have great power. We all have great responsibility.” Such is the message of our new ad campaign that shows a father giving his teenage daughter her first smartphone. Digital technology opens a world of possibilities, but such unparalleled freedom imposes a duty of responsibility on us all. Orange is helping to shape a world where everyone uses digital technologies in a safe and enlightened way.

## Purpose

### Orange unveils its collectively defined purpose

“As a trusted partner, Orange gives everyone the keys to a responsible digital world.” Orange’s purpose, defined in collaboration with its employees and stakeholders, was unveiled by Stéphane Richard in December. It was integrated into the Group’s bylaws and reflects Orange’s contribution to society (see pages 8 to 25).

## Strategy

**On 4 December, Stéphane Richard presented the Group’s new Engage 2025 strategic plan to set a new example in social and environmental responsibility (see pages 32-33 and 55-97).**

## Cybersecurity

### Acquisition of SecureData and SecureLink

In 2019, Orange finalised the acquisition of the Dutch company SecureLink, the market leading independent provider of cybersecurity in Europe, and SecureData, the UK’s largest independent cybersecurity service provider. Consequently, Orange became Europe’s leading cybersecurity company, operating in eight countries.

## Networks

### Orange builds its 10 millionth fibre connection

In March 2019, Orange celebrated building its 10 millionth FTTH connection in France. As a core stakeholder in the digital development of the region, and less populated areas in particular, the Group has built over 70% of the fibre network in France. At the same time, Orange also supports other operators in deploying their own networks by providing commercial fibre solutions.

## Workplace gender equality

### A global Group agreement on workplace gender equality

Orange signed a global Group agreement with UNI Global Union to improve gender equality in the workplace, support a positive work-life balance, and combat discrimination and violence across the Group's 26 operating countries.

## Financial services

### Orange Bank in Spain

Launched in November, this innovative 100% mobile-based banking offer includes a variety of services, such as a bank account, a Mastercard debit card, mobile payment and a savings account.

## Networks

### Faster deployment in international networks

In November, Orange announced the construction of a new international backbone network connecting eight countries in West Africa and recently invested in the most cutting-edge MainOne submarine cable, which connects Senegal and Côte d'Ivoire with Europe. The Group also partnered with PCCW and PEACE to deploy a new submarine cable between Europe and Asia via East Africa by 2021.

## Content

**OCS reached the symbolic threshold of 3 million subscribers towards the end of 2019, the year in which it broadcast the last season of Game of Thrones, the series that took the world by storm and was shown exclusively on OCS in France.**

## Eco-design approach to product development

### Launching the Livebox 5

Launched in October 2019, the Livebox 5 makes it possible for the entire family to use their devices at the same time, with download speeds of up to 2 Gb/s. From the design stage, Orange worked with its many partners to reduce the device's carbon footprint by 29%, in particular by developing a 100% recycled plastic case.

### Collaborative innovation

**The Orange Business Summit in April 2019 brought together 1,000 customers of Orange Business Services, LACROIX group, Schneider Electric, Renault and the SNCF, who all pledged to work with us to develop new uses for 5G.**

### Networks

**Orange Romania put technological innovation and premium packages at the heart of its 5G offer**

In November, Orange Romania was the first subsidiary in the Group to roll out 5G services. With mobile throughputs that can reach up to 1.2 Gb/s, Orange customers can enjoy a comprehensive range of premium services and devices designed to improve the 5G experience, such as eSIMs and Number Share, which allows people to use the same mobile phone number on several devices without a Bluetooth or Wi-Fi connection.

### Digital equality

**A new hub concept to promote innovation and integration**

In 2019, the Group inaugurated its first two Orange Digital Centers (ODC) in Tunisia and Senegal, bringing several strategic programmes together under one roof as well as courses to train young people in digital technology, a start-up incubator and initiatives to promote investment in their projects, representing one of the tangible ways in which Orange's Engage 2025 plan is taking action to promote digital equality.

### Networks

**At 31 December 2019, 67.5 million customers around the world had signed up to Orange's 4G offers (up 20.1% on the previous year), including 23.8 million in Africa and the Middle East.**

### Artificial intelligence

**Launching the virtual voice assistant Djingo**

Orange has launched its own smart speaker developed with Deutsche Telekom, featuring an integrated virtual voice assistant named Djingo. The technology is also available via remote control at no extra cost to Orange customers equipped with UHD TV boxes so they can operate all Orange TV services using voice controls.









# Commitment

Orange has centred its new Engage 2025 strategic plan around digital equality and the environment. In all our operating countries, we promise to reduce inequality to enable everyone, whatever their situation, to take advantage of the wealth of opportunities brought about by digital technology. As we take on the biggest challenge humanity has ever faced, we have a responsibility to start taking action right away, especially since telecoms operators have such an important role to play in bringing about a low-carbon economy.

# Promoting digital equality

**In addition to our efforts to provide coverage in all areas, we are combating the digital divide on all fronts. Our initiatives target those left behind by the digital revolution because they lack the resources or know-how or because of their social situation. We aim to help them access the digital tools and services essential to allow them to take part in and develop their own projects to generate economic growth and social well-being.**

## Coverage for all

→ To enable everyone to access digital technology and promote digital equality, Orange focuses on expanding network coverage. In France, the Orange Connected Territories programme significantly improves access to high quality high-speed and very high-speed fixed and mobile broadband for homes and businesses in rural areas. We connect urban areas to fibre networks and support local authorities in their Public Initiative Networks (PIN) projects. Orange currently holds the concession for 4 million PIN sockets. In addition, the French government has asked us to operate the programme to eliminate black spots and ensure every town in France enjoys mobile voice and 3G data coverage. In 2018, France's major operators came together on the New Deal for Mobile, an initiative to improve reception quality throughout the country, especially in rural areas, which has so far brought 4G coverage to an additional 10 million people.

In the Middle East and Africa (MEA), we rely on innovative technical solutions to expand coverage in rural areas such as lightweight masts that are easier and cheaper to install and more wide reaching antennae. The Group will set up 8,000 new 4G mobile sites by 2023, strengthening the core networks that carry the majority of traffic. The Group is simultaneously expanding global coverage through its Orange Marine subsidiary that specialises in laying and maintaining submarine cables.

## Inclusive offers and affordable devices

→ The consultation on vulnerability and digital technology conducted in France in 2017 highlighted the need to develop offers for low-income households. Families in the north of France who lack digital access can benefit from a discounted Coup de Pouce initiative that equips homes with a broadband and landline connection, reconditioned PC and free training. This is now being extended to the rest of the country and, given its success within pilot communities (4,000 customers), our Engage 2025 strategic plan now includes a commitment to launch subsidised offers in all of our operating countries in Europe.

In Spain, the Gigas Solidarios programme enables customers to donate their unused data to low-income families with school-aged children, to whom Orange also offers a connected tablet with free internet access and preinstalled software.

Orange is continuing to increase network coverage through the Middle East and Africa. In 2019, we launched our latest digital inclusion device, Sanza, a mobile phone with voice recognition features that's available in 11 African countries for a price of around \$20. With a battery life of 5 days, 3G+, Wi-Fi and Bluetooth as well as voice, text and data services, customers can enjoy smartphone-style features and access to the most popular apps. Sanza users can access the My Orange app as well as mobile money transfer solutions through Orange Money. In January 2020, the 4G Sanza XL was launched in three African countries at the average price of \$28.





## Orange Digital Centers — a unique concept to support innovation and promote access to technology for all

# 1.

**Coding school**  
Tech training and events centre

# 2.

**Solidarity FabLab**  
Digital fabrication workshop

# 3.

**Orange Fab**  
Start-up accelerator

# 4.

**Orange Ventures**  
Collaboration with the Group's corporate venture fund

→ As part of the Group's sustained efforts to foster an innovative and inclusive digital ecosystem, Orange launched the first Orange Digital Centers (ODC) in 2019. ODCs are launchpads for new ideas that are free, open to all and designed to host an extensive range of programmes, from digital literacy training for young people to start-up accelerators, all in one location.

Each ODC has its own Coding School, which combines a training centre, numerous events, a Solidarity FabLab and a digital fabrication workshop teaching 12 to 25 year-olds to use emerging technology in their projects such as 3D printers and laser cutters. ODCs also host Orange Fabs, our network of start-up accelerators active on four continents. For three months, start-ups receive mentoring and logistical support as they develop their solutions. ODCs operate as a network so they are able to take advantage of learnings from each other across several countries. Start-ups also have the opportunity to develop national and international partnerships with one or more entities from the Group. The ODCs work in close collaboration with our corporate venture fund, Orange Ventures, to identify the start-ups with the greatest potential. After the first ODCs were launched in Tunis in April and Dakar in October of 2019, we are preparing to open others in all of our operating countries and every operating division in France. ✕

## Meeting basic needs

→ We boost growth by providing essential services, primarily connectivity. In the Middle East and Africa, we have identified a number of areas for improvement, such as education and agriculture. E-education, or new technology in schools, is proving a low-cost, efficient solution for expanding resources and educating children across the entire region. Africa is expected to see the largest population growth in the 21<sup>st</sup> century, making it the youngest and most dynamic continent on Earth; it is therefore crucial to ensure young people have the education they need. In the Democratic Republic of Congo, Burkina Faso and Senegal, we have launched mobile offers collating high quality educational content in partnership with leading online learning platforms. To open quality education services to an even wider audience, we increasingly establish partnerships with e-learning providers such as Virtual Universities in Senegal and Tunisia, the CNED and edX (the world's leading provider of MOOCs). Mobile applications are proving to be very useful in agriculture, namely for managing farming activities. Orange Burkina Faso has launched an app called ASMA that lets farmers remotely manage irrigation control systems using their mobile phones, as sensors placed in the fields are equipped SIM cards that communicate with the management software. The solution reduces irrigation costs by over 70% while increasing productivity and income by 20%.

## Accessible products and services for people of all ages and abilities

→ Orange takes accessibility into consideration right from the product design phase, developed with inclusivity in mind to meet customer needs and uses and ensure everyone is able to take advantage of digital technology.

In mainland France, Orange leverages its unique retail network of 247 Autonomy-certified stores to offer solutions for vulnerable, elderly, and disabled people.

The range of accessible Autonomy products and services is available in stores and online at orange.fr, and includes Viktor, a smart cushion that maintains intergenerational ties to help senior citizens, the SmartVision mobile phone, the Braille smartwatch Dot Watch, and Handieasy accessories to enable people in wheelchairs to use

smartphones and tablets. In October 2019, Orange reiterated its commitment to accessibility when it signed a manifesto alongside several other French companies promoting the integration of disabled people in the workforce.

The Autonomy programme, run by the Group's Accessibility Department, is being rolled out in several Orange operating countries in the form of services (Tactile Facile in France, Spain and Romania) and products (ranges vary across France, Spain and Poland), with work underway in Jordan (customer relations accessibility plan) and Tunisia (accessible customer service). The Group also became a member of the global initiative The Valuable 500, which brings together 500 major corporations that have undertaken to employ people with disabilities.

## Promoting digital solidarity

→ Orange sets up and runs support and education programmes that harness digital tools as a means to economic and social integration. Since 2014, the Orange Foundation has been supporting vulnerable groups, namely young people and women by helping them access these programmes.

Since 2014, 109 Solidarity FabLabs in 17 different countries have been inspiring and retraining young people who are not in employment or training. The FabLabs offer training in digital production so they can access jobs in the digital economy. The Foundation's 250 Digital Houses active in 20 countries also empower and train thousands of women in digital technologies. In addition, 200,000 pupils learning at isolated schools without books or internet now have access to educational content through the Foundation's 820 Digital Schools in 16 countries.

In total, the voluntary support of 8,000 Orange employees, investments of €23 million in 2019 and the help of 460 partner associations allows the Foundation to help nearly two million people in 30 countries. To step up our community support, our new strategic plan pledges to extend the Foundation's presence to all of our operating countries, and coordinate all philanthropic projects within the same structure so as to promote synergies between the various initiatives. Finally, in order to encourage every Orange employee to play a part, the Group aims to extend opportunities for skills sponsorships, which up until now were available only to

# 3.2 billion

Of the 4 billion people in the world unable to access the internet, 3.2 billion live in areas with network coverage but are unable to connect because they lack the resources or know-how.

## Our 2025 agenda for digital inclusion

### Social Responsibility

- Open an Orange Digital Center in all operating countries and in every operating division in France
- Set up a Foundation in every operating country and coordinate outreach programmes

### Customers

- Create special offers for low-income households in every European operating country
- Expand the range of affordable smartphones in the Middle East and Africa
- Launch a mobile loan or rental plan along with a pre-owned phone range

### Employees

- Offer every employee in every country the opportunity to take part in an outreach programme

specific groups of employees. Everyone will now be able to get involved running digital workshops or volunteering in various projects supported by the Foundation.

### Educating children and parents about using digital technology responsibly

→ We want to promote safe and informed use of digital technology for everyone. The Group has developed several online platforms dedicated to educating both children and parents about using digital technology responsibly, such as Bien vivre le digital (making technology work for you) in France, and Por un uso Love de la tecnologia (spreading love through technology) in Spain. These online platforms are complemented with face-to-face workshops and conferences.

We support parents to better educate their children and incorporate parental control features so they can restrict access to certain content. In France, more than 1,800 people took part in Orange digital workshops in stores or at other locations in 2019. In our Better Internet for Kids programme, integrating child-friendly uses of products, services and content starts at the design phase. The #SuperCoders initiative, launched in some 20 countries in Europe and Africa, promotes digital creativity, collaboration, entrepreneurship and civic engagement. This programme has helped more than 46,000 children since it was set up in 2014. Teaming up with industry experts, we also run awareness-raising and communications campaigns such as “For a Love use of technology”, a campaign run by Orange Spain to promote the responsible use of technology and the internet among young people and children. ✕

# Combating climate change

**Orange has a part to play in combating the climate challenge, which is why it has set itself an ambitious target to achieve net zero carbon by 2040. We therefore need to undertake unprecedented efforts to become more energy efficient, make greater use of renewable energy and integrate more of our production processes and business lines into the circular economy. Telecoms operators are also able to bring about the low-carbon transition, which means we have a duty to provide other industries with solutions to reduce their CO<sub>2</sub> emissions.**

## The environmental impact of digital technology

→ 3.5% of global CO<sub>2</sub> emissions excluding deforestation: this is the estimated\* environmental footprint of the digital sector, due primarily to the manufacture and use of electronic equipment. Risk factors include exhausting natural resources (such as metals and rare earth elements). It is also important to remember the digital industry generates 12 times less CO<sub>2</sub> globally than manufacturing and seven times less than transport and construction.

## Targeting net zero carbon by 2040

→ In response to the climate challenge, Orange has committed to achieving net zero carbon by 2040, 10 years ahead of the target set by the GSMA and the recommendation made by the Intergovernmental Panel on Climate Change. Achieving net zero carbon means:

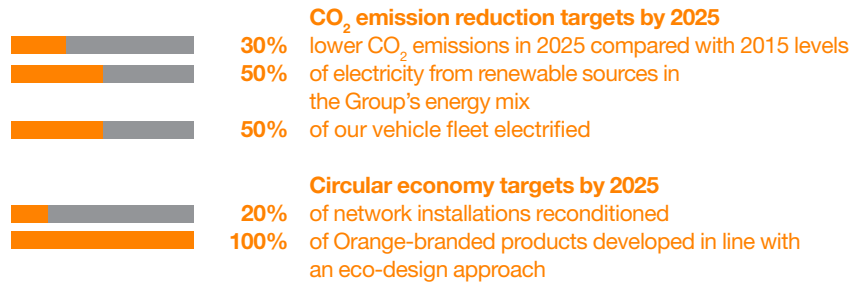
- Reducing our direct and indirect CO<sub>2</sub> emissions (generated by energy consumption and product life cycles) by 30% by 2025 compared with 2015 levels.
- Initiating projects to capture the carbon generated by the residual emissions on which we have a direct impact.

- Helping avoid emissions outside our scope by selling products and services that are more carbon friendly than those currently on the market, or by financing certified and accredited projects to avoid emissions.

## Reducing network consumption

→ Orange's networks and IT systems account for over 80% of the Group's CO<sub>2</sub> emissions. Since 2010, we have been implementing energy action plans in partnership with our operating countries through our Green ITN programme. For example, we help to optimise the energy consumed by data centres such as the one opened in Antwerp, Belgium, in 2019. We reduce physical equipment and electricity costs via free cooling systems and virtual servers. In 2019, despite increased traffic on our networks, we were able to reduce our CO<sub>2</sub> emissions by 4.2% on the previous year. The Green ITN programme has enabled us to reduce CO<sub>2</sub> equivalent by 2.7 million tonnes over the period between 2010 and 2019. Furthermore, our cable ships are connected to the power source of their onshore base when they are in port, which is about a quarter of the time, avoiding the need to run the engines or generators to produce electricity on board and thereby significantly reducing emissions of gas and pollutants.

# 2040 Net zero carbon by 2040



We also optimise the development of new networks. For example, 5G integrates various systems designed to consume less energy per quantity of data transported, such as deep standby mode.

## Improving energy efficiency in buildings and transport systems

→ In 2019, the CO<sub>2</sub> emissions generated by buildings and transport systems fell 15.9% on the previous year as old infrastructure is gradually replaced with more efficient installations. Optimisation strategies have enabled several subsidiaries to reduce consumption of their IT and office equipment by 30% since 2015. In addition, we now have the largest company car-sharing pool in Europe, with over 2,600 vehicles. We are also aiming to expand our stock of electrified vehicles (hybrid and electric), so they account for 50% of our entire fleet in 2025. Furthermore, we have equipped approximately 270 rooms in France and nearly 100 around the world with video conferencing technology to reduce the need for business travel. Orange MEA\*\* has put in place a video conferencing solution in its new head office in Casablanca, which will help reduce business travel by 25% from 2021.

## Increasing the proportion of renewable energy in our energy mix

→ Currently, 26% of the Group's electricity needs are met using energy from renewable sources, taking into account our own business activities and the energy mix in our operating countries. We are aiming to increase this proportion to 50% by 2025, in particular by signing power purchase agreements (PPA) in Europe and expanding solar farms and power plants.

We are focusing heavily on harnessing solar energy in Africa and the Middle East. Eight countries already benefit from solar energy through partnerships Orange has developed with energy services providers, known as ESCo (Energy Services Company) projects. At the same time, over 2,800 sites in the MEA region located in rural areas are equipped with solar panels.

Our three solar farms in Jordan cover 73% of the electricity needs of our subsidiary, and in time this figure will reach 100%. In Europe, an initial selection of 47 Orange Slovakia sites were fitted with solar panels, with a view to equipping between 5 and 10% of sites by 2023. ✕

\* The Energy and Carbon Footprint of the Global ICT and E&M Sectors 2010–2015, J. Malmudin and D. Lundén, Sustainability 2018.

\*\* Orange Middle East and Africa.

## Applying a circular economy approach to our devices and products

→ At COP21, Orange pledged to integrate the circular economy into its processes and business lines. Our strategy now focuses on prolonging the life cycle of our products and devices (in particular on how they can be reused), optimising the way they are processed at the end of their life cycle and developing products and services in line with an eco-design approach. Within the Group, the OSCAR programme is used by all subsidiaries to industrialise the purchase and resale cycle for reconditioned IT and network equipment. It harnesses the circular economy to minimise the volume of new equipment purchased and therefore reduce our overall carbon footprint. We are aiming to recondition 20% of equipment by 2025, while maintaining the same level of service quality.

Environmental considerations are taken into account in the life cycle assessment of our products, from design to recycling. For example, the carbon footprint of the Livebox 5 is 29% lower than the Livebox 4 as it is smaller and uses recycled plastic and fewer components. By 2025, 100% of the products marketed under the Orange brand will be developed in line with an eco-design approach. Furthermore, our retail network stocks the Fairphone 3, a modular smartphone designed to be fairer and more sustainable.

To increase the proportion of our products that are recycled, we run collection drives and in the last 10 years we have collected nearly 15 million telephones in Europe, including 8 million in France. Through our partnership established in 2009 with the French community charity Emmaüs, we have set up collection stations in France and five countries in Africa for unwanted mobile phones, which gave rise to community action creating jobs locally in France

and Africa. At the same time, we now collect nearly 90% of our multimedia devices (Liveboxes, set-top boxes and Airboxes). The equipment can be used, repaired and reconditioned up to five times. In addition to reusing equipment in this way, we run campaigns to raise awareness among customers and employees about environmentally friendly behaviour, like monitoring the energy consumption of devices and appliances that are plugged in or charging, recycling devices and appliances, opting for digital billing and minimising plastic waste.

## Protecting biodiversity through partnerships

→ Orange applies its digital expertise to several biodiversity research programmes. In 2014, we became a partner to the CREA Mont Blanc Research Center for Alpine Ecosystems, an NGO that analyses the impact of the climate challenge on biodiversity. Orange helps by collecting, processing and popularising scientific information for decision makers and society in general. Our subsidiary, Orange Marine, also established a partnership with the European Research Infrastructure Consortium Euro-Argo and the ocean chapter of the Global Climate Observing System (GCOS). Furthermore, Orange Business Services joined the Sobloo project, a one-stop-shop to process all geospatial data on the DIAS platform (Data and Information Access Service). Sobloo offers individuals, businesses and organisations the world over access to data from the Copernicus programme, paving the way to a new era in the analysis of Earth observation data. ✕

# Digital technology – part of the solution for tackling the climate challenge



→ Uses of digital technology are growing considerably. It is therefore essential to measure and minimise the impact by developing solutions that meet the genuine needs of customers. We have developed offers with net positive carbon footprints, such as collaborative tools, fleet management and smart buildings. The drop in the carbon footprint achieved through some of these offers can be estimated using a carbon calculator.

We strongly believe digital technology can bring about solutions that have a positive environmental impact on other industries in the economy, including transport, energy, construction, healthcare and education. Our research labs and collaborative innovation projects help design and develop sustainable alternative services and solutions for smart cities and

energy networks, the Internet of Things (IoT), smart metering and multimodal, environmentally friendly mobility. Big data and AI have a role to play in improving the performance of energy efficient solutions for urban development, transport and industrial machinery. For example, France's Environment and Energy Management Agency (ADEME) has calculated that data analysis could make energy savings of 20% by 2030 in French manufacturing.

Since setting up the Smart Cities programme in 2011, Orange has helped regions with urban environmental management, for example by applying IoT solutions to expand monitoring. For example, in France, they monitor temperature and air quality in nurseries and schools in Narbonne and measure the water level in reservoirs in Saint-

Quentin-en-Yvelines. The widespread use of connected devices and appliances and the greater processing of data can lead to innovative solutions that optimise traffic circulation, energy consumption and waste collection as well as minimise the consequences of natural disasters. ✕











# Ambitions

**Our Engage 2025 strategic plan revolves around four bold ambitions to enable us to tackle the changes in our industry. These ambitions involve reinventing our operator model, accelerating in growth areas, placing data and AI at the heart of our innovation model and co-creating a future-facing company.**

**Ambition 1**

# **Reinventing our operator model**

As the leading 4G provider and number one Fibre to the Home (FTTH) operator in Europe, Orange capitalises on its head start in broadband and mobile networks to offer its customers enhanced connectivity with faster speeds and new complementary services. The Group is also aiming to optimise, develop and better exploit its infrastructure to strengthen its leadership.

# Enhanced connectivity for all our customers

**Our high performing network infrastructure gives us the opportunity to offer an unmatched customer experience. However, we also have to continually reinvent the way we position ourselves against our competitors and provide enhanced connectivity, both in broadband and mobile networks. We deliver this through increasingly fast throughput speeds and new complementary services.**

## Faster throughputs at home and at work

→ Orange was the first broadband operator in Europe to make the strategic decision to roll out Fibre to the Home and provide the Group's operating countries with very high-speed broadband. Our FTTH packages bring retail customers speeds of up to 2 Gb/s, and speeds will soon reach 10 Gb/s as we progressively upgrade infrastructure, ready for when faster throughputs are required. At end-2019, 39.5 million homes throughout the world were connectable to Orange's very high-speed broadband, including 16.3 million in France, 14.9 million in Spain, 4.2 million in Poland and over 500,000 in Slovakia. By 2023, we will connect over 65 million homes in Europe to fibre by deploying our own cables as well as using third-party networks, thereby consolidating our leadership position on the continent.

At the same time, in order to guarantee maximum-capacity broadband access for our European customers, we will improve "Homelan" connectivity, their in-home network. Using smart Wi-Fi technology, set-top boxes and Wi-Fi repeaters will optimise Wi-Fi resources to ensure a robust and stable connection.

The Fibre to the Office (FTTO) network meets the specific needs of businesses keen to take advantage of fibre

optic performance at their major and critical business facilities, with a choice of upward (uploading data to the network) and downward (downloading data from the internet) data flow up to 10 Gb/s. The Group is aiming to grow its market share in BtoB connectivity and support businesses as they transition to fibre. By 2025, we are seeking to achieve a fourfold increase in the number of business customers using fibre in France.

As uses change, companies are increasingly looking for flexibility and responsiveness. That's why we are continuing to virtualise network functions, for example by integrating cutting-edge SD-WAN (Software-Defined Wide Area Network) technology, which makes it possible to centrally automate, programme and control end-to-end network infrastructure from remote sites to the cloud with guaranteed levels of performance and security. Network Function Virtualisation will progress in the coming years, driven in particular by advanced 5G services. Orange Business Services supports a number of companies through the transition – for example Sony, which in 2019 chose our Flexible SD-WAN solution to transform its global network into a single automated, smart system. Its network will connect over 500 locations across 50 countries and five continents to optimise performance, security and scalability of operations.

# 10 Gb/s

**Fibre optic broadband speeds  
by 2025**



Over

# 65 million

**homes connectable to FTTH by 2023**

## Content that everyone will love, available on every device

→ With broadband speeds gradually increasing and home connectivity continually improving, this is a timely moment for Orange to expand its content distribution activities. That's why we're developing partnerships with content services providers (including Canal+, Discovery, Netflix and Eleven Sports) and rights owners for OCS and VOD (HBO, Sony and the French film industry) to provide access to the best content for our customers. Set up in 2017, Orange Content spearheads this strategy and supports all the Group's operating countries. As an aggregator and distributor of content, we aim to become a "super aggregator" so that our customers can enjoy all their content services through a single interface that's simple, intuitive and centralised. To stay in step with our customers' changing uses, we will extend the Orange TV experience across all their connected devices. We have also adopted an ambitious policy to produce and coproduce films and series through our subsidiary Orange Studio. Our premium content service OCS totalled 3.1 million subscribers at end-2019 and is available through most distributors in France as well as directly over the internet.

## New services for the homes of the future

→ We continue to develop offers that make homes safer and easier to manage. In France in 2019, we successfully launched Protected Home, our remote home surveillance system that detects intrusions, as well as our Connected Home mobile app for installing and remotely managing smart household appliances. Similarly, in Spain, our Alarma solution allows users to remotely manage security equipment with their smartphone, while Orange Smart Home manages smart devices and appliances remotely or via a smartphone or a smart speaker in the home. Furthermore, Serena offers an emergency remote assistance service for the elderly using an app or directly via a button on their mobile phone.

In November 2019, we launched our own smart speaker developed with Deutsche Telekom, featuring an integrated virtual voice assistant named Djingo. The technology helps to simplify services, including making hands-free phone calls, using voice controls to operate Orange TV and controlling smart lighting and sockets through Connected Home. ✕

## The essential role of wholesale

→ In addition to services for retail and business customers, Orange sells wholesale services to other operators. Offering enhanced connectivity to wholesale customers – specialist telephony providers, domestic and international operators in the wholesale and retail markets as well as content and internet service providers – broadens the range of solutions for their specific needs in fixed or mobile broadband.

The aim is to provide more flexibility in network capacity, lower waiting times and more secure solutions. The customer journey is becoming increasingly digital, and we are looking to make large network capacities available in just a few clicks. Furthermore, to provide Orange customers with a simplified experience, aggregation with offers from other infrastructure operators is key. These other fixed infrastructure operators can in turn become customers in our domestic markets using our civil engineering infrastructure and hosting solutions. Orange is also favourably positioned when it comes to content delivery.

In the wholesale mobile market, Orange offers national and international roaming services to virtual mobile network operators along with targeted solutions for IoT markets.

## Europe's leading provider of 4G coverage

→ In Europe, Orange continues to develop its 4G and 4G+ mobile networks in order to increase speeds and population coverage. At end-2019, coverage rates reached nearly 100% in countries such as Poland (99.9%), France (99%) and Romania (98.1%). In six of our eight operating countries in Europe, we remain the operator with the most customers, over 43 million in total. In 2019, the Orange mobile network was ranked No. 1 in France for the ninth consecutive year by Arcep (France's regulatory authority for electronic communications, postal and print media distribution). In addition, our coverage policy targets the most sparsely populated areas so we can bring very high-speed broadband and fibre to rural communities.

## A turning point for 5G

→ In November 2019, Orange deployed the first commercial 5G networks in the three Romanian cities of Bucharest, Cluj-Napoca and Iasi. Over the course of 2020, we will continue to roll out 5G where it is needed in most of the Group's European operating countries depending on the availability of bandwidth and changes in customer needs. We want to provide coverage for more than 85% of the population in France by 2023.

As soon as it goes live, 5G will provide much faster speeds with more bandwidth compared to 4G. From 2023, when our core networks will have transitioned to 5G, we will be able to reduce transfer delay and prioritise certain network slices for critical uses and specific services such as network security and industrial 5G. Furthermore, 5G will gradually become 10 times more energy efficient than other mobile networks for comparable uses by 2025. Such increased efficiency will be achieved through a number of ways, including deep standby mode for base station equipment. Orange pushed to integrate this functionality in end-to-end requirements for 5G both at the NGMN operator forum as well as with the 3GPP standards body. Other significant developments include new optimisation features through on-demand architecture and artificial intelligence. With 5G's technical performance, more use cases will emerge for business customers. The new network will bring about a major step change in the industry, making it possible to automate and optimise production lines, reduce QC issues, control machinery remotely and carry out predictive maintenance. Edge computing, an open distributed computing paradigm, could eventually allow data to be processed as close to the source as possible. The volume of data collected would increase tenfold along with processing and transmission speeds, opening the door for business to enter the age of real-time computing. 5G will offer retail customers smoother mobile connectivity and enhanced immersive experiences (virtual reality, augmented reality and high-definition 360° video) for educational, cultural and sports content. It will also enable virtualised computing and gaming, standardising mobile cloud-based apps.

## Imagining the future of 5G with our customers and partners

→ Since 2012, we have been developing 5G in collaboration with research partners, universities as well as standards and regulatory bodies. We carry out tests and trials with manufacturing companies, business customers and start-ups to anticipate future uses. With that in mind, we are leading a collaborative innovation initiative with several French and European partners focusing on the factory of the future, predictive maintenance, connected and autonomous vehicles, the travel experience and the immersive sports experience. Joining forces with technological equipment supplier LACROIX Group, Orange is looking to get involved in developing the factory of the future by testing 5G use cases at the group's industrial campus and assessing the impact on production efficiency. Specifically, the industrial 5G network will operate autonomous connected trolleys to transport materials. ✕





# 5G – a game changer for business

**An exceptional tool to step up the digital transformation of businesses**

- 2019**
  - 5G deployed in 11 European cities and initial customer testing conducted.
  - First 100% 5G (standalone) data and voice call made in Valencia, Spain.
  - Stéphane Richard presented Orange's ambition to develop future 5G uses to more than 1,000 business customers present at the Orange Business Summit.
  - 5G testing conducted using the 26 GHz frequency band with Group partners and businesses at the Orange Gardens 5G Lab.
  - Commercial 5G launched in Romania.
  - Orange Industry 4.0 Campus launched, a 5G test hub for businesses located in the port of Antwerp, Belgium.
- 2020**
- 2021**
  - 5G progressively rolled out at existing 4G sites in major cities and other economic activity centres.
  - 5G goes live in European countries based on bandwidth availability.
- 2023**
  - Core networks transition to 5G.

→ The powerful throughput and reduced waiting times enabled by 5G will open up a new world of possibilities for businesses, revolutionising their operations. Network slicing, which allocates “slices” of networks to service use, will increase the reliability and security of connectivity. 5G will contribute to the widespread adoption of the Internet of Things (IoT) – millions of connected devices and appliances, such as connected sensors and 360° cameras in smart cities, robots in manufacturing and healthcare, etc. communicating with each other and able to be controlled remotely. 5G’s transmission reliability will also expand the use of critical IoT in sectors where real-time data transfer is crucial, such as in healthcare with telemedicine, or in transport with connected and autonomous vehicles.

Once it becomes possible for vehicles to communicate with each other, as well as other road users (pedestrians and cyclists) and infrastructure (such as roads, road signs and traffic lights), apps will help reduce accidents and congestion, improving road safety and journey times. Such technological progress could also have a significant impact on distribution companies and their fuel consumption.

5G will also make it possible to accurately track deliveries from online retailers. And in the case of a production line malfunction, real-time monitoring would immediately recalculate the production plan and directly inform the end customer of a potential delivery delay.

For businesses, many use cases will impact both the workspace – the physical or virtual space in which people work – and the workplace, the physical space we occupy when we work. 5G capacities will enable increased and more widespread use of virtual, augmented and mixed reality. Virtual reality will be useful for training and remote meetings, while technicians equipped with augmented reality glasses can be assisted remotely by colleagues to guide them through service operations. Such new uses will also allow companies to reduce their carbon footprint by reducing travel. ✕

# More open, higher value network infrastructure

**Our network infrastructure represents an asset that sets us apart from the competition. That's why we're looking to optimise, develop and capitalise on it while remaining in control.**

## Continuing to roll out fibre

→ We continue to invest in fibre broadband services and remain committed to deploying the technology, particularly in France, by investing in both our own infrastructure as well as Public Initiative Networks (PINs) that bring broadband to sparsely populated areas. By 2025, Orange will make over 20 million homes in France connectable to very high-speed broadband, twice as many as there are today. To speed up deployment in rural areas, Orange will set up a new subsidiary in 2020 called Orange Concessions, which will bring together the four million connectable PIN sockets owned by local authorities and managed by Orange.

In Spain and Poland, we're working on a project called "Fiber Companies" (or "FiberCos") to share future FTTH roll-outs with other operators. By 2025, FiberCos aim to own a long-term infrastructure asset unlike any other in Europe.

## Decommissioning old networks

→ Orange is preparing for France to transition from copper to fibre. Once the 2025 plan has deployed fibre throughout almost the entire country, we will start

decommissioning copper infrastructure and switching all landlines to the new network. The work is set to begin in 2023 and projected to finish around 2030. We remain committed to supporting every one of our network users through their transition to fibre.

## Expanding our networks across the globe

→ Projects such as the PEACE submarine cable, which connects Europe to Asia via Pakistan and East Africa, will strengthen our position as a leader in the submarine cable market. Today, Orange is a majority investor in over 40 submarine cables, and it continues to invest in various projects to provide enriched, high-quality connectivity across the globe. Orange Marine, which installs and maintains submarine cables for the Group and other operators, continues its activities, diversifying by installing several new cables in 2019, including one connecting Patagonia and the islands in the south of Chile to the rest of the world.

The Wholesale & International Networks division is also continuing to invest in developing its infrastructure internationally. It is expanding its international networks by increasing its presence throughout the world and creating

## 40,000 mobile towers directly owned in Europe

France	17,100 sites
Spain	7,700 sites
Poland	5,200 sites
Romania	3,600 sites
Belgium	3,100 sites
Slovakia	1,800 sites
Moldova	1,500 sites
Luxembourg	200 sites



synergies between its retail and business telephony and IP networks. Furthermore, it will build a new international backbone network in West Africa, connecting eight countries through a combination of land and submarine fibre optic cables to meet the growing need for connectivity in the region.

### More open and shared mobile networks

→ In order to optimise the speed, coverage and cost of deploying our mobile network throughout Europe, we share part of our infrastructure with other operators. Agreements for radio access network sharing (RAN sharing) have been set up in Spain, Poland and Romania. In Belgium, the RAN sharing agreement between Proximus and Orange Belgium covers 2G, 3G and 4G technologies, and will allow for a faster, more comprehensive 5G roll-out. The shared network will improve coverage and increase the consolidated number of mobile sites. Both companies will retain full control of their own spectrum resources and continue to independently operate their core networks in order to guarantee their own unique service and customer experience. In Spain, we have expanded our RAN sharing agreement with Vodafone to cities

with populations of less than 175,000. The number of shared sites is expected to reach 14,800. The company has also extended the fixed and mobile network agreements with MasMovil and Euskaltel. RAN sharing agreements guarantee environmental efficiency as they reduce the number of equipment deployments.

In Europe, Orange owns 40,000 mobile towers – both masts and rooftop structures – 17,000 of which are in France. With the roll-out of 5G, increasing network densification and rising demand for connectivity in rural areas, our tower infrastructure is one of our most valuable assets. With our strategic locations, the potential to increase occupation rates is strong. To best capitalise on this infrastructure, we are setting up “Tower Companies” that will manage our towers in France and Spain from 2020, followed by the rest of our operating countries in Europe. Managed by a special division within Orange, these TowerCos will increase rates of tower sharing and improve operational efficiency and mobile CAPEX. In the long term, we plan to consolidate all or part of the regional TowerCos into a larger European TowerCo and increase our appeal in the broader European tower market to take advantage of every opportunity for consolidation. ✕

## Ambition 2

# Accelerating in growth areas

Orange is looking to become the benchmark digital operator in the Middle East and Africa by capitalising on the growth of mobile data and its multi-service strategy. The Group will maintain its leadership position in connectivity in the BtoB market and continue to expand integration services. Finally, Orange Bank will extend its financial services to all of our operating countries in Europe and Orange Money will expand its range of services in the MEA zone.

# Making Orange MEA\* the benchmark operator for digital services in the Middle East and Africa

**Active for more than 20 years in the Middle East and Africa, Orange has set its sights on becoming the region's preferred multi-service operator by 2025 by focusing on digital services, reinventing the customer experience and opening up the digital ecosystem with greater voice, data and mobile money connectivity. To achieve this goal, we will harness our mobile and distribution networks, customer insights and winning multi-service operator strategy.**

\* Orange Middle East and Africa

## Broader mobile coverage

→ By 2021, there is expected to be one billion smartphones in Africa and mobile data traffic will have increased drastically. To keep in step with rising demand, we're continuing to expand our network, which numbered over 30,000 sites in late 2019, primarily located in rural or extremely rural areas. 4G is currently available in almost all of our MEA operating countries and TDD-LTE, providing 4G broadband, is available in eight countries. Network-sharing agreements help to expand coverage while keeping investment and operation costs low. We're deploying innovative and energy-efficient technologies in our infrastructure, namely lighter, less energy-intensive towers to provide coverage in rural areas. As both smartphone ownership and 4G coverage grow, digital inclusion is improving in our operating countries. Even in the most remote areas, people can use their mobile phones to easily access reliable financial and health services, energy provision and digital content. We are also planning to make our entire multi-service offer available via a one-stop-shop application called WeOrange.

## Financial services powering our strategy

→ The driving force behind our multi-service operator strategy in the MEA is our money transfer and mobile payment service, Orange Money. Since the service was launched in 2008, millions of people excluded from the conventional banking system have been able to conduct financial transactions through our quick, secure and reliable service. With more than 45 million customers and growth rates exceeding 14% every year, Orange Money has earned the trust of people in Africa, demonstrating the importance of secure, high quality services. This business line represented 27% of revenue growth and 8% of revenues for the region. In 2019, Orange Money sustained its exponential growth and boosted financial services in the region by providing an enhanced customer experience to its users and new smartphone owners alike. In 2020, Orange Money will expand services into Morocco and Jordan.

In July 2019, we obtained a banking licence from the Central Bank of West African States in order to launch Orange Bank Africa in our operating countries in the West African Monetary Union. This vote of confidence is a testament to the

# 20%

**of revenues generated by Orange in the Middle East and Africa will come from multi-service offers by 2025**

value of our efforts to improve financial inclusion in the region, and Orange Bank Africa offers further proof of our commitment to provide increasingly inclusive financial services, including savings and loans.

## Providing vital access to energy

→ With 60% of people in Africa living without access to reliable energy sources, this utility represents an important growth driver in the MEA. As a telecoms operator, we're able to provide all communities with new services such as energy-efficient solar power equipment, making it possible to study, work, enjoy entertainment and charge devices and appliances without having to leave home. Solar kits with or without energy-efficient TVs were installed in over 20,000 homes in off-grid areas in Mali, Senegal, Burkina Faso, Cameroon, Côte d'Ivoire, Guinea and Madagascar. In areas with access to grid power, we installed back-up solar kits in 14,000 homes in the Democratic Republic of Congo and equipped 650 homes in Burkina Faso with smart metering technology that displays real-time energy consumption feedback so customers can adjust their behaviour to save

energy. In late 2019, Greenlight Planet joined Bboxx and Niwa as official Orange partners for providing clean energy solutions. Greenlight Planet is the largest supplier of prepaid solar energy products in Africa, and together we will be rolling out its Sun King off-grid energy systems to homes in remote parts of Burkina Faso.

## Content-driven digitisation in Africa

→ Content represents an essential component of Orange's multi-service strategy in Africa and the Middle East, as it will help promote access and develop its local operator roots. To do so, we will be extending our local production and pay-TV offers.

In September 2019, Orange signed a partnership with Canal+ Afrique to make Canal+ pay-TV packages available to Orange customers in Sub-Saharan Africa in 2020. At the same time, we're also investing in local production, namely in Senegal with season 7 of *Idoles* and in Côte d'Ivoire with *Assinie*. Orange customers have access to Sonatel's new video-streaming mobile app *Wido*, which features a large library of films and series to which Orange owns exclusive streaming rights. Orange has also entered into distribution partnerships with several third-party content providers such as *beIN SPORTS* in Egypt.

Orange is actively promoting the international rise of eSports, organising in 2019 its second annual pan-African video game tournament, the Orange eSports Experience. This year, the competition, which is the largest of its kind, brought together 12 countries and 36 champions for the finals in Tunis. The 2020 tournament is due to take place in December in Kinshasa.

Lastly, Orange stepped up innovation in Africa by launching a streaming library of ebooks, magazines and more with French start-up partner YouScribe, available in Senegal, Côte d'Ivoire and Cameroon.

## Keeping pace with advances in e-health in the Middle East and Africa

→ Orange is supporting regional governments by promoting e-health services. In partnership with the Moroccan Ministry of Health and the Global Fund to Fight AIDS, Tuberculosis and Malaria, we launched an e-health pilot project in Morocco that will improve care for HIV and tuberculosis patients with the long-term goal to eradicate these epidemics in the country. Through a new call and text notification system, patients benefit from faster, more effective communication with healthcare providers. We've also made it easier than ever to schedule appointments, which increases access to care, and appointment notifications help to prevent patients from missing their consultation. Overall, significant improvements have already been seen in the level of patient care, particularly for people living with chronic health conditions. ✕



# Accelerating the development of IT services and cybersecurity

**Our identity as a telecoms operator and our expertise as a services integrator give us a unique understanding in how to integrate, deliver and orchestrate IT networks and services. We capitalise on this strength to build an end-to-end offer combining our solutions with those of our partners to create unmatched added value. Orange is a digital service provider that grew from a network designed to connect, protect and innovate to drive long-term growth for businesses and organisations.**

## **Harnessing data analytics to drive performance and innovation**

→ Across the entire economy – in industry, healthcare, transport and the media – data analytics and AI remain central to our offers. By merging Orange Business Services and Business & Decision, we increased the ability of our 2,400 data and AI experts to support companies to process and analyse their data. Orange is also working with data specialists to expand the innovative ways in which data can be exploited. For example, our partnership with four bodies from the public (Haropa - Port du Havre and Le Havre Seine Métropole) and private (Cisco and Soget) sector has helped launch a Smart Data Services platform in Le Havre, northern France, which reduces congestion in goods being transported through the port area and improves passenger connections for local residents by making it easier for them to use several modes of transport to get from A to B. We are also continuing to develop the Flux Vision solution, which processes over 15 billion technical datasets each day in Europe.

## **Gathering and exploiting data with specialist cloud services**

→ There are many cloud-based data storage solutions, including the public cloud, private or hybrid clouds and multi-cloud services. With the rise of edge computing, organisations can also process data locally without migrating it to a central cloud system. We support businesses to define their strategy and help them best manage these complex systems, while also developing specific solutions on the ground wherever necessary. The acquisition of Basefarm Holding AS strengthened our offer by enriching our expertise in state-of-the-art technology for data management, critical application management, big data and multi-cloud services and extending the geographic coverage of our cloud services. Midea, the world's leading supplier of consumer electronics and robotics, chose Orange Business Services as its exclusive supplier to reinvent its global "industrial platform", which will be rolled out in Asia, Europe, North America and South America. The French public employment integration body (Epipe) has also placed their trust in our services to enhance the agility of their professional software by developing native cloud apps for its 4,000 users. To become more agile and innovative, future-facing businesses must profoundly transform their business model and technology, in particular by moving to native cloud services.

Over  
**50%**

of BtoB revenue  
will be generated through new  
connectivity services  
(SD-WAN, 5G) and IT services in  
2023

## E-health: using digital technology to improve healthcare



The teams from Orange Healthcare and Enovacom are helping healthcare providers in France and around the world to navigate their digital transformation. Orange Healthcare is one of the few suppliers to be certified as a health data host in France to provide physical host centres, physical and virtual infrastructure and software platforms. Our interoperable solutions encourage sharing and dialogue between structures by allowing communication between different healthcare software and optimising the management of daily data flows. Our voicemail (MSSanté) and file transfer (BlueFiles) services ensure the secure transmission of healthcare data required to coordinate treatment. Enovacom Surycat offers a smart solution to manage critical communications, which is used as part of France's national emergency response "plan blanc" to cope with the increase in demand for healthcare. At the same time, we are working to digitise the patient journey using in particular Memoquest, a chatbot to monitor outpatient care that is able to hold personalised dialogue with patients using AI algorithms. Furthermore, our Healthcare Data Warehouses make it easier to exploit healthcare data for clinical and research needs.

## Gaining a strategic advantage through network and data security

→ As IT services migrate to the cloud, the question of security becomes increasingly critical. Drawing on the expertise of Orange Cyberdefense, we guarantee the security of all our cloud offers, extending our extremely secure technology to native cloud solutions. Through the acquisition of SecureLink, the market leading independent provider of cybersecurity in Europe, and SecureData, the UK's largest independent cybersecurity service provider, Orange has considerably strengthened its ability to support its customers in all regions to combat cyber threats. With 26 detection centres in 13 countries, Orange Cyberdefense analyses over 50 billion pieces of statistical information each day.

Following the fire in Notre Dame Cathedral, our teams offered their support to the French Heritage Foundation to safeguard its website and recognise attempted fraudulent transactions and identity fraud. In 2019, we also launched an escape game to raise awareness among businesses about the importance of cybersecurity.

With Orange Cyberdefense, the Group is positioned as the leading provider of cybersecurity services in Europe, generating €708 million in revenue.

## Revolutionising uses with IoT

→ The Internet of Things (IoT) is revolutionising business models and the daily lives of users with innovations such as autonomous vehicles, public transport management, industrial campuses and urban monitoring. Orange Business Services is helping to bring about this transformation with a number of turnkey IoT solutions that combine connectivity, data collection, security and real-time data processing. We also provide professional apps so customers can easily operate their facilities, improving both operational efficiency and service quality. Orange also draws strength from partnerships, such as the collaboration with Mobileye, an Intel subsidiary and leading developer of advanced driver-assistance systems (ADAS), to interconnect its cutting-edge anti-collision software. Named Mobileye 8 Connect™, this technology marks a new milestone in autonomous vehicle technology by making roads safer. Each IoT project receives end-to-end support from a team of 500 IoT experts and 400 developers who work on over 1,000 software and integration projects each year. In 2019, the Group managed over 18 million connected devices and appliances, representing 330 million datasets processed every minute, through its global IoT coverage enabled by over 500 roaming agreements. ✕

# Continuing to expand financial services across all our operating countries

**Boosted by synergies between our telecoms and banking-insurance businesses, financial services are driving growth in Europe as well as Africa and the Middle East. We're gearing up to broaden the scope of Orange Money services available in Africa and the Middle East and capitalise on the success of Orange Bank in France by deploying the model throughout Europe.**

## Expanding presence and services for Orange Money

→ Orange aims to become one of the leading providers of mobile financial services in Africa and the Middle East. A major growth driver in Africa, Orange Money is present in 16 countries and serves 45 million customers who rely on mobile services to make their lives easier each day. With 220,000 points of sale throughout the continent, it's a convenient solution for cash deposits and withdrawals. It also promotes economic development, which is why these services are growing in so many countries. Indeed, many governments and institutions now use Orange Money, such as Côte d'Ivoire to pay school enrolment fees, Guinea to pay vehicle taxes or Mali to pay pensions.

We will continue to grow by entering new markets in Morocco and Jordan, while also making the entire Orange Money ecosystem digital. For example, a banking app already enables customers to better manage their finances and transactions, and we've implemented the first Chatbot Messenger in Côte d'Ivoire. The next step is to develop the use of QR codes for customer payments.

Furthermore, following success in Madagascar, we'll be extending savings and loan services to new countries in 2020

and building alliances with new banking partners as well as with Orange Bank Africa. Operations are set to begin this year after the Group received its licence from the Central Bank of West African States in July 2019.

## Ramping up deployment of banking and financial services in Europe

→ Launching Orange Bank in 2017 was a landmark moment in our Essentials2020 plan. Attracting over 500,000 customers in just two years – an average of 20,000 new customers per month – Orange Bank has confirmed its potential for commercial success in France. Of these customers, 75% joined to open a bank account and 25% to apply for a loan, which translated into growth rates for their business that are far above the average achieved with neobanks.

This success encouraged the Group to launch mobile banking in Spain in late 2019. Orange Bank Spain offers a number of new features and advantages, including a high-interest savings account, a payment sharing service for customers to transfer money and manage payments between groups of people, for example to pay utility bills or a Netflix subscription together.

**5**  
**million**  
Orange Bank  
customers in Europe  
and over 10 million  
in Africa and the  
Middle East by 2023



## Orange Bank celebrates its two-year anniversary

Since 2017, Orange Bank has established a strong foothold in the banking sector through regular new service offers. In 2019, we launched the Visa Premium card, for which 26,000 customers signed up, allowing them to make purchases and withdraw money free of charge anywhere in the world. Likewise, in the past year we have integrated text payment request capabilities and, as of October 2019, we offer eligible customers financing for equipment purchased in Orange stores. Lastly, we have made Google Pay available to customers with NFC-enabled Android phones, allowing them to enjoy its highly appreciated mobile payment advantages as well as monitor their account in real time and transfer money via text message.

By 2025, Orange Bank will be rolled out in every European country Orange currently operates in, with the goal of reaching five million customers by 2023.

In France, the easy-to-use mobile services are highly competitive and key to winning over customers. The Orange Bank mobile app was one of the first of its kind to incorporate artificial intelligence to improve the customer experience. Our motto is to reinvent banking by placing trust and simplicity at the heart of the customer relationship. In keeping pace with modern lifestyles and responding to the growing demand for better personal financial management solutions, Orange Bank offers customers a banking experience that's unlike any other.

That's why transparency and accessibility are central at Orange Bank. With zero income requirements, eligible customers can enjoy access to our basic self-service banking tools free of charge. We provide banking services through a network that combines both human and virtual assistance. In 300 Orange stores in France, customers can sign up for banking services with advisors who are certified to act as intermediaries in banking operations and payment services. Customer relations are further enhanced by our virtual assistant, Djingo, which provides round-the-clock support. Since its launch, Djingo has handled over 2 million conversations with customers, and advisors are on standby in

Customer Relations Centres in Montreuil and Amiens in France, whenever it's necessary to escalate the call.

Orange Bank's growth is built on creating value and providing an unmatched customer experience. For the second year in a row, the French rating agency D-Rating ranked it the Best Digital Proposition based on 420 digital performance criteria. Meanwhile, Orange Bank's app store ratings have steadily improved, reaching 4.5/5 stars in the App Store and 4.3/5 in the Play Store.

Building on this progress, we've also further developed our strategy of creating combined offers with other branches of Orange and Groupama. Customers with a Visa Premium card are eligible for financing services and, since July 2019, 5% cash back on any equipment bought in Orange stores. The Groupama insurance group offers our customers an exclusive deal on a car loan when purchasing their auto insurance. Lastly, the partnership Orange forged with property services platform Nexity in late 2019 will simplify the home loans we offer and lead to new products, namely in insurance. We're now assessing options to provide insurance services to professionals and small businesses. ✕

## Ambition 3

**Placing data  
and AI  
at the heart  
of our  
innovation  
model**

These new technologies will enable Orange to improve the customer experience that combines the best in human and digital services, which are easy to use, specialised and responsible. We will harness data and AI technology to improve our networks so as to optimise the deployment of new mobile and broadband sites as well as facilitate maintenance while also reducing costs and enhancing service quality. AI will also help to make our internal processes and back office activities more efficient.

# Augmenting the customer experience

**Delivering an unmatched customer experience was a key objective for our previous Essentials2020 strategy. To achieve it, we transformed our networks to meet expectations for speed, simplified our offers, stepped up the pace of our digital transformation and developed the Smart Store concept. Today, we are capitalising on this success and integrating cutting-edge technology to combine the best in professional and digital services and move towards a genuinely augmented customer experience.**

## **A hassle-free customer experience in a multi-service world**

→ Offering our customers a hassle-free experience means allowing them to customise their own journey and access our solutions and advice whenever they need through digital tools. This transformation is already well under way at Orange – in 2019, 54% of customer interactions in Europe were conducted using digital channels.

In Europe, Africa and the Middle East, the “My Orange” app makes life easier for over 25 million customers who want a real time overview of their Orange accounts. This figure is expected to rise to 50 million by 2023. In 2019, Orange Poland launched Flex, a fully digital and customisable app that allows customers to sign up to a service and activate it immediately on an eSIM. By 2023 in Europe, 30% of Orange mobile or internet packages will be sold on a contract and 80% of remote customer service interactions will take place through a digital channel.

To meet this demand, Orange has expanded the use of chatbots to Belgium, Tunisia and Côte d’Ivoire. Conversations handled by virtual assistants in France, Spain, Poland, Romania and Jordan increased fivefold, from 3 to 15 million,

between 2018 and 2019. By 2023, chatbots will be able to handle 80% of customer conversations from start to finish.

Offering customers a hassle-free experience also means providing them with services that are customised, omnichannel and seamless. On digital platforms as well as in store, artificial intelligence and big data have a major role to play to support our customers. Analysing the customer journey helps us better understand their expectations in order to provide a more tailored experience on their local Orange website. Using machine learning to analyse browsing data allows us to make their most used services more prominent for frequent visitors and promote our most popular packages and services to occasional visitors.

## **Digital and caring expertise to support our customers**

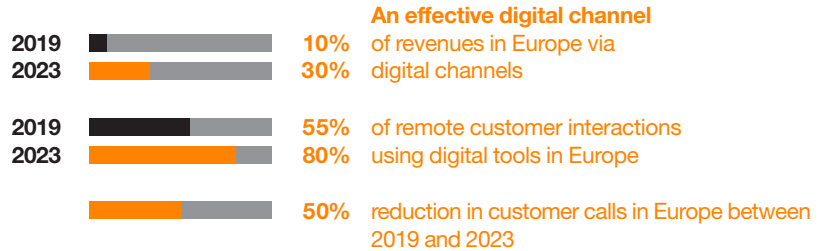
→ An augmented customer experience provides better access to expert advisors, both virtual and human, across all services and points of contact. Our in-store or remote advisors will always be there to assist and support our customers with more complex issues, so whether or not they are comfortable using digital technology, they are able to



# 9/10

customers recommend Orange in all its operating countries — 2025 target

## Engage 2025: our ambition in numbers



receive expert advice in an Orange store close to where they live.

This customer experience culture now extends to every level of the company through training schemes such as Orange in Touch or the Customer Journeys Onboarding programme. The “Future-facing Advisor” programme goes even further as the increasingly digital customer relationship is transforming the role of customer advisors in stores and in call centres. We organised pilot workshops in France and Jordan to communicate about different customer engagement drivers and identify the core skills that are required to enhance customer relations today and into the future.

The impressive performance of our 1,320 Smart Stores also demonstrates the way in which customers have bought into the combined face-to-face and digital relationship to achieve unmatched service quality. Beyond the revenue they generate, Smart Stores are highly rated by visitors, with an average satisfaction score of 8.5/10. The stores regularly enrich their offer with useful and technological innovations, such as geolocation, visibility of stocks and an in-store pick-up service, led by our Digital Retail programme. Orange is gradually upgrading all stores into Smart Stores.

### A responsible customer experience

→ In addition to our own environmental commitments, we encourage our customers to do their bit to combat the climate breakdown by helping them to minimise their digital footprint. That’s why we apply an eco-design approach to developing products such as the Livebox 5, which has a carbon footprint that is a third lower than with the Livebox 4. We also promote responsible digital behaviour and uses and, in France and Spain, we offer a range of reconditioned devices.

Furthermore, we encourage customers to bring their old mobile phones back to our Orange stores so we can recycle the handsets. We’re aiming to reach a handset recycling rate of 30% by 2025.

At the same time, Orange customers can also take part in initiatives to improve digital inclusion. For example, customers in Spain, Slovakia, Poland and Romania donated their unused data, meaning we were able to offer equipment and internet access to 20 schools and over 1,100 disadvantaged families with children in education in 2019. ✕

# Working for smarter networks and greater operational efficiency

Orange places great importance on network quality. We use AI and data to identify the best locations to deploy new mobile sites. Automating certain network features will considerably improve maintenance and therefore enhance service quality while also reducing costs. At the same time, digital transformation and AI will increase the operational efficiency of our internal processes.

## Optimising broadband and mobile network deployments

→ Statistical models that use big data and artificial intelligence help to determine the most favourable locations to deploy a network of sites and identify where resources should be allocated as a priority. In Spain, we use machine learning to optimise our investments and mobile network deployment plans by correlating dozens of variables, such as the number of users, average revenue per subscriber or the level of investment. Our Smart Capex tool forecasts the demand for mobile connectivity and its impact on network quality, as well as determines the value generated by the various deployment scenarios and identifies the towers that will offer the highest return on investment. We are keen to gradually roll out the use of machine learning to all our operating countries in Europe. Such statistical influence also extends to our broadband network. For example, in Poland, we have developed a big data tool to optimise our investments in fibre installations. By simulating various deployment scenarios and taking into

account a number of different parameters, such as geographic constraints and the presence of competitors, the solution supports our decision-making process for maximising coverage while minimising costs.

## Automating network management and maintenance

→ Artificial intelligence and data are becoming increasingly essential to manage our networks each day. For example, these tools enable our technical teams to identify congestion and degradation in the mobile network, so as to automatically adjust throughput and energy consumption according to usage.

In France, Orange works with online tools that use AI and data to diagnose and detect incidents, which has significantly reduced the number of interventions for high-speed internet customers and resolve problems faster, generating savings of €20 million per year.

# €350

## million

total assets under management of Orange Ventures, corporate venture fund of Orange

## Strengthening the Orange Ventures investment fund

To continue to support the culture of open innovation and the ambition of creating an innovative digital world, Orange is transforming its Venture Capital activities. Orange Digital Ventures has become Orange Ventures and been provided with an increased financial commitment from the Group, taking its total assets under management to €350 million. With €50 million ringfenced for investments in Africa and the Middle East, and €30 million for investments in new sustainable and responsible business models that are in line with the Group's societal commitments. Synergies between start-ups within the Orange Ventures portfolio and the Group will be strengthened via structured processes to increase its anticipation, growth and operational efficiency. Four years after it was launched, Orange Ventures currently has a portfolio of 21 start-ups, including the UK-based fintech unicorn Monzo, the leading provider of cloud interconnection services InterCloud, and the Pan African EdTech and online Marketplace for developers Gebeya. Our aim is to grow Orange Ventures into one of the top ten European Corporate Venture Capital operations to stay at the cutting edge of technology.

## Combating fraud and tightening security

→ Fraudsters have developed many highly sophisticated techniques to traffic voice data internationally. To counteract such malicious acts, Orange experts design innovative tools that harness AI to detect fraud with a high degree of precision and adapt to the ever-evolving processes and methods of fraudsters. Fraud was detected manually in the past but a ground-breaking machine learning system Orionis has now been put in place by the Wholesale & International Networks division (W&I) with support from Orange Labs to analyse call reports. Automatic processing of this kind considerably reduces search times, improving the level of satisfaction among our wholesale customers and enabling the Group to make revenue savings of nearly €40 million each year.

## Expanding operations, back office and support departments

→ The W&I division has designed a single data

platform used by all teams. The data pool, developed with Orange Cloud for Business and Business & Decision, conducts in-depth analysis of our performance and customer base and offers the additional advantage of advanced business intelligence.

Furthermore, AI algorithms form the core of chatbot technology, which can automatically process a certain number of internal procedures. In the same way, robotic process automation (RPA) can be applied to a number of administrative tasks such as invoicing, purchasing, processing deliveries and handling customer emails. To accelerate the deployment of RPA to our various Group entities and subsidiaries, Orange launched the RPA Academy in 2019 in Spain and Poland, two RPA pilot countries with 350 operational chatbots. For example in Spain, over 140 employees are RPA certified. Participants from 13 countries attended workshops to acquire core skills in automation and better identify the ways in which different professions can take advantage of this technology. ✕

## Ambition 4

# Co-creating a future- facing company

In 2025, the company's profile will be considerably different from what it is today. It will be more international, more BtoB-oriented, more experienced yet still multi-generational and at the forefront of cutting-edge technologies. To successfully bring about this change, the Group will rely on its most important asset – the expertise and engagement of the men and women who make Orange what it is. Building a future-facing company means working with employees to develop core skills, confirming our position among the world's attractive employers and remaining responsible by supporting employees every step of the way.

# Addressing the skills challenge

**Orange is keen to prepare its employees for future technological and market shifts by developing their skills. That's why we've set up innovative learning systems that combine the best in digital and human services in cooperation with our vocational training schools and select third-party partners.**

→ Today, Orange is upholding its responsibility and leading the field in upskilling its workforce for the digital economy. To enable the Group to remain at the forefront of emerging technology trends for years to come and harness new skills to form the foundation of our business, we are helping employees acquire the expertise they need to face the changes that lie ahead in our industry.

We also believe that in order for Orange to succeed its corporate transformation, employees must be able to share knowledge with one another and incorporate new ways of learning. Their ability to combine technical and soft skills is integral to our future success.

## Enhancing employability for everyone

→ Orange will expand its business primarily by growing AI, data, cybersecurity, IT development, cloud services and Network Function Virtualisation. Between now and 2025, the Group will invest more than €1.5 billion in an ambitious skills development programme to strengthen, adapt and refresh employee expertise. Our long-term goal is to double the number of specialists we have working in these areas to over 20,000 and harness these technologies and skills in our future operations, particularly in our marketing and network management teams. In addition to developing highly skilled specialists, all Orange employees will receive training in these

new skill sets. In 2019, training initiatives in France focused on boosting interpersonal skills among customer services teams, transforming existing stores into Smart Stores and upskilling employees in networks of the future and IT. Orange Business Services has structured its BtoB training around understanding customer needs, digital trust, technological leadership and business agility. In the Middle East and Africa, training has focused on cybersecurity, big data and new financial services.

We also encourage all our employees to gain digital know-how by providing them with online resources such as our massive online open courses (MOOCs) on big data and blockchain. The blockchain MOOC has since been transferred to the online learning platform Moodle and is therefore accessible free of charge to anyone interested in understanding how new technologies are being leveraged in the business world.

## Transforming Orange Campus

→ The skills challenge is very real, and in order to address it, the Group is updating employee training through its Orange Campus network of schools, which is now accessible not only to all Orange employees but also to new audiences outside the company. Focused on four priority areas of expertise – data/AI, cybersecurity, management and soft

# €1.5 billion

invested in enhancing the skills of all employees worldwide by 2025

## Committed to gender equality in the workplace



Our focus on gender equality in the workplace is built around four priorities: access for women to managerial positions; gender balance in all professional roles, namely technical roles; equal pay; and work-life balance. To improve gender balance in technical and digital professions, Orange is investing in retraining. Already a member of the French Femmes@Numérique Foundation to promote gender diversity in the digital economy, the Group joined other companies in May 2019 in signing a manifesto to encourage women to change careers into digital professions in France. In addition, in July 2019, Orange signed a ground-breaking global agreement on gender equality in the workplace with UNI Global Union. The agreement seeks to improve gender equality, support a positive work-life balance and combat discrimination and violence. Orange was the first CAC 40 company to do so and the first in the telecommunications sector globally. But more importantly, it represents another step in the Group's commitment to social responsibility.

skills – Orange Campus provides a modern learning experience by drawing on its business experts, digital platforms, key partners and specific training locations throughout France, Europe and Africa. Training courses will become increasingly tailored, combining short information-based courses with more in-depth longer format training programmes to upskill or even retrain participants, earning them certificates and diplomas. The training experience will also incorporate newer, more immersive approaches and digital formats and promote innovative methods such as virtual reality, mobile learning and hacking rooms.

### A collaborative HR innovation Lab

→ The HR Innovation Lab, launched by Orange Business Services in April 2019, champions research and experimental initiatives. It brings together a wide range of stakeholders in the HR ecosystem – large corporations and small companies, freelancers, start-ups and employees – to understand how technological innovation can transform human resources, including its systems, skills, ways of working, organisation, employee experience and business culture. HR webinars, round tables and “learning expeditions” bring together academics, sociologists, experts and researchers from Orange Labs, with a view to publishing the conclusions of their discussions and research. Through the HR

Innovation Lab, Orange Business Services is focusing on collaboration as a key to anticipate and shape future-facing companies.

### Stimulating social innovation by promoting equal opportunity and diversity

→ Our diversity policy gives priority to equal opportunity, namely for young people from underprivileged backgrounds in our work-study training and workforce integration initiatives. In 2018, Orange joined forces with Microsoft and Simplon to create the Microsoft AI School, which helps people successfully change careers or find a job after long-term unemployment by offering training in skills required for the digital economy. The first Orange intake graduated from the school in 2019.

With 7% of Orange France employees registered as disabled, Orange is looking to extend its inclusion promise which encapsulates recruitment, retention, workplace accessibility and career development. In 2019, Orange reiterated this promise when it joined a number of major French companies in signing a manifesto for the integration of disabled people in the workforce. It likewise became a member of the global initiative The Valuable 500, which brings together 500 major corporations that have undertaken to employ people with disabilities. ✕



# Ranking among the world's most attractive employers

**Upskilling our employees is one way of responding to technological and market shifts; however, we must also be able to attract and retain top talent outside the company. Orange is leveraging its strong employer brand and internal career development programmes to stand out from the competition.**

## **Navigating emerging challenges in recruitment**

→ Between now and 2025, the Orange workforce will need to hire more experts in AI, data, cybersecurity, cloud services and Network Function Virtualisation. We want to establish a true competitive advantage rooted in distinctive expertise, which is why we identify, recruit and retain the best talent on the market. To improve recruitment practices, we're harnessing technology and open innovation with the leading start-ups in the field to select candidates, assess skills and prepare jobs offers. We also organise Orange gaming events to attract people with core skills.

In 2020, Orange will launch its own apprentice training centre to underpin growth and share expertise in the digital economy. The Group already takes on around 5,000 work-study students each year in France, 3,500 of whom were working as apprentices in the company in late December 2019. In addition to the talent pool it attracts, the apprentice training centre offers courses that meet genuine industry needs so as to boost the employability of young people and

accelerate their integration into the workforce. With support from Orange Campus, the apprentice training centre will offer prospective apprentices the opportunity to become customer service technicians, cloud engineers, cybersecurity engineers or data analysts starting in September 2020. It will be open to young people in initial training as well as anyone looking to change careers. At the same time, we are strengthening our partnerships with schools to attract candidates. Specifically, we're outlining career paths that meet the Group's needs, such as the master's in Data Science launched at the Institut national polytechnique Félix Houphouët-Boigny in Côte d'Ivoire. The course trains students to become experts in statistics, AI and big data.

## **Making the employer brand more appealing**

→ Orange is keen to leverage its employer brand and showcase the opportunities the Group has to offer, from internships to certified training programmes. In 2019, the Group was awarded Top Employer Global certification for the



fourth year running and remains the only telecoms operator in the Top 14. In the LinkedIn Top Companies 2019 list, which ranks the most attractive employers in France, Orange broke into the Top 10.

In addition, 19 Group entities in 17 different countries received the Gender Equality European & International Standard (GEEIS) label for diversity and gender equality in the workplace.

We are increasing our visibility on social media to better reach our target audiences. Today, over 80,000 Orange employees have a LinkedIn profile and represent potential advocates of the life at Orange that prospective employees can expect. We understand the importance of the candidate experience, which is why we continually update Orange Jobs, where candidates can browse vacancies on a simple, easy-to-use recruitment platform. After being completely overhauled in 2019, Orange Jobs now features innovative technology that includes skills matching and a chatbot service. Based on feedback from candidates, Orange was awarded the Happy Candidates label in recognition of its overall recruitment experience. For several years running, Orange has ranked among the Top 3 companies in terms of candidate experience.

Lastly, we maintain long-standing partnerships with schools and educational institutions that feed into the Group's business lines. Our Campus Managers manage our network of professional or academic institutions in France, which help fulfil our wide variety of recruitment needs. They also act as ambassadors to students by organising recruitment events.

### Further empowering employees through internal career paths

→ Being an attractive employer isn't just important for bringing in new talent. It also reflects a company's ability to retain and grow its existing talent. Orange is a learning organisation that provides career development opportunities and the possibility to change careers or business lines. We capitalise on the diversity of our businesses in France and abroad in order to offer fulfilling career paths, in particular in high growth fields such as data and cybersecurity. Our employees enjoy tailored support from our dedicated teams, and they are likewise equipped with easy-to-use tools such as the "Mon Itinéraire" system to map out potential career paths based on their current job. ✕

# Supporting employees every step of the way

**We take our role as an employer very seriously and work hard to ensure any transformation is both sustainable and responsible. We therefore design initiatives that improve our employees' experience and stimulate internal innovation. At the same time, we maintain an open approach to social dialogue throughout the workplace as well as our efforts to continuously improve quality of life at work.**

## Employee experience as a Group priority

→ In order to live up to our employer promise, we are investing heavily in digital tools. A key example is Piazza, our internal social network with 78,000 members in nearly 100 countries, which today represents the largest corporate social network in Europe. In 2019, we also developed Manao, our community app that connects employees across the Group. Lastly, we are building a company chatbot called MyBot. Based on the customer service chatbots we use in our operations, it will use AI technology to help employees access our corporate services more easily.

## Stimulating innovation

→ Our innovation programme Oz, implemented in 17 countries, inspires employees to develop their initiative and collaborate. They are encouraged to solve problems by applying a continuous improvement mindset and share their solutions on an ideas wall. The leaders of projects selected for development are invited to join Orange's intrapreneurial incubator. Similarly, Orange organises community challenges as a way to get teams to work together and come up with innovative and practical ideas. In 2019, 7,500 employees in France took part in an environment challenge.

## Improving quality of life at work

→ As a crucial factor for employee engagement and employer appeal, quality of life at work is vital to helping us become more competitive. We have developed a collaborative and sustained approach to improving quality of life at work focused on five key areas: individual well-being, work, management, working conditions, occupational health and risk prevention. Our efforts are reflected in the key agreements we have renewed with employee representatives on gender equality, remote working and assessing and preventing health risks in the workplace.

Internationally, Orange entities are developing numerous initiatives to facilitate internal collaboration. Orange Spain has launched seven Agile tribes and the "Agilidad para todos" programme. Both are designed to extend agile ways of working across the entire organisation to enable agile responses to complex and changing situations. In Poland, Wtopy (Blunder) meetings encourage employees to talk about learning from mistakes. Nearly 2,000 employees have taken part in this initiative, helping to spread a culture of dialogue.

## Open social dialogue in France and around the world

→ Social dialogue is part of who we are at Orange. It is an essential component of every transformation the company has



## Using internal social networks to drive transformation

		
Launch date	2010	2019
Number of users (at end-March 2020)	Over 78,000	Over 18,000
Keywords	collaboration, performance sharing	group, skills, belonging

undertaken and something the Group continues to consider integral to its operations and performance. Our cohesion and collective success rely on strong labour relations. Key agreements negotiated across several of our operating regions demonstrate its strategic importance. For example, in France, a wage agreement for 2019 was unanimously signed by Orange SA and the representatives from five trade unions. We also defined the new structure of our employee representative

bodies, adapting the framework of the 2017 reforms to our internal operations. Internationally, we signed a Group-wide agreement on gender equality in the workplace with UNI Global Union. Our social dialogue approach also relies on listening to employees. Every year, our Employee Barometer calls on all employees to give us feedback about their experience. Data collected in the most recent survey showed that 88% of employees say they are proud to be a part of the Group. ✕



# Performance

**In 2019, we achieved solid financial and non-financial performance. We also extended our studies on the economic and social value we create in our operating countries. These strong results were made possible in part by our risk management strategy, but they were primarily the fruit of the Essentials2020 strategy and the high level of engagement among our employees.**

# 2019

## financial results

**In 2019, Orange continued to grow revenues and EBITDAaL, with an acceleration in the fourth quarter. These strong results can be attributed to the Group's strategy, which focuses on enhanced connectivity and new growth areas.**

### Rising revenue

→ Orange Group revenues reached €42.2 billion in 2019, representing a 0.6%\* rise on 2018. This performance was driven by the very strong momentum the Group continues to enjoy in Africa & Middle East (up 6.2%), solid results in Europe (up 1.4%) and the return to growth in BtoB (up 1%). This success more than compensated for the very slight 0.3% decline in revenues in France and the 1.5% drop in Spain in 2019 due to the shift towards low cost providers in this market. Our leadership position in networks allowed us to maintain excellent commercial performance. Convergence packages totalled 10.8 million customers at 31 December 2019, up 3.4% year on year, enabling Orange to consolidate its position as Europe's leading convergent operator. Orange is also the undisputed leader in fibre in Europe with 7.3 million fibre customers, and 207 million mobile customers worldwide.

### EBITDAaL and eCAPEX\*\*

→ EBITDAaL, which represents Orange's operational profitability, rose 0.8% in 2019, reaching €12.9 billion. EBITDAaL from telecom activities accounted for 30.8% of revenues in 2019, up 0.1 percentage points. The Group's capital expenditure (eCAPEX) of €7.3 billion was up 0.6% on 2018, even when taking into account mobile access network sharing with Vodafone in Spain. Excluding this, eCAPEX decreased slightly against a backdrop of accelerating fibre deployment in France.

### Net income

→ Net income totalled €3,226 million compared with €2,158 million in 2018. The increase came from growth in operating income and financial income (due in particular to the decreasing cost of gross financial debt), partially offset by the increase in the corporate tax charge.

### Organic Cash Flow

→ In 2019, Organic Cash Flow for Group telecom activities reached €2.3 billion, in line with guidance. This represents a decrease of €145 million on a historical basis compared with 2018, which includes an increase in the amount of corporation tax paid.

### Dividend

→ Due to the exceptional crisis caused by the outbreak of Covid-19, the Orange Board of Directors recommends paying a dividend of €0.50 per share in respect of 2019. ✕

\* Unless otherwise stated, changes are on a comparable basis.

\*\* Definitions for EBITDAaL and eCAPEX can be found in the Universal Registration Document, available on [www.orange.com](http://www.orange.com).



## Key figures

### Data at 31 December

In millions of euros	12M 2019	12M 2018 comparable basis	12M 2018 historical basis	change comparable basis	change historical basis
<b>Revenues</b>	<b>42,238</b>	<b>41,986</b>	<b>41,381</b>	<b>0.6%</b>	<b>2.1%</b>
France	18,154	18,204	18,211	(0.3)%	(0.3)%
Spain	5,280	5,360	5,349	(1.5)%	(1.3)%
Europe	5,783	5,701	5,687	1.4%	1.7%
Africa & Middle East	5,646	5,314	5,190	6.2%	8.8%
Enterprise	7,820	7,745	7,292	1.0%	7.2%
International Carriers & Shared Services	1,498	1,584	1,534	(5.4)%	(2.3)%
Intra-Group eliminations	(1,942)	(1,922)	(1,882)		
<b>EBITDAaL</b>	<b>12,860</b>	<b>12,762</b>	<b>na</b>	<b>0.8%</b>	<b>na</b>
o/w telecom activities	13,019	12,907	na	0.9%	na
As % of revenues	30.8%	30.7%	na	0.1 pts	na
France	7,135	7,130	na	0.1%	na
Spain	1,646	1,642	na	0.3%	na
Europe	1,492	1,443	na	3.4%	na
Africa & Middle East	1,815	1,659	na	9.4%	na
Enterprise	1,191	1,212	na	(1.7)%	na
International Carriers & Shared Services	(261)	(178)	na	(46.3)%	na
o/w Orange Bank	(160)	(147)	na	(8.5)%	na
<b>Operating Income</b>	<b>5,927</b>		<b>4,829</b>		<b>22.7%</b>
o/w telecom activities	6,112		4,997		22.3%
o/w Orange Bank	(186)		(169)		(9.8)%
<b>Consolidated net income</b>	<b>3,226</b>		<b>2,158</b>		<b>49.4%</b>
Net income attributable to equity owners of the Group	3,006		1,954		53.8%
<b>eCAPEX</b>	<b>7,293</b>	<b>7,248</b>	<b>na</b>	<b>0.6%</b>	<b>na</b>
o/w telecom activities	7,265	7,212	na	0.7%	na
as % of revenues	17.2%	17.2%	na	0.0 pt	na
o/w Orange Bank	28	36	na	(23.4)%	na
<b>Operating cash-flow (EBITDAaL - eCAPEX)</b>	<b>5,568</b>	<b>5,513</b>	<b>na</b>	<b>1.0%</b>	<b>na</b>

31  
December  
2019

31  
December  
2018

<b>Organic Cash Flow from telecoms activities</b>	<b>2,345</b>	<b>2,490</b>
<b>Net financial debt*</b>	<b>25,466</b>	<b>25,441</b>
<b>Ratio of financial debt / EBITDAaL from telecom activities**</b>	<b>1.96</b>	<b>na</b>

na: non applicable.

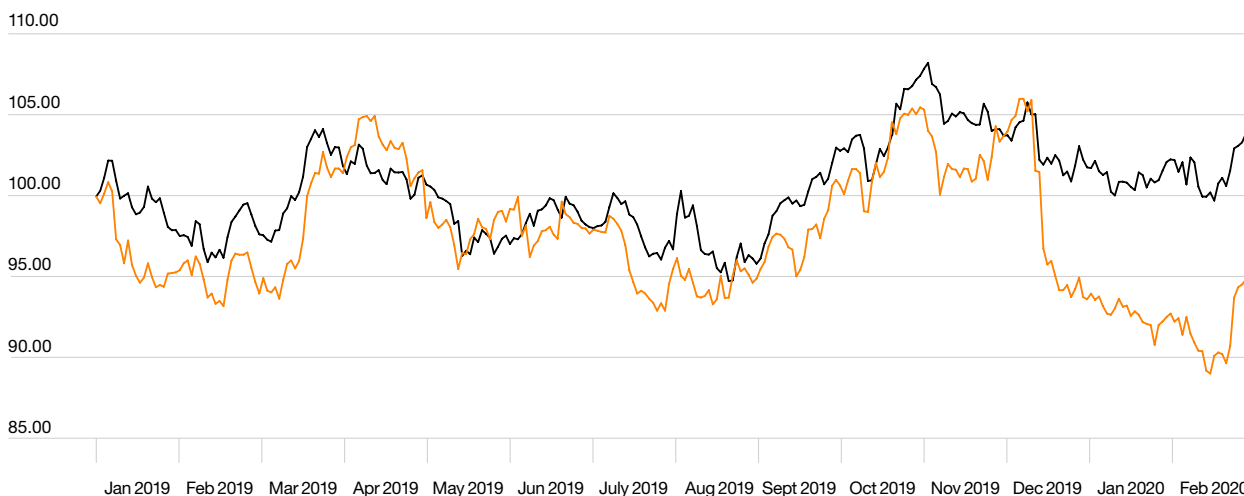
\* Net financial debt as defined and used by Orange does not take into account the activities of Orange Bank, for which this concept is not relevant.

\*\* The ratio of net financial debt to EBITDAaL from telecom activities is calculated on the basis of the Group's net financial debt to EBITDAaL from telecom activities calculated over the previous 12 months.

## Consolidated revenues

France	41.4%	
Spain	12.4%	
Europe (excl. France and Spain)	13.5%	
Africa and the Middle East	12.9%	
Entreprise	17.6%	
International Carriers & Shared Services	2.3%	

## Orange share: total shareholder return\*



Share price at 31/12/2019: €13.12

— Orange  
— Stoxx Europe 600 Telecom index

\*Base 100: 1 January 2019 (dividends reinvested)

# 2019 non-financial results

**To guarantee strong performance over the long-term, we monitor a number of non-financial criteria. We take into account the impact of our operations on employees, society and the environment while ensuring the protection of human rights.**

## Human rights

→ In 2019, the Group renewed its support for the United Nations Global Compact, a voluntary initiative encouraging companies, charities and non-governmental organisations to pledge to uphold 10 universal principles in the areas of human rights, labour, environment and anti-corruption. Orange also sits on the Board of Directors of the Global Network Initiative (GNI), an alliance of internet and telecommunications companies that protects freedom of expression and privacy against government demands. When the GNI audited Orange in 2019, it concluded, "Orange is genuinely committed to implementing the GNI principles through a process of continuous improvement."

## Data protection

→ To protect privacy in line with the European Union's 2018 General Data Protection Regulation (GDPR), the Group conducted 30 data security reviews within five entities in Europe and Africa in 2019. In addition, data protection delegates have been appointed in all of our subsidiaries in Europe as well as in Orange Business Services. Our Security teams raise awareness of risks among employees and spread best practice through data protection training. Our entities have also developed follow-up training to these courses through e-learning modules and face-to-face classes, some of which have attracted participation rates of over 80% of employees.

## Employees

→ At 31 December 2019, Orange employed 146,768 people, of which 143,526 on unlimited contracts and 3,242 on temporary contracts. The Group also supported 6,150 young people to enter the job market in France at end-2019; including 3,510 work-study students and

2,640 interns. Gender equality in the workplace is also a core focus for the Group. We aim to increase the number of women in our management networks to 35% in 2020 against 31.1% in 2019. Women currently make up 33.3% of our Executive Committee.

## Digital equality

→ Today, digital technology is considered an essential utility. To meet this need, Orange is working to provide network access to as many people as possible by deploying responsible and inclusive digital services, while also supporting entrepreneurship and open innovation. That's why the Group opened the first two Orange Digital Centers in Tunisia and Senegal, launched two discounted inclusion packages for low-income households in France and Spain, and created special offers to promote the digital inclusion of seniors and people with disabilities. Since 2014, the Orange Foundation's Digital Schools programme has donated tablets to 820 schools in 16 of the Group's operating countries. Over 200,000 children are now able to access essential educational content.

## The environment

→ In 2019, for the third year in a row, the Group exceeded its target to halve CO<sub>2</sub> emissions per customer usage compared with 2006 levels, achieving a reduction of 64.2%. This Group record was achieved through energy efficiency improvements, in particular in our network, IT systems and technical infrastructure, which together represent 82% of CO<sub>2</sub> emissions. Tertiary buildings and business travel account for 11.7% and 6.7% of emissions, respectively. At the same time, Orange has stepped up its efforts to collect and recycle unwanted mobile devices. In the fourth quarter of 2019, we reached an all-time high, collecting 30% of mobile devices sold over the same period in France. ✕

## Employee distribution

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### Employees by business line

	2019	2018
Management*	19.6%	19.5%
Customers	33.0%	32.8%
Support departments	12.1%	12.6%
Innovation and technology**	32.3%	32.3%
Others	3.0%	2.8%

### Employees by geographical area

	2019	2018	2017
France	59.4%	61.0%	62.1%
Spain	4.0%	3.8%	3.6%
Poland	8.5%	9.0%	9.9%
Other European countries	15.5%	8.3%	7.3%
Africa	9.7%	11.6%	11.2%
Asia-Pacific	1.3%	3.9%	3.7%
Americas	1.6%	2.4%	2.2%

### Gender equality in the workplace

	2019	2018	2017
% of women in the active workforce	36.0%	36.1%	36.1%
% of women in managerial positions	30.9%	30.6%	29.9%
% of women in management networks	31.1%	29.8%	28.5%

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\* Managers, project managers and process managers.

\*\* Including employees required to deploy and operate networks.

## Environmental performance

Environmental performance (energy)	Units	2019		2018	2017	
		France*	Rest of the world	Group Values	Group Values	Group Values
<b>Facilities presenting a risk</b>						
Fuel tank units	units	1,369	2,668	4,037	4,255	4,228
<b>Energy consumption – Scope 1</b>						
Fuel oil (all buildings and all uses)	m <sup>3</sup>	12,825	47,684	60,509	66,931	72,163
Gas	m <sup>3</sup>	11,763,009	3,169,515	14,932,524	19,995,141	17,884,871
Coal	tonnes	na	51	51	56	71
Fuel	litres	21,180,725	12,244,899	33,425,624	36,040,004	35,253,976
– Gasoline-LPG for company cars	litres	4,181,827	4,038,301	8,220,128	5,997,432	3,408,576
– Diesel for company vehicles	litres	16,998,898	8,206,598	25,205,496	30,042,572	31,845,400
<b>Total energy Scope 1</b>	<b>GWh</b>	<b>480</b>	<b>705</b>	<b>✓✓ 1,184</b>	<b>1,340</b>	<b>1,373</b>
Scope 1 CO <sub>2</sub> emissions (energy only)	tonnes CO <sub>2</sub>	121,615	167,823	289,437	316,212	325,036
– CO <sub>2</sub> emissions from fuel oil, gas and coal	tonnes CO <sub>2</sub>	66,276	136,490	202,766	219,321	229,349
– CO <sub>2</sub> emissions from vehicles	tonnes CO <sub>2</sub>	55,339	31,333	86,671	96,891	95,687
– CO <sub>2</sub> emissions from greenhouse gases (refrigerants)	tonnes CO <sub>2</sub> e	-	6,198	6,198	17,478	6,723
<b>Scope 1 CO<sub>2</sub> emissions</b>	<b>tonnes CO<sub>2</sub></b>	<b>121,615</b>	<b>174,021</b>	<b>✓✓ 295,636</b>	<b>333,690</b>	<b>331,759</b>
CO <sub>2</sub> not emitted due to carbon mitigation**	tonnes CO <sub>2</sub> e		(2,405)	(2,405)	(2,229)	(2,154)
<b>Energy consumption – Scope 2</b>						
Electricity	GWh	2,246	2,138	✓✓ 4,384	4,357	4,299
of which from renewable sources	GWh	-	542	542	526	493
– Electricity supply from renewable sources with guarantee of origin	GWh	-	482	482		
– Electricity supply from renewable sources through ESCo contracts, solar farms or Group solar generation	GWh	-	61	61		
– Electricity supply from renewable sources through PPAs	GWh	-	-	-	-	-
<b>Scope 2 CO<sub>2</sub> emissions</b>	<b>tonnes CO<sub>2</sub></b>	<b>117,473</b>	<b>889,572</b>	<b>✓✓ 1,007,045</b>	<b>1,043,144</b>	<b>1,001,900</b>
<b>Total energy consumption (Scopes 1 &amp; 2)</b>	<b>GWh</b>	<b>2,726</b>	<b>2,843</b>	<b>5,569</b>	<b>5,698</b>	<b>5,889</b>
<b>Total CO<sub>2</sub> emissions (Scope 1 + Scope 2)</b>	<b>tonnes CO<sub>2</sub></b>	<b>239,088</b>	<b>1,063,593</b>	<b>1,302,681</b>	<b>1,376,834</b>	<b>1,333,659</b>
<b>Energy consumption – Scope 3</b>						
Distance travelled by plane	km	174,437,635	77,551,265	251,988,900	246,564,097	250,765,793
Distance travelled by train	km	95,204,758	10,285,343	105,490,101	91,033,830	94,097,363
<b>Scope 3 CO<sub>2</sub> emissions</b>	<b>tonnes CO<sub>2</sub></b>	<b>41,693</b>	<b>18,418</b>	<b>✓✓ 60,111</b>	<b>46,170</b>	<b>47,041</b>
<b>Total CO<sub>2</sub> emissions (Scope 1 + 2 + 3)</b>	<b>tonnes CO<sub>2</sub></b>	<b>280,781</b>	<b>1,082,010</b>	<b>✓✓ 1,362,791</b>	<b>1,423,004</b>	<b>1,380,700</b>

na: non applicable.

As the values have been rounded to the nearest million, Group data may not represent the sum exact of the data published for France and the Rest of the World.

\* Data for France includes Orange France, head office, Orange Marine and entities of Orange Business Services operating in France.

\*\* In accordance with the 2019 guidelines issued by the Net Zero Initiative in which Orange takes part, the emissions avoided by projects outside the Group are not removed from the Group's Scope 1 emissions. The Scope 1 CO<sub>2</sub> emissions for 2017 and 2018 have been revised accordingly.

✓✓ Data reviewed by KPMG: reasonable assurance.

# Performance in 2019

## France

→ In 2019, revenues in France totalled €18.2 billion, accounting for 41.4% of the Group's consolidated revenues, and down 0.3%\* on 2018. Stripping out the impact of online press services, revenues increased 0.2% year on year, with a significant uptick in the fourth quarter (up 1.1%).

In 2019, Orange continued to step up deployments of fibre and very high-speed broadband on its directly owned and third-party infrastructure, in particular in urban areas and through its participation in Public Initiative Networks run by local authorities. We signed a further three agreements in 2019 on Reunion Island, in Kourou in French Guiana and in the Auvergne region of France. Orange has also achieved a new record, making over 4.5 million additional homes connectable to FTTH (Fibre to the Home) in 2019 (compared with over 2.7 million in 2018). With 3.3 million customers and 16.3 million fibre-ready homes in 2019, Orange has positioned itself as the undisputed leader in fibre services in France. Indeed, of all the country's fibre optic cables deployments in 2019, 70% were carried out by the Group.

We continued to deploy 4G in 2019, meaning our mobile network now covers 99% of the population in France (up 0.4 percentage points on end-2018) – the most widespread 4G coverage in the country. Orange was ranked No. 1 for the ninth consecutive year by Arcep.

Convergence revenue rose by 3.9%, driven by the success of the Group's strategy. At 31 December 2019, Orange had 5.8 million customers subscribing to more than one service, representing 55% of the Group's retail customer base.

In October 2019, Orange launched the Livebox 5, designed to have a lower carbon footprint and faster throughputs to satisfy the growth in customer uses and the demand for family data-sharing plans. The Livebox 5 was already being used in 140,000 homes by end-2019. Orange also launched Connected Home (remote management of smart household appliances) and Protected Home (remote surveillance system), which proved highly successful among customers, with sales doubling in the fourth quarter.

## Europe

→ Orange's seven other operating countries in Europe (excluding France) generated total revenues of over €11 billion in 2019. The Group now has nearly 51 million mobile customers and 7.5 million broadband customers across the region. Underpinning this strong performance are the ongoing roll-out of very high-speed mobile and fixed broadband and a convergence customer base that now stands at five million, 4.4% higher than in 2018. This consolidates Orange's position as the leading operator for convergence in Europe.

In Spain, revenues fell 1.5% due to greater levels of competition and a shift in the market towards low-cost providers. In 2019, we continued rolling out our FTTH network, with over 1.1 million additional homes now fibre-ready. New network sharing agreements with other operators and the improvement of existing agreements enable us to optimise our infrastructure and leverage one of the most high-performing, profitable networks on the market. At the same time, our multi-service strategy offers a competitive alternative to connectivity, encompassing our Orange Bank mobile banking service. Furthermore, we have signed content agreements with suppliers such as Amazon, Fox (Fox Now), AXN (AXN Now), Starz (StarzPlay), Rakuten, AMC and FlixOlé, offering one of the greatest levels of variety and choice available on the market, with content to delight the whole family.

For the sixth quarter in a row, revenues in Poland have increased, up 2.1% in 2019. In addition to the success of its convergence packages, growth in Poland was driven by increased equipment sales, expansion of other revenues (energy services) and better performance in IT and integration services. In 2019, we trialled 5G in nearly 10 cities, exceeding speeds of 1.5 Gb/s in Zakopane.

In Central Europe, Orange Romania was the first subsidiary in the Group to roll out 5G networks in three cities. Furthermore, we inaugurated our first FTTH network at the end of 2019 and launched new payment methods in mobile financial services, including debit cards and Near Field Communication in March 2019 and Apple Pay in June 2019. In Slovakia, we concentrated on extending our coverage of FTTH high-speed broadband so that 522,000 homes were fibre-ready at end-2019, and we began rolling out the network in Moldova.

We achieved 3.3% growth in revenues in Belgium and Luxembourg, mainly through increased net sales of mobile and convergence packages. We also launched the Love Duo package in Belgium, which combines a mobile contract and unlimited very high-speed broadband. In late 2019, Orange Belgium became the first operator in the country to inaugurate a 5G testing hub for business.

## Africa and the Middle East

→ Africa and the Middle East represented Orange's highest growth region in 2019, with revenues jumping 6.2% year on year and 6.1% in the fourth quarter. The total figure rose to €5.6 billion, accounting for 12.9% of the Group's consolidated revenues. This performance was driven in particular by strong momentum in customer services (up 8.6%) and sustained growth in mobile. Seven countries clocked up double-digit growth in 2019.

Orange continues to deploy 4G and is investing in all countries to upgrade and extend its networks. In 2019, we picked up the pace of deployment, primarily in Egypt, Morocco and Côte d'Ivoire. The MEA region now has a total of 23.8 million 4G customers, up 42.6% on the previous year. Standalone broadband also grew 10.3% in 2019, mainly due to high-speed services, which have now attracted 1.2 million customers (up 20.5%). Furthermore, the Group is rapidly expanding its presence on mobile financial service markets with Orange Money, which is enjoying considerable success with 45 million customers at 31 December 2019, including 18.2 million active users (up 20.1%) who take advantage of the service monthly. EBITDAaL for the MEA region increased 9.4%, outstripping the rate of growth in revenues, for a 32.2% margin, up 0.9 percentage points year on year as a result of tighter cost control.

## Enterprises

→ The Enterprises segment registered its fifth consecutive quarter of growth, reaching revenues of €7.8 billion (up 1% year on year) for the first time since 2016. IT and

integration services were primarily responsible for this performance, expanding by 6.5% in 2019, compared with 4.8% in 2018. This momentum reflects the strong performance of both cybersecurity and cloud services.

In 2019, Orange pursued its strategy to expand its cybersecurity business in order to increase its footprint around the world and its expertise in this area by completing two major acquisitions – SecureData and SecureLink.

The negative growth trend in broadband services (down 1.7%) is starting to let up thanks to positive momentum in data, which rose 1.0% in 2019 and 1.6% in the fourth quarter. WAN (Wide Area Network) offers in France drove a significant proportion of this result, supported by the penetration of fibre with our Enterprise customers.

Strong performance in IT and integration services and the resilience of data in 2019 more than offset the drop in revenue from mobile (down 3.6%) and voice services (down 6.8%). In 2019, Orange signed a number of major contracts to support its customers throughout the world, in particular with Mars Incorporated to build an Intelligent Automated Network (IAN), and with Sony to consolidate and transform the communications infrastructure of its two largest operating companies into a harmonised, future-proof network for an improved user experience around the world. Finally, eCAPEX rose 10.3% in 2019, as a result of several large-scale deployments for key customer accounts.

## International Carriers & Shared Services

→ International Carriers & Shared Services generated revenues of €1.5 billion in 2019, down 5.4% year on year, reflecting the slowdown in international carrier services. Other revenues rose 11% in 2019, which includes in particular laying and maintaining submarine cable, content services (OCS and Orange Studio), consulting (Sofrecom) and TV access control services (Viaccess). ✕

\* Unless otherwise indicated, all changes are presented on a comparable basis.



# Social and economic impact

## The impact of Group operations on the UN Sustainable Development Goals

→ Orange continuously considers its impact at Group level against a number of priority Sustainable Development Goals (SDGs). These efforts help the Group to understand and measure its contribution to the SDGs, determine which SDGs are most relevant to Group operations, measure the impact of its operations by 2030 and encourage adoption by its stakeholders.

## Impact investing

→ By identifying the SDGs on which we are able to have the most considerable influence, we are responding to the strong demand from socially responsible investment (SRI) funds and are able to consider our contribution through the multisectoral lens of the SDGs.

## The socio-economic impact of our operations on regional communities

→ In order to measure our contribution to driving growth in our operating countries, we conduct regular socio-economic impact studies on the economic and social value we create. After France and Niger in 2017, then five more African countries in 2018, two European countries, Romania and Moldova, were the focus of impact studies in 2019. The studies look beyond the Group's local presence alone, measuring the impact of its social and economic footprint on several levels.

## The analysis framework

### Simple economic footprint (local expenditure)

The input-output method, based on the work of Wassily Leontief for which he won the Nobel Prize in Economics, is used to analyse the extent to which the monetary flows

generated by our operations drive economic activity and employment nationally (purchases, wages and tax).

### Extended economic footprint

This wider measure builds on the above method, enabling us to assess the value generated by:

- The use of our infrastructure, products and services, estimating the value created for businesses and retail customers, increasing productivity, accelerating regional development and contributing to national GDP growth.
- Our CSR actions, or the value created by our corporate social responsibility programmes such as Orange Foundation initiatives for the education and protection of young girls, or projects with broader impacts such as device recycling and financial inclusion services offered by Orange Money. The method estimates the impact of these programmes in terms of improving society or the purchasing power of beneficiaries who consequently are able to access a new service more easily or avoid certain costs.

### Demonstrating social impact through Orange Digital Centers

As part of the Engage 2025 strategic plan, Orange is aiming to enhance digital equality. To do this, the Group is working to ensure that everyone is able to benefit from support programmes tailored to their needs. The main focus of our strategic commitment lies in setting up an Orange Digital Center (ODC) in all of our operating countries and every operating division in France. This flagship initiative promotes skills acquisition and development as well as innovation and entrepreneurship. It strengthens the digital fabric of local communities by providing somewhere for young people and entrepreneurs to go for training and support. We conduct social impact analysis to measure the footprint of our responsible action and contribution, or in other words, the numbers of jobs created and start-ups supported as a direct result of our efforts.

## Orange's local, extended and total footprint in five African countries and three European countries\*

	Local footprint		Extended footprint		Total footprint
	Value added	Direct jobs	Value added	Induced jobs	% of GDP
Cameroon	€107m	601	×3.0	×80	7.8%
Côte d'Ivoire	€530m	1,965	×2.1	×46	11%
Guinea	€112m	350	×1.8	×180	8%
Democratic Republic of Congo	€49m	580	×3.5	×150	1.5%
Senegal**	€404m	1,805	×2.3	×40	9,8%
Moldova***	€53m	1,189	×4.0	×81	2%
Romania***	€243m	3,594	×10.0	×24	1.2%
France****	€15,100m	91,733	×2.2	×4	1.4%

\* Source: Goodwill-management

\*\* Results updated in 2019 using 2018 data (% of GDP dropped from 11% using 2016 data to 9.8% using 2018 data).

\*\*\* 2019 results using 2018 data.

\*\*\*\* Results updated by Utopies in 2019 using 2018 data for Orange SA.

### The results

#### Simple economic footprint

In every region, the monetary flows generated by our operations significantly multiplied local value, with intensity varying among the countries studied from at least twofold to, as in the case of Romania, tenfold. The results expressed in terms of induced jobs were also significant and presented equally strong variations between countries (×180 in Guinea, ×150 in the Democratic Republic of Congo and ×46 in Côte d'Ivoire). The same trends were visible in Europe, though to a lesser extent (×81 in Moldova, ×24 in Romania and ×4 in France). These figures predominantly reflect wage differences between countries.

#### Total economic footprint

The total footprint is the sum of the local, simple and extended footprints, expressed here as Orange's contribution

to GDP per country. This was considerable, boosting GDP by 1.4% in France to 11% in Côte d'Ivoire. KPMG prepared a reasonable assurance report to verify the Group's social value calculation and the results obtained for Senegal. Both the verification and a methodology note by consultancy firm Goodwill Management, which supported Orange with the analysis, are available on [www.orange.com](http://www.orange.com).

#### The social footprint of Orange Digital Centers

The Orange Digital Center in Dakar is a laboratory for digital experimentation that creates €12 million of value added and 1,337 jobs per year. By the end of 2020, Orange is aiming to extend its international ODC network to 14 centres. If we extrapolate the Dakar results on this scale, around 20,000 jobs would be created, with an annual impact of 7,500 direct jobs created and nearly 10,000 indirect and induced jobs across the entire value chain for a total value added of over €150 million. ✕

# Managing risks to support sustainable performance

**Our Engage 2025 strategic plan and operations expose us to a number of risks\* that can affect our stakeholders, prevent us from achieving our targets, invoke legal liability or undermine trust in our brand. Several years ago, we put in place a structure, procedures and control systems to detect risks and take targeted measures to prevent and mitigate them.**

→ Our internal control and risk management systems address the various operational, legal, financial and non-financial risks we face (see the table on the following page). They are based on an organisation and procedures that have been put in place by Senior Management, the Executive Committee and employees. The goal is to provide reasonable assurance that we will meet our operating targets, comply with current laws and regulations and disclose reliable financial and non-financial information.

## Group-wide involvement

→ Within this integrated approach to audit and control risks certified by the ISO 9001 quality management standard, the Risk division within the Group Audit, Control and Risk Management Department sets out the Group's risk management strategy and implements it by:

- Anticipating risks relating to Engage 2025 and identifying emerging risks
- Leading the risk mapping and assessment process on behalf of the Executive Committee's Risk Committee
- Supporting subsidiaries and entities when they prepare their own risk maps and following up their action plans

It does this in conjunction with the relevant departments (in particular the Group CSR Department regarding non-financial

risks), and the network of risk managers and internal control officers in the subsidiaries and entities.

At least once a year, each department identifies and maps the risks faced by its stakeholders within its scope and prepares additional action plans to mitigate those risks more effectively. Progress on these plans, significant events and updates to the risk map are discussed during internal control reviews in each department.

At the same time, subsidiaries and entities roll out and continuously improve their risk management system by:

- Training executives in risk management
- Aligning audit plans with the principal risks identified
- Adapting and applying policies and practices defined and identified by the Group
- Setting up self-assessment processes

The Risk Committee also examines the Group's risk management system once a year. The Audit Committee, which is tasked by the Board of Directors to ensure the effectiveness of internal control and risk management systems (including those relating to financial security laws), also oversees the review of the Group's exposure to social and environmental risks, in accordance with the Afep-Medef Code. ✕

\* For more information about risks, see the Duty of care plan and Section 2.1 (Risk factors) of the 2019 Universal Registration Document.

**Board of Directors****Audit Committee**

Monitors the effectiveness of internal control and risk management systems

**Executive Committee****Risk Committee**

Reviews the top-line risk management report

Approves all decisions regarding risk management and the quality of internal control

**Chaired by the Delegate Chief Executive Officer**

CEO Finance, Performance and Europe

**Group Audit, Control and Risk Management Department (DACRG)**

Internal audit	Internal control	Risk Management	Fraud & Revenue Assurance	General Control	Credit management
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Defines, deploys, manages and assesses operations and the risk management and internal control systems on behalf of the Executive Committee

Implements processes certified under ISO 9001 (2015) with an integrated approach to audit, control and risk

**In cooperation with the following departments**

Corporate Social Responsibility, Security, Data Protection, Compliance, Human Resources, Procurement, Insurance, etc.

Communicate, lead and support

**Entities/Operating subsidiaries**

Roll out and continuously improve risk management and internal control systems  
Identify, assess, process and report the risks within their scope

## Risk

## Description and impact

→ <b>Breach of integrity or confidentiality of data or information</b>	<ul style="list-style-type: none"> <li>→ Unlawful access to data and information through cyberattacks, injunctions from authorities or new technology not yet fully mastered may compromise information and data integrity, confidentiality or storage and potentially invade individuals' privacy or compromise business continuity</li> </ul>
→ <b>Ethical breach</b>	<ul style="list-style-type: none"> <li>→ Damage to the Group's image and reputation due to non-compliance with internal and external rules</li> <li>→ Sanctions against the company and/or its employees, damage to Group property and assets</li> </ul>
→ <b>Overreliance on a supplier</b>	<ul style="list-style-type: none"> <li>→ Deterioration in quality or performance due to failure on the part of a key supplier</li> <li>→ Contractual terms imposed by a monopoly supplier</li> <li>→ Supply chain disruption</li> <li>→ Business disruption</li> <li>→ Revision of the Group's strategy following the integration of new technologies (5G, AI and big data, etc.)</li> </ul>
→ <b>Disruptive business models or innovation</b>	<ul style="list-style-type: none"> <li>→ Infrastructure obsolescence</li> <li>→ Insufficient scale of infrastructure</li> <li>→ Loss of contact with customers</li> <li>→ Societal obstacles hampering the development of new technology</li> <li>→ Drop in performance due to disruptive technology, business models or regulation that could affect the appeal or profitability of our products and services</li> </ul>
→ <b>Failure to adapt and/or diversify</b>	<ul style="list-style-type: none"> <li>→ Financial losses</li> <li>→ Decline in employee morale</li> <li>→ Failure of the energy transition</li> <li>→ Damage to our image and reputation</li> </ul>
→ <b>Geopolitical and macroeconomic instability</b>	<ul style="list-style-type: none"> <li>→ Threat to the security and safety of people and property</li> <li>→ Breaches of fundamental freedoms resulting from injunctions from local authorities</li> <li>→ Decline in financial performance</li> </ul>
→ <b>Major business disruption</b>	<ul style="list-style-type: none"> <li>→ Loss in quality or disruption or interruption of services provided due to a technical malfunction, operational failure, cyberattack, damage to our infrastructure or injunctions from authorities</li> </ul>
→ <b>Lack of key or rare skills</b>	<ul style="list-style-type: none"> <li>→ Delayed launch or discontinuation of new businesses or transformation initiatives</li> <li>→ Major business disruption</li> <li>→ Increased reliance on suppliers</li> <li>→ Decline in employee morale</li> </ul>
→ <b>Non-compliance with laws, regulations or contractual obligations</b>	<ul style="list-style-type: none"> <li>→ Additional costs to achieve compliance, in particular in areas where the legal framework remains in flux (IoT, AI, blockchain, etc.)</li> <li>→ Litigation, administrative, civil or criminal sanctions at either local or international level, revocation of business licences</li> </ul>
→ <b>Health and safety of people</b>	<ul style="list-style-type: none"> <li>→ Deterioration in working conditions</li> <li>→ Physical and mental harm to employees, customers and partners</li> <li>→ Strengthening of the law regarding the precautionary principle in the context of internet and mobile use</li> <li>→ Restriction of use</li> </ul>

## Examples of protection/prevention measures

The Group Security Department oversees a comprehensive security system. It also contributes to improving measures to protect infrastructure, products and services by implementing a Security by Design approach (to address security issues right from the design phase) and rolling out targeted mechanisms to protect and supervise networks and the IT system.

The Data Protection Officer coordinates all privacy-related programmes and measures.

The Group helps develop skills in new technology and cybersecurity through a variety of organisations (such as the Orange Cyberdefense Academy and the Microsoft AI school).

The Group is improving digital inclusion and addressing other social issues by expanding its network and developing specific packages and services, through the Orange Foundation and Duty of care plan, as well as its involvement in various think tanks including the European Commission's AI Impact group.

It runs employee training and awareness programmes on a regular basis, and the Governance and Corporate Social and Environmental Responsibility Committee ensures employees adhere to charters and policies and oversees compliance programmes (ethics, anti-corruption, CSR, etc.). The associated management and control systems undergo regular internal and external assessments.

The purchasing policy, steered by the Global Procurement & Supply Chain Department, includes a risk assessment in the supplier selection and monitoring process. The Group conducts regular audits of its suppliers and closely monitors suppliers at risk of bankruptcy.

As a founding member of the Joint Audit Cooperation (JAC), Orange plays a very active part in this association of operators, which seeks to audit, assess and develop the implementation on CSR in the production plants of the largest multinational telecoms suppliers.

The Group readily updates its procurement strategy and frequently reviews its choice of suppliers in light of market threats and opportunities.

The Group's investment policy focuses heavily on research and innovation, contributing to programmes run by the private and public sector (in France and the EU for example), getting involved with standard-setting bodies (such as the GSMA) and supporting start-up accelerators through the Orange Fabs network. The Technology and Global Innovation Department supports the Group's transformation to becoming a multi-service operator. It brings together strategic innovation design and research and implementation of technical and data strategies for the Group.

The Group continues to progress with its new Engage 2025 strategy, led by the various relevant departments including its Transformation Department.

The practical measures it is taking to do so include entering into partnerships with key industry stakeholders, investing in ventures that will further strategic innovation and diversification priorities, and working on projects aimed at improving the Group's working methods.

Orange uses monitoring systems to anticipate a number of eventualities including national conflicts, international tensions, crises of all kinds (financial crashes, health crises and mass migration, etc.) and to take appropriate steps to avoid or mitigate the risks and protect people and assets.

Orange factors resilience into its solutions right from the design phase, using a variety of mechanisms (Security by Design, backups, thorough acceptance tests, etc.).

The Business Continuity Management System (BCMS) run by the Security Department is deployed across our business units. The system includes backup sites, preventive movement of infrastructure, system redundancy, business recovery plans, etc.

The Group implements a strategic workforce planning policy.

Orange Campus develops varied and innovative learning experiences with, where necessary, the support of a network of key partners (schools, universities, companies, start-ups, non-profit organisations and institutions).

The Group provides these courses, which are also available on the Orange learning website, to support employees in developing their careers.












The Group's Legal Department ensures all its operating regions and businesses are covered, including the programmes and organisations focused on key issues in the present day or the future: General Data Protection Regulation, Duty of care, international economic sanctions, international corruption laws, climate reporting (TCFD etc.)

The Group pursues a proactive risk prevention policy with its own budget and special agreements. The policy has led to the application of the social contract and our pledge to be a digital and caring employer, the occupational health office's initiatives and the implementation of our Duty of care plan. The Group ensures its equipment and devices meet all current health requirements and supports public and private epidemiological research programmes (conducted by the World Health Organization and the Scientific Committee on Emerging and Newly Identified Health Risks, etc.). It develops tools to measure wave intensity and circulates safety information to employees and customers on the responsible use of technology, in particular through websites designed to support families (betterinternetforkids.eu, bienvivreledigital.fr, etc.).

# Mission accomplished for Essentials2020

In 2015, as part of the Essentials2020 plan, Orange took on a unique, challenging and powerful ambition to offer all its customers around the world an unmatched experience. To achieve this, we focused on five priorities: offering enriched connectivity, reinventing the customer relationship, building a company model that is both digital and caring, guiding businesses through their own digital transformation and diversifying by capitalising on our assets. All the while, we continued our efforts to become an efficient and responsible digital company.

Our excellent business performance over the last five years confirms the success of our strategic choice to develop fibre and convergence offers. We have also made substantial strides forward in improving our customers' experience. Furthermore, the Group has successfully begun transforming its business lines, in particular its BtoB activities. These results have been made possible by the loyalty and engagement of our employees, over 80% of whom would recommend Orange as an employer today.

Customer experience	Become and remain No.1 in Net Promoter Score (NPS) for 3 out of 4 customers by 2018	
	Improve Orange's Brand Power Index (BPI) in our various markets by 2018	
Offering enriched connectivity	Triple the average data throughput of our customers on both fixed and mobile networks by 2018 compared with 2014	
Reinventing the consumer	Conduct 50% of customer interactions in Europe via digital channels by 2018	
Building a company that is both digital and caring	Reach 90% of employees recommending Orange as an employer in 2018	
Guiding businesses through their own digital transformation	Increase the share of IT & Integration services in the Orange Business Services revenue mix by 10 percentage points by 2020	
Diversifying by capitalising on our assets	Successfully diversify into new services to exceed €1 billion in revenues in 2018	
Revenues	Ensure 2018 revenues exceed 2014 revenues	
Adjusted EBITDA	Ensure 2018 adjusted EBITDA exceeds 2014 adjusted EBITDA and is at least level on 2015 on a comparable basis	
Dividend	Maintain the dividend at least at €0.60 per share each year between 2015 and 2018	
Ratio of net financial debt to adjusted EBITDA	Maintain the ratio of net financial debt to adjusted EBITDA in telecom activities	

For further details on the Essentials2020 indicators and Group indicators, see the 2018 Integrated Annual Report.



Objective fully achieved



Objective achieved > 75%



Objective achieved between 60 and 75%







## Useful links and contacts

### Useful links

**Integrated Annual Report**

[rai2019.orange.com/en](https://rai2019.orange.com/en)

**Corporate website**

[orange.com](https://orange.com)

**Orange Business Services**

[orange-business.com](https://orange-business.com)

**Universal Registration Document**

[orange.com/en/Investors/Regulated-information](https://orange.com/en/Investors/Regulated-information)

**Corporate Social Responsibility**

[gallery.orange.com/rse](https://gallery.orange.com/rse)

**Working at Orange**

[orange.jobs](https://orange.jobs)

**Orange Healthcare**

[healthcare.orange.com](https://healthcare.orange.com)

**Orange Foundation**

[fondationorange.com/en](https://fondationorange.com/en)

**Digital Society Forum**

[digital-society-forum.orange.com/en](https://digital-society-forum.orange.com/en)

**Bien vivre le digital**

[bienvivreledigital.orange.fr](https://bienvivreledigital.orange.fr) (French only)

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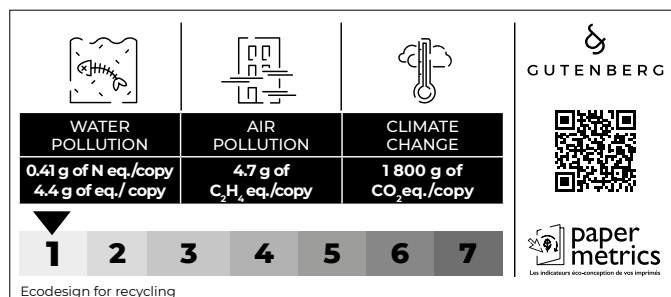
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