



2006 Sustainable Development Report



an enduring history

GROUPE LA POSTE



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LA POSTE GROUP, SERVICES

A GROUP THAT COMBINES PERFORMANCE WITH PUBLIC SERVICE

La Poste Group is an industrial and services company, the universal postal service operator in France, a major retail bank and an integrator of international parcels. Organised around four Business Sectors (Mail, Parcels-Express, La Banque Postale and Post Offices), it employs more than 300,000 people in France and Europe and generated turnover of €20.1 billion in 2006.

In France, the Group performs general interest missions defined by law, while developing in increasingly competitive and international markets.

In order to ensure its economic performance and carry out its missions, over the past four years it has undertaken vast modernisation and reorganisation projects. Its ambition is to become a major operator in Europe and the leading French local brand.

Naturally at the centre of exchanges and society, open to all and near everyone, La Poste Group intends to be a veritable confidence builder and a player in developing society. This process, based on a range of local services with high added value, helps create wealth and protect social cohesion ties. Sensitive to changes in society, La Poste innovates, adapts its methods of being present, diversifies the services offered and strengthens its partnerships with regional players. A sign of recognition of its network's accessibility and the relationship of confidence it has developed with its customers and partners, the government designated La Poste as one of 12 national brands of human services. La Poste is launching its commercial human services line in 2007.

To continue listening to society, La Poste is formalising and structuring a constructive and regular dialogue with its external stakeholders, customers, elected officials and suppliers. Internally this process enriches the employee relations dialogue: 9 national agreements and 157 local agreements were signed in 2006.



A MULTIPLE ACTIVITIES COMPANY

A GROUP THAT SHARES THE FRUITS OF ITS PERFORMANCE

CASH FLOWS GENERATED

including 70% open to full competition

€25 MILLION
POST OFFICES

€11.316 BILLION
MAIL

€4.170 BILLION
PARCELS-EXPRESS

€4.583 BILLION
LA BANQUE
POSTALE



CASH FLOWS REDISTRIBUTED TO POSTAL WORKERS OR REINVESTED

€11.841 BILLION

PERSONNEL

Payroll, comprised of salaries paid and social security contributions

€1.640 BILLION

INVESTMENTS

Tangible and intangible fixed assets and acquisitions

CASH FLOWS REDISTRIBUTED TO THE COMMUNITY

€5.787 BILLION

SUPPLIERS

AND SUBCONTRACTORS
Purchases of consumables, provision of services, transportation costs, rents, telecommunications, maintenance, etc.

€1.096 BILLION

STATE AND LOCAL AUTHORITIES
Contribution to national solidarity through payments in the form of VAT, corporate income tax and apprenticeship tax

€150 MILLION

INVESTORS AND BANKS
Financial charges on loans

SIGNIFICANT EVENTS OF 2006

GROUP

- First year of full service for ARCEP, the regulatory authority for postal and electronic communication
- Created liability regulations for postal operators
- Reformed the method of financing civil servant pensions
- Postal Operators Trade Association (SOP) created
- Signed an agreement on promotion
- Obtained the "Equality" label
- Signed the Diversity Charter
- Compensation fund created – defined by law, its purpose is to finance the cost of developing the regional postal presence

POST OFFICES

- "2007 Customer Relations Project" deployed
- "Local Public Awareness-Raising" programme deployed: continued to adapt the postal presence
- "Against all odds" project launched

MAIL

- The sector's regulatory and competitive landscape transformed under the control of the regulator (ARCEP)
- Greater than 50 g letter market opened to competition as of 1 January 2006
- Continued to deploy the "Mail Quality" project
- Launched "Tomorrow's mail carriers" programme, a programme to modernise the mail carrier profession

PARCELS-EXPRESS

- **GeoPost** – acquisitions in Europe and around the world continued
- **ColiPoste** – increased business related to the e-commerce boom and the ongoing project to modernise Parcel hubs
- **Chronopost** – Network and product range reorganised

LA BANQUE POSTALE

- La Poste's Financial Services transformed into "La Banque Postale," a full-service bank
- Range of products and services renewed
- First bond issue

INTERVIEW

WITH JEAN-PAUL BAILLY

CHAIRMAN OF LA POSTE GROUP



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I want to see La Poste Group, through the commitment, action and exemplary nature of its managers and employees, make an effective collective contribution to the sustainable development issues our society and planet are confronted with.

JEAN-PAUL BAILLY

Four years ago, you committed La Poste to the sustainable development approach. Today, are you satisfied with the progress?

In 2003, there were still few of us that were convinced that La Poste should pay more attention to the resources it uses to increase its performance. Decreasing our extractions from, and impacts on, the environment, protecting postal workers' health and ensuring the quality of employment, contributing to regional development and social progress and, at the same time, modernising and strengthening our competitiveness and increasing customer satisfaction constitute a new approach and real challenge. An all the more ambitious challenge given that La Poste is a very large organisation with 16,000 sites and more than 300,000 employees around the world, divided into four quite different activities that are undergoing major organisational changes. And so yes, today I can say that the progress achieved is remarkable. And that the sustainable development actions, carried out in a sometimes difficult context, have resulted in real changes for our company.

Where have these changes in commitment to sustainable development taken place?

First of all in our appropriation and understanding of these new issues. Today La Poste fully incorporates global warming in its economic model and the risks it creates for La Poste's activities as well as the opportunities that sustainable development represents if we know how to anticipate it. Next, in our strategic and managerial decisions; we have for example radically changed our vision of transportation. We are continuously improving the environmental performance of our vehicle fleet. We are replacing airplanes to invest once again in rail. We are training mail carriers in eco-friendly driving and we are financing public transportation for postal workers. Finally, we are testing clean vehicles and we are encouraging automobile manufacturers to mass-produce the electric vehicles we want to purchase. Our approach is now more all encompassing with a better analysis of all of the present and future impacts of our decisions.

Does La Poste have special strengths that can explain this success?

La Poste is a company where sustainable development has found fertile ground. It has done so for three essential reasons.

First of all there is **our corporate culture**, based on a long history of public service carried by our values of proximity, equity and solidarity. This creates a natural connection with sustainable development, one of whose underpinnings is solidarity, with others now and with future generations.

Next comes **the involvement and motivation of postal workers**, who bear these values and translate them into acts every day: with our consumer customers whose difficulties and isolation we strive to reduce, with our business customers to whom we offer more environmentally-friendly products and services, in our dialogue with elected officials and our contribution to regional sustainable development projects, in their daily behaviour at work and, more generally, in their desire to act for sustainable development. With the exemplary nature of the Group's managers, who have all seen the film, *An Inconvenient Truth*, and who subsequently collectively discussed their personal commitment in the company's approach.

Our Group's multiple division aspect and its size that, far from being brakes, are extraordinary levers for sustainable development. Indeed our different activities open up all of the social and environmental fields for innovation: socially-responsible investment, banking accessibility, product eco-design, fair trade, renewable energies, professional gender equality and diversity, etc. Our size gives our decisions considerable impact. When La Poste selects fair trade cotton for mail carriers' professional garments, 341 tonnes of this cotton were purchased, or 11% of the French market and 350,000 garments were manufactured. When La Poste asserts women's place in the company, 150,000 women are concerned.

Consequently, La Poste has already made great strides. What step would you like to see it cross now? Do you have a new sustainable development ambition for La Poste? New priorities?

Indeed, we are now ready to embark on a new phase. We are working on our corporate strategy for the 2008-2012 period: sustainable development will be at the centre of this new project, with three priorities where we want to assert our leadership role.

First of all climate change: La Poste will make a strong contribution to national and European commitments to reduce CO₂ emissions through a decisive change in how its transportation is organised.

Then will come the responsible use of paper. Indeed, paper is at the core of La Poste's activities. It is a tremendous medium for communication and emotion, appreciated as such by the French. Therefore La Poste has a great responsibility to manage this resource efficiently: use recycled paper or paper from sustainably managed forests, fight waste, etc.

And finally diversity: whether it involves male or female postal workers, La Poste is an open and accessible company. Accessibility to its products and services, as well as to its jobs, will be reinforced. La Poste will make sure that it receives all customers and recruits all profiles, without discrimination, by giving everyone his chance, all along the relationships and paths with or within the company.

I want to see La Poste Group, through the commitment, action and exemplary nature of its managers and employees, make an effective collective contribution to the sustainable development issues our society and planet are confronted with.

ORGANISED AND COMMITTED TO SUSTAINABLE DEVELOPMENT

Because sustainable development is a performance lever for the company, in 2003 the Group defined a strategy based on an analysis of its main employee relations, corporate responsibility and environmental issues. Commitments that were transformed into action plans structuring the Group's approach in the Business Sectors. La Poste Group has also been a signatory of the World Pact since 2003 and actively participates in reflections about sustainable development in ORSE (Study Centre for Corporate Responsibility), Comité 21 (French Committee for the Environment and Sustainable Development), IMS (organisation of companies promoting innovative projects for local communities), CSR Europe and Entreprise pour l'Environnement (organisation entitled "Companies for the Environment").

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A STRENGTHENED APPROPRIATION AND COMMITMENT IN THE DIVISIONS

The Group actively stimulated the sustainable development approach during an initial apprenticeship and appropriation phase for the Business Sectors, from a strategic reflection to implementing operational projects.

The Sustainable Development Department proposed commitments, initiated major projects and trained employees and increased their awareness.

The Business Sectors and cross-divisional functions are now responsible for implementing the approach operationally and managing the projects. In 2006, the Business Sectors strengthened the teams responsible for sustainable development, defined their objectives and formalised their action plans. This development has allowed substantial progress in the deployment of priority projects related to the specific issues identified by each Business Sector. This approach encourages and reinforces local managers' willingness to take initiatives. It also increases Business Sector managers' sense of responsibility. Consequently, the Group's Sustainable Development Department is refocusing on its missions of fundamental analysis and strategic watch, guiding the approach, reporting and communications.

Because it is a cross-functional approach, sustainable development constitutes an opportunity for the Group to strengthen the synergy between its Business Sectors, which are admittedly different but concerned about providing responses that are coherent with the shared challenges. Therefore the Group's Sustainable Development Department endeavours to facilitate coordination and dialogue between the Business Sectors, both at the head office level and in the regions.

THE DETERMINATION TO ANCHOR SUSTAINABLE DEVELOPMENT IN KEY PROCESSES AND IN PROJECTS

In 2006, the Sustainable Development Department's objective was to demonstrate the need to take environmental and employee relations impacts into account before taking decisions. The challenge is to provide decision makers with a global approach to risks and opportunities in their business so they can better ensure their projects are feasible and effective.

Through a process of raising awareness and support, the Sustainable Development Department has led the other Group entities:

- in 2006 the purchasing department developed a specific tool and a methodological aid intended to ensure that sustainable development was taken into account at each step of the purchasing process;
- at the same time, the Group's audit department strengthened its assessment and control work to improve the reliability of the Group's environmental and employee relations reporting;
- the Property Management Department has developed expertise that enables it to evaluate construction projects based on sustainability criteria.

To go farther, the Sustainable Development Department organised, at the end of 2006, a task force that prepared a complete assessment and up-to-date map of the level at which sustainable development was integrated in projects and processes. Based on the positive effects already observed, this analysis was able to identify the areas where additional work should be undertaken.

La Poste du Finistère appropriates commercial and partnership sustainable development opportunities

The Finistère French administrative *département* is a driving force in terms of sustainable development with a strong commitment from several pro-active companies and public policies. Convinced that sustainable development is a lever for development and commercial opportunities, the Director of La Poste du Finistère, Jean-Paul Barré, and his teams have taken advantage of this favourable environment. Relying on partnerships and a highly-involved local network, La Poste du Finistère is vigorously promoting the ties created with Armor-Lux by marketing fair trade cotton products in the post offices. On a broader scale, management has encouraged the sale of third-party products from fair trade or produced by Help Centres Through Work. Several public awareness actions have been organised. This approach provides a reality to the post offices' position as a socially-



responsible brand name. It also reflects the uniqueness of a company anchored in the regions, because all of its actions come from cooperation with major local players: the Chamber of Commerce and Industry, Help Centres Through Work, companies and emblematic associations like the Festival des Vieilles Charrues (music festival).

FROM RAISING MANAGERS' AWARENESS TO INVOLVING MANAGERS

The success of the sustainable development approach is largely based on the support of the Group's 300,000 employees. They are the leading players in the project's internal success. They are also advocates with customers and outside partners.

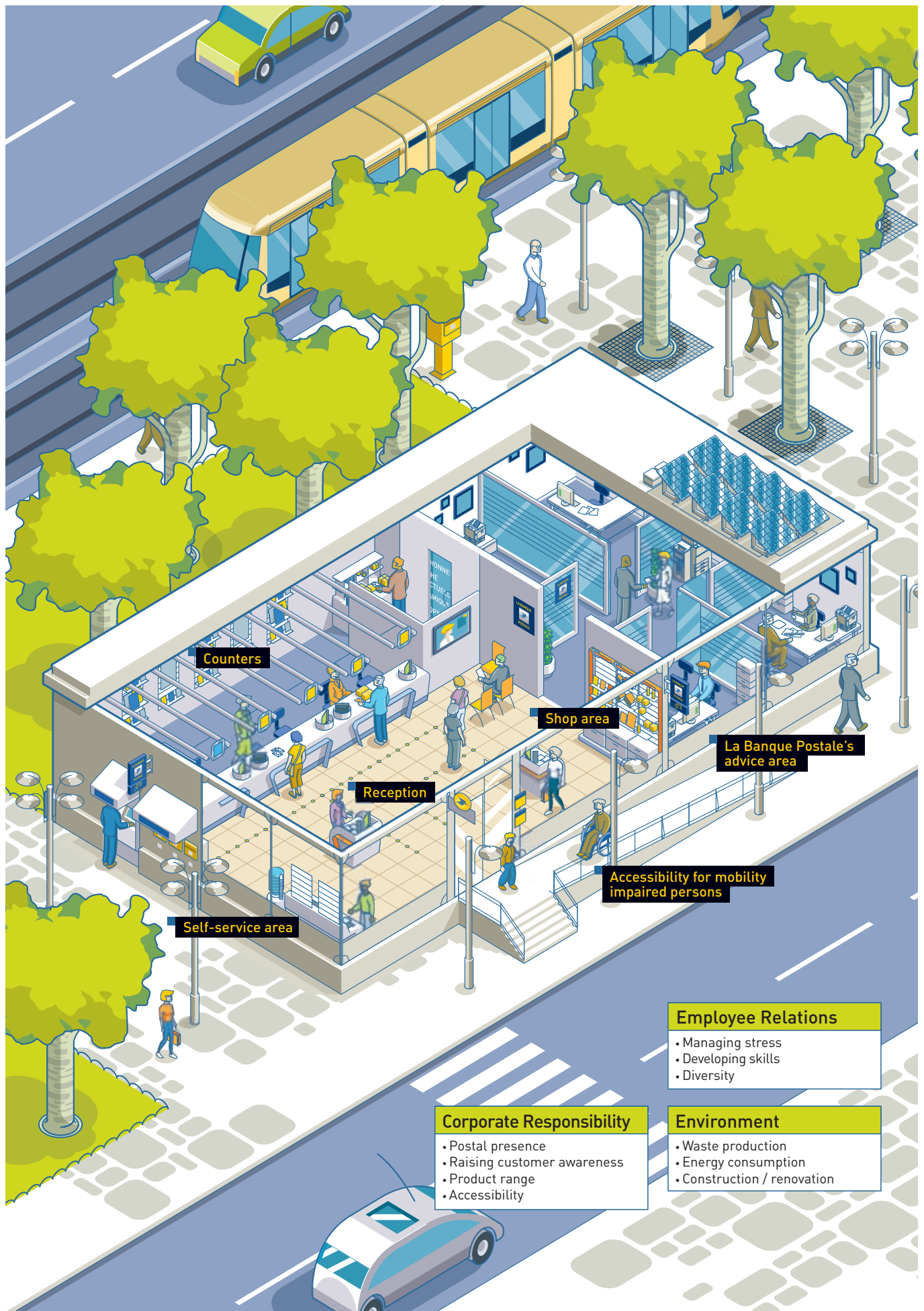
As soon as the approach was launched, the Group's Sustainable Development Department, supported by the Business Sectors and the cross-functional training and communication structures, developed awareness raising and training actions for all postal workers, with priority for managers.

The awareness raising phase, which has continued and been reinforced, is no longer sufficient today. An initial training module for sustainable development specifically aimed at managers was designed and tested in 2006. Made available to the Business Sectors that wanted to use it, this module enables one to understand sustainable development, discover the Group's approach and develop an action plan adapted to the regional issues and context. Indeed, the managers have to become the relays for the approach and be able to propose actions. They are the necessary link between the sustainable development strategy and the local partnership opportunities by participating in local authorities' projects or by integrating corporate networks committed to sustainable development.

To strengthen the managers' appropriation of sustainable development issues, executive management organised a projection of Al Gore's film, *An Inconvenient Truth*, for 300 of the Group's highest decision makers. This event led to a discussion that resulted in several proposals for action in response to the climate change challenges and related to La Poste's businesses.

Assessment and outlook

The achievements in 2006 demonstrate that the Business Sectors and the cross-divisional functions have indeed started to appropriate the approach. Now we have to formalise the systematic consideration of sustainable development in key processes and in the early stages of any project, while taking into account the uniqueness of the local context. This objective will be achieved by adapting the decision-making processes and developing work methods. Sustainable development still has to be better integrated in managers' operational priorities and the Business Sectors have to give a veritable boost to implement the projects down to the most detailed level of their organisations. 2007 will mark the end of the period of commitments made in 2004 and will be the occasion to make a complete assessment. Updating the Group's strategy will also be an opportunity to move into a new phase of integrating sustainable development issues.



Employee Relations

- Managing stress
- Developing skills
- Diversity

Corporate Responsibility

- Postal presence
- Raising customer awareness
- Product range
- Accessibility

Environment

- Waste production
- Energy consumption
- Construction / renovation

POST OFFICES



Philippe Lazare,

EXECUTIVE VICE-PRESIDENT OF LA POSTE GROUP,
DIRECTOR OF LA POSTE RETAIL OUTLETS
AND REGIONAL DEVELOPMENT

OUR COMMITMENT

The post offices fulfil a special role in French society, in direct contact with all publics and in all regions. Their continuity involves a necessary reconciliation between apparently contradictory objectives: the network's economic performance, the corporate responsibility role of postal presence and the employee relations consequences of La Poste's modernisation. This new dimension of corporate management called corporate social responsibility is reflected in the quality of employee relations, the opening to changes in society, improved economic efficiency, regional dialogue and our sites' reduced impact on the environment. We will make the post offices into a brand that distributes responsible products and services, and that raises its customers' awareness about sustainable development. The success of this approach will necessarily involve changing the method of governance and management, and mobilising all of our energies. We are committed to acting consistently with our position as a socially-responsible brand and to visibly champion the Group's sustainable development commitments.

2.4 MILLION CUSTOMERS
PER DAY

847 MILLION COUNTER
TRANSACTIONS PER YEAR

75,000 EMPLOYEES

17,000 OUTLETS*
INCLUDING 4,500 OUTLETS MANAGED IN PARTNERSHIP

* Sites where the general public clientele has access to La Poste's basic range of services.

ANALYSIS

OF **Éric Guillon,**
PRESIDENT OF COMITÉ 21

"In spite of their diversity, the regions share the same issues: economic development, employment, social and regional cohesion, environmental protection, balanced development of areas, etc.

To provide cross-functional and coherent responses to these issues, local elected officials increasingly give priority to sustainable development approaches through Agendas 21 or climate plans. These naturally participative approaches involve citizens and the various socio-economic players in their development. This approach strengthens the regions' ability to anticipate and enables them to improve their risk prevention while linking their different issues together.

The major companies in the network, like La Poste, contribute to the regions' process and benefit from it. They are responsible for supporting the local public players, ensuring their own actions comply with the regional policies and involving their employees and customers in the process. These synergies are even more natural, with more striking results, when these companies place sustainable development at the centre of their action."

OUR CHALLENGES

Socially-responsible brand

Implement our position as a socially-responsible brand and make the post office an area that welcomes everyone and raises awareness about sustainable development.

Postal presence

Successfully modernise the network while meeting the legal requirements for a postal presence.

Environment

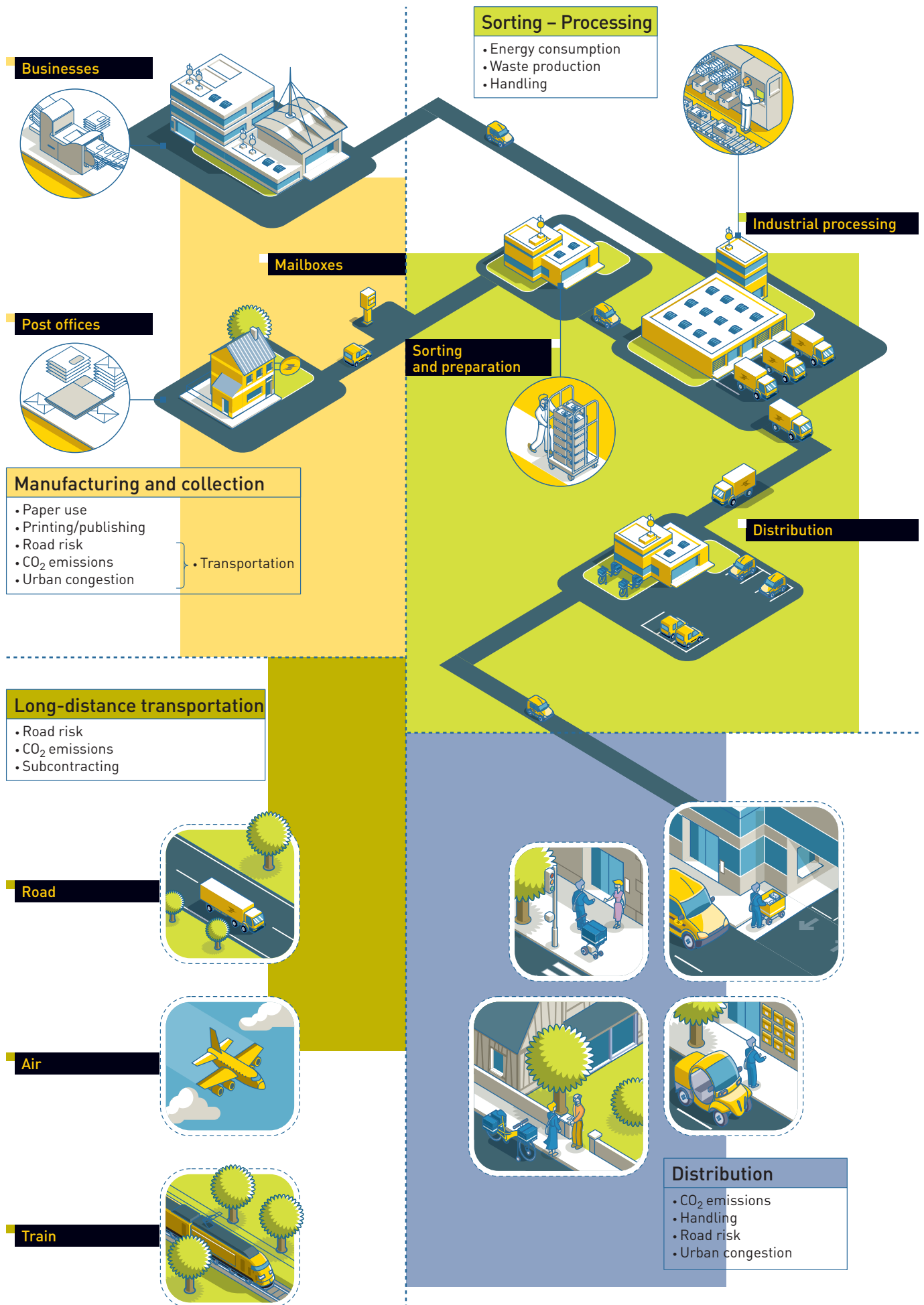
Control the environmental impacts of sites (consumption and waste).

Reception

Improve customer reception and working conditions in the post offices.

Human resources

Implement the Group policy in terms of employment quality, diversity and training.



MAIL DIVISION



Raymond Redding,

EXECUTIVE VICE-PRESIDENT OF LA POSTE
GROUP, DIRECTOR OF THE MAIL DIVISION

OUR COMMITMENT

To become the definitive operator in Europe in 2010 is to be the trailblazer in terms of sustainable development, a source of capital gains and competitive advantages for the Mail business. And this is not a personal conviction. It is also a consensual vision, shared with our customers, the public authorities and our personnel. It is quite simply our innovative public corporate culture.

Eco-friendly driver training, sustainable construction, fair trade cotton garments for mail carriers and paper stamps from sustainably-managed forests: 2006 was the year that we formalised our programmes and accelerated the actions already underway. The Mail business will be a pioneer in sustainable development with the assurance that it will perform over the long term, which assumes making short-term investments occasionally. It is both a question of social responsibility and competitive value when markets are being deregulated. The European tender call we have just launched to buy 500 electric vehicles beginning in 2008 demonstrates this.

28 BILLION ITEMS
TRANSPORTED PER YEAR

MORE THAN 1 BILLION
KILOMETRES TRAVELLED,
INCLUDING 66 MILLION USING CLEAN
METHODS

196,000 EMPLOYEES
(INCLUDING 100,000 MAIL CARRIERS)

NEARLY 150,000 COLLECTION POINTS
AND **27 MILLION** DISTRIBUTION POINTS

ANALYSIS

OF Jean-Marc Jancovici,

CONSULTING ENGINEER, AUTHOR OF
LE PLEIN S'IL VOUS PLAÎT, ÉDITIONS DU SEUIL

"Today transportation represents a little less than 20% of world greenhouse gas emissions. It is rapidly moving upwards. CO₂ emissions from transportation increased nearly 25% between 1990 and 2005. Technology alone will not be enough to limit fossil energy consumption and the impact on the environment. Transporters have to accept a voluntary limitation or be prepared for economic crises that will result in a drop in traffic. These measures can take different forms: taxation of vehicles, limitation of unitary horsepower or consumption, increasing fuel taxation, quotas for big transporters, etc. Therefore, businesses that use transportation have to anticipate a progressive or brutal increase in costs. If they want to maintain the continuity of their business, they have to reduce their energy consumption, which essentially means conceiving a logistics model with reduced flows (slower, not as far and lighter) and not today's increasing flows."

OUR CHALLENGES

CO₂ emissions

Reduce CO₂ emissions from transportation activities, while meeting the legal obligations concerning universal service and customers' expectations in terms of lead times and quality.

Paper

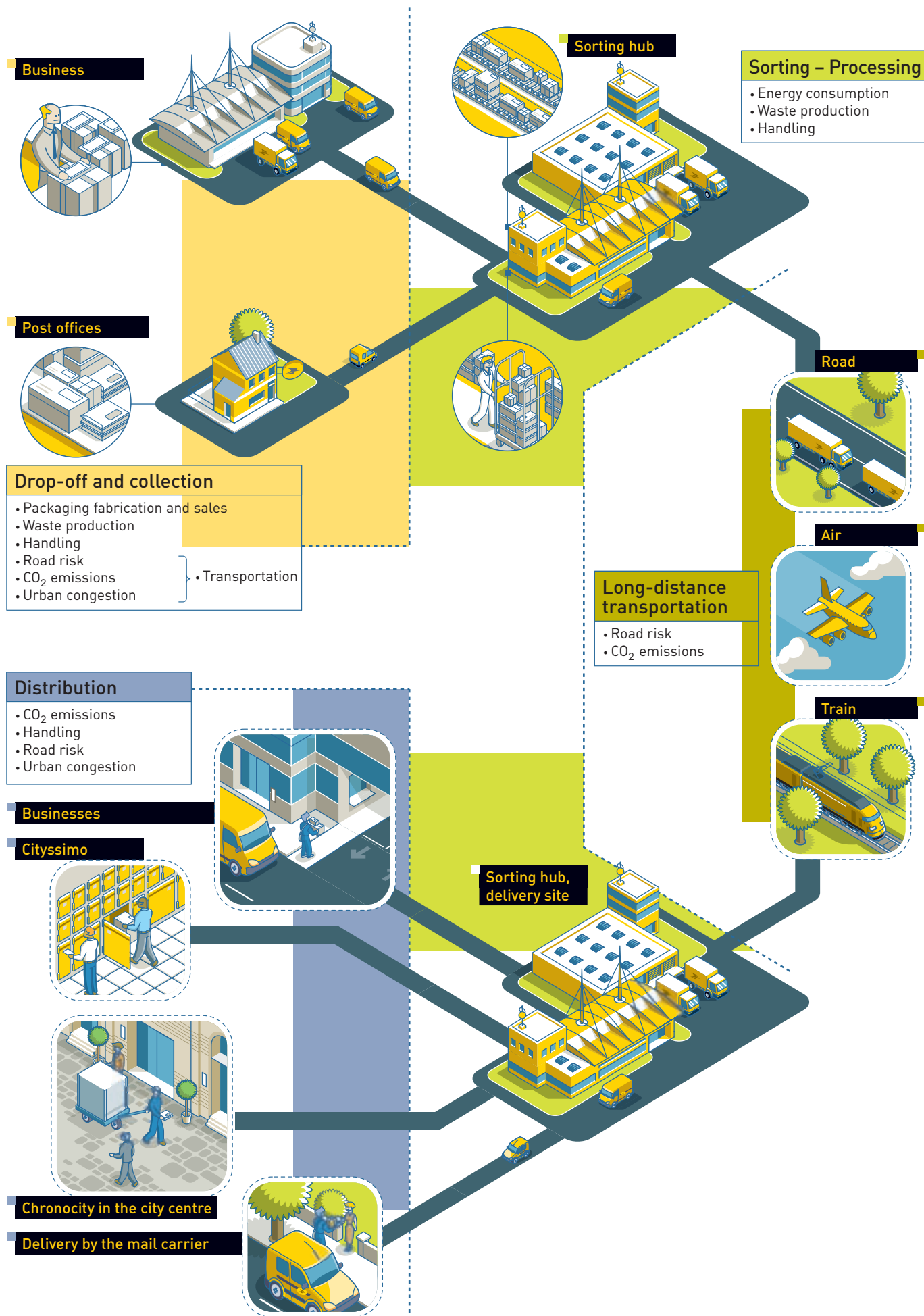
Develop our business by generalising the environmental qualities for the entire channel and using paper responsibly.

Health and safety

Combat poor road safety and ensure quality working conditions in a context of modernising and reorganising processes.

Human resources

Implement the Group policy in terms of employment quality, diversity and training.



PARCELS-EXPRESS



Paul-Marie Chavanne

EXECUTIVE VICE-PRESIDENT OF LA POSTE GROUP,
CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF GEOPOST SA

OUR COMMITMENT

Within La Poste Group the parcel operator Coliposte and GeoPost, express parcel specialist in Europe, are offering our customers in France and Europe efficient transportation for their parcels at the best price. This business is growing, among other things due to the development of e-commerce, and is inseparable from the development of exchanges. We have to take into account the major environmental issues that force us to rethink our organisation: increasing congestion in city centres, fuel costs and strengthened highway regulations.

A few examples that demonstrate the commitments of Parcels and Express to meet these challenges include: improving the delivery of parcels in the city by developing innovative solutions like Chronocity, improving road safety by training our drivers and decreasing our CO₂ emissions by increasing the density of our network and optimising our routes in Europe.

All of the managers are committed to developing this business based on sustainable development principles. They regularly exchange their best practices and use the indicators included in the scorecards in France and abroad.

730 MILLION OBJECTS
TRANSPORTED PER YEAR

26,900 EMPLOYEES
AND 40 NATIONALITIES
INCLUDING 19,200 AT GEOPOST
AND 7,700 AT COLIPOSTE

300,000 BUSINESSES
CUSTOMERS (GEOPOST)

16 PARCEL SORTING HUBS (COLIPOSTE)

20 HUBS (GEOPOST)

ANALYSIS

OF Véronique Lamblin,

RESEARCH, FORECASTING AND STRATEGY
DIRECTOR FOR THE FUTURIBLES GROUP

"Urban sprawl, the generalisation of households' access to the car, high-speed urban roads and changes in lifestyle and consumption patterns are accompanied by, or facilitate, more intensive use of the automobile and also generate local congestion problems beyond the impacts on the quality of life or health. Today, transportation of goods represents approximately 10% to 15% of the urban traffic, but 30% of the road occupancy given the necessary area for loading and unloading. Confronted with this challenge, local authorities implement incentive or restrictive measures: traffic controls, urban tolls and restricted roadways and parking. Cities like Paris, La Rochelle and Monaco are testing innovative logistics means for final in-city delivery: grouping deliveries, using public transportation at night, using waterways or even generalising the clean vehicle for the last kilometres, with the need to find warehouses on the outskirts to transfer merchandise from lorries to these clean vehicles. Transporters have to adapt to these developments to continue to operate while protecting the acceptability of their business."

OUR CHALLENGES

CO₂ emissions

Reduce CO₂ emissions per parcel while meeting customers' needs.

Clean delivery

Offer customers products and services that are more environmentally friendly, especially for delivery in the city centre.

Health and safety

Improve road safety and ensure quality working conditions in a context of modernising and reorganising processes.

Human resources

Implement the Group policy in terms of employment quality, diversity and training.

Head office

- Designing the range of products and services
- Managing assets
- Defining rates
- Code of ethics/compliance
- Dematerialising management
- HR policy

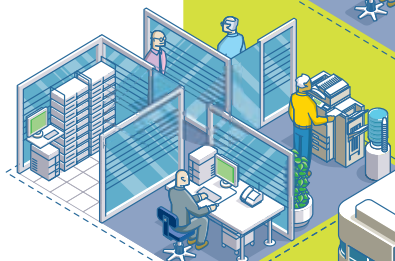
Trading room



Meetings



Head office



Information system



Middle- and back-office

- Managing the customer relationship
- Processing cheques and banking transactions
- Publishing bank statements and chequebooks
- Paper consumption
- Waste production
- Energy consumption
- Handling

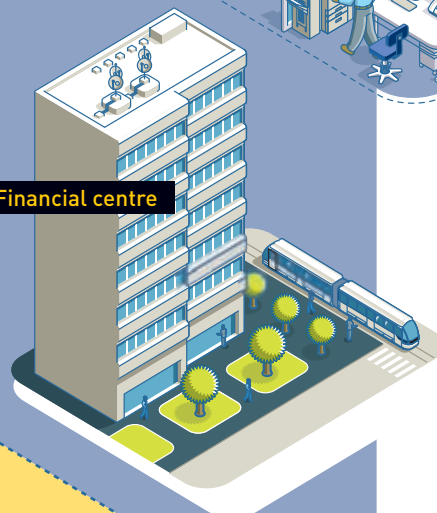


Publishing



Call centre

Financial centre



Financial advisor



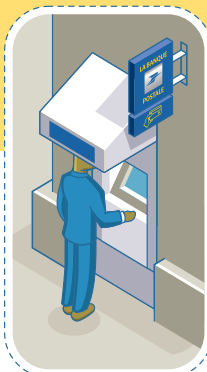
Counter



Customer reception

- Advice
- Information
- Counter transactions (deposits/withdrawals)

Automatic teller machine



LA BANQUE POSTALE



Patrick Werner

EXECUTIVE VICE-PRESIDENT OF LA POSTE GROUP,
CHAIRMAN OF LA BANQUE POSTALE'S
EXECUTIVE BOARD

OUR COMMITMENT

For La Banque Postale, sustainable development is more than a commitment, it is a state of mind. La Banque Postale acts as a responsible company, develops its socially-responsible actions, places sustainable development at the centre of its preoccupations and demonstrates this through its partnership with Yann Arthus-Bertrand. The photos from his book, *La Terre Vue Du Ciel*, show La Banque Postale's chequebooks and MasterCard®, in this way reminding everyone that we have to mobilise on a daily basis to protect the environment. La Banque Postale is also committed to young people and co-finances 65,000 education kits on biodiversity for elementary schools, middle schools and high schools.

Sustainable development is a major challenge for all of us. That is why La Banque Postale, through its personnel, its range of products and services, its partnerships and its own management, actively participates in raising everyone's awareness and guarantees access to banking services for its customers in a vulnerable financial situation.

La Banque Postale also gives meaning to its customers' savings. Its products meet the preoccupations of its saving and investing customers that want to support useful projects for society that respect the environment. For example, the "Investir autrement (Invest differently)" line, comprised of ethical and shared investment funds, combines financial investment and moral values perfectly.

Aware of its immediate and longer-term responsibilities in French society, La Banque Postale develops its socially-supportive actions that take into account changes in society on a daily basis.

29.3 MILLION CUSTOMERS

11.2 MILLION HOLDERS
OF POSTAL CURRENT ACCOUNTS

4,955 AUTOMATIC TELLER
AND BANKING MACHINES

NEARLY 30,000 EMPLOYEES,
INCLUDING 29,000 IN LA POSTE
AND MORE THAN 1,000 EMPLOYEES OF LA BANQUE POSTALE

ANALYSIS

OF Maria Nowak,

PRESIDENT OF ADIE (ASSOCIATION FOR
THE RIGHT TO ECONOMIC INITIATIVE)

"Today, banking exclusion is both the consequence and one of the causes of economic and social insecurity. If the right to an account has existed in France since 1998, it is not applied everywhere. The main brakes on banking integration are the high cost of small transactions and the credit risk, which the bank assesses poorly in the case of a little known clientele. Responses must be provided on both sides: develop financial education for low income customers and encourage banks to intervene "at the base of the pyramid" where the low unit value of transactions is offset by their larger number. Experiences abroad show that financial services for the most destitute people can be profitable.

Overall, improving banking accessibility requires the convergent action of public authorities, financial institutions and socially-responsible companies."

OUR CHALLENGES

Accessibility

Meeting our customers' needs with the best accessibility and reasonable rates.

Socially-responsible Investments

Giving meaning to our customers' savings by developing a line of ethical financial products.

Code of ethics

Continuing our investments in terms of compliance, the fight against money laundering and the anti-terrorism fight, consistent with banking regulations.

Environment

Reducing sites' environmental impacts (consumption and waste) and optimising paper management.

Human resources

Aligning with the Group's policy in terms of employment quality, diversity and training and preventing the stress of "back-office" jobs.

OUR ACHIEVEMENTS OUR PROJECTS



EMPLOYEE
RELATIONS



CORPORATE
RESPONSIBILITY



ENVIRONMENT



EMPLOYEE RELATIONS

THEMES	ACHIEVEMENTS IN 2006		OBJECTIVES FOR 2007
CORPORATE			
Employment and employee-relations development	<ul style="list-style-type: none">> Signed an agreement on promotion> Signed an agreement on staff benefits> Implemented commitments in favour of cooperation vocational training (1,328 contracts)> Signed an agreement on lodging> System to finance business travel plans	<ul style="list-style-type: none">> Implement inter-division business travel plans	
Diversity	<ul style="list-style-type: none">> Signed the Diversity Charter> Obtained the "Equality" label> Assessed the situation of people in a disability situation> Created the "Diversity and handicap" project management	<ul style="list-style-type: none">> Evaluate the implementation of the professional gender equality policy> Organise regional gender equality forums throughout France> Negotiate an agreement on disability and incapacity> Study the feasibility of an employee-relations agreement on diversity> Raise managers' awareness and train them about disabilities	
Health/safety	<ul style="list-style-type: none">> Signed the Road Safety Charter	<ul style="list-style-type: none">> Assess application of the Road Safety Charter	
POST OFFICES			
Employment and employee-relations development	<ul style="list-style-type: none">> Continued to implement the 2005 Employee-relations agreement on promotions	<ul style="list-style-type: none">> Open 4,500 positions for promotion	
Diversity	<ul style="list-style-type: none">> Created a "Professional Equality" task force		
Health/safety	<ul style="list-style-type: none">> Defined ergonomic and comfort criteria at work> Audited stress	<ul style="list-style-type: none">> Implement new work stations> Implement stress-management training	
MAIL			
Employment and employee-relations development	<ul style="list-style-type: none">> Transformed 10,548 fixed-term employment contracts into permanent employment contracts in 2005 and 2006		
Diversity	<ul style="list-style-type: none">> Launched a Diversity assessment> Created a "Professional Equality" Commission> STP: policy to integrate disabled employees (greater than the mandatory unit volume)> Dynapost: negotiated with trade union representatives about gender equality	<ul style="list-style-type: none">> Work to obtain the "Equality" label> Define a diversity-action plan	
Health/safety	<ul style="list-style-type: none">> Integrated the "road risk" parameter in the organisation of pedestrian and cyclist rounds> Integrated the health/safety objectives in the performance evaluation and management	<ul style="list-style-type: none">> First assessment of the Road Safety Charter	
PARCELS-EXPRESS			
Employment and employee-relations development	<ul style="list-style-type: none">> Created 270 permanent employment contracts, transformed 200 fixed-term employment contracts into permanent employment contracts and opened 200 positions for promotion (ColiPoste)		
Diversity	<ul style="list-style-type: none">> Assessed women's situation (ColiPoste)	<ul style="list-style-type: none">> Attain 30% women on staff by 2009 (ColiPoste)> Prepare a status report on the accessibility of work premises to disabled personnel and develop a schedule for priority renovations to be carried out in 2008 (ColiPoste)> Develop collaboration with the Help Centres Through Work (e.g.; cleaning in Marne-la-Vallée) (Chronopost)	
Health/safety	<ul style="list-style-type: none">> Tested and deployed new ergonomic equipment (ColiPoste)> Assessed health/safety in 60 establishments (ColiPoste)	<ul style="list-style-type: none">> Implement action plans based on the assessment (ColiPoste)	
LA BANQUE POSTALE			
Employment and employee-relations development	<ul style="list-style-type: none">> Changed the remuneration policy for financial advisors	<ul style="list-style-type: none">> Sign an employee relations agreement for personnel in the Financial Centres	
Diversity	<ul style="list-style-type: none">> Assessed the best practices for implementation 2007-2010		
Health/safety	<ul style="list-style-type: none">> Conducted a campaign to raise awareness of cardiovascular, tobacco and alcohol risks	<ul style="list-style-type: none">> Continuous education on the themes of "Eating, exercise," diabetes, etc.	

CORPORATE RESPONSIBILITY

THEMES	ACHIEVEMENTS IN 2006	OBJECTIVES FOR 2007
CORPORATE		
Responsible purchasing and products	<ul style="list-style-type: none"> > Created a responsible purchasing intranet (Purchasing Department) > Implemented the paper policy on communication and general service purchases > Integrated environmental and employee relations criteria in transportation purchases 	<ul style="list-style-type: none"> > Integrate sustainable development in the business travel purchasing policy > Develop awareness raising and training actions for buyers > Develop disabled customers' accessibility to products and services
Partnerships and solidarity	<ul style="list-style-type: none"> > Continued historic partnerships (Red Cross, Unicef, Téléthon, etc.) > Partnered with the Lire et Faire Lire (Ready for reading) association > La Poste was a partner of the Ekilibre competition, national Fair Trade and Solidarity Trade competition > Tested solidarity leaves 	<ul style="list-style-type: none"> > Create La Poste Chair in sustainable development with Euromed Marseille > Organise 20 solidarity leave missions for postal workers in partnership with Planète Urgence
Consultation and cooperation	<ul style="list-style-type: none"> > Created the Postal Presence Observatory > Continued dialogue with regional elected officials 	<ul style="list-style-type: none"> > Manage the UPU's sustainable development group's work
POST OFFICES		
Responsible purchasing and products	<ul style="list-style-type: none"> > Marketed stationary and gifts from fair or ethical trade > Strengthened disabled persons' access to sites, equipment and information 	<ul style="list-style-type: none"> > Continue marketing products from fair or ethical trade > Develop disabled customers' accessibility to products and services
Partnerships and solidarity	<ul style="list-style-type: none"> > Signed a two-year partnership with Artisans du Monde 	
Consultation and cooperation	<ul style="list-style-type: none"> > Continuously dialogued with local elected officials as part of deploying the "TERRAIN" project > Trained managers in regional dialogue in partnership with the Centre National de la Fonction Publique Territoriale (national centre for regional public services) 	
MAIL		
Responsible purchasing and products	<ul style="list-style-type: none"> > Decided to generalise fair trade cotton in the professional garment tops > Took environmental criteria into account in the purchase of new electrical and electronic equipment > Asphera: responsible purchasing policy and offer to advise customers about integrating environmental criteria in their supports 	<ul style="list-style-type: none"> > List eight fair trade cotton articles and order 350,000 items > Extend the responsible purchasing policy (vehicles, transportation, etc.) > Train the sales channel in sustainable development
Consultation and cooperation	<ul style="list-style-type: none"> > Trained managers in regional dialogue in partnership and cooperation with the Centre National de la Fonction Publique Territoriale (national centre for regional public services) > Dialogued with local elected officials for each deployment of a hub as part of the Mail Quality Project 	
PARCELS-EXPRESS		
Responsible purchasing and products	<ul style="list-style-type: none"> > Designed a rate brochure for ColiPoste's general public line (sent from France) for partially-sighted and visually-impaired persons (version in Braille with large characters) 	<ul style="list-style-type: none"> > Implement a Supplier Charter and integrate sustainable development issues in suppliers' specifications (Chronopost) > Distribute the rate brochure in Braille and with large characters in the post offices (ColiPoste) > Develop purchases with the protected sector (ColiPoste)
Partnerships and solidarity	<ul style="list-style-type: none"> > Continued the partnership between Exapaq and the French Red Cross 	
LA BANQUE POSTALE		
Responsible purchasing and products	<ul style="list-style-type: none"> > Continued to market the Socially Responsible Investment line, "Investir autrement" (ethical and shared investment fund) > Chequebooks and the MasterCard® illustrated with photos by Yann Arthus-Bertrand > Strengthened disabled persons access to products and services (extracts of accounts in Braille, etc.) 	<ul style="list-style-type: none"> > Implement a socially-supportive micro-credit line > Market a loan that allows customers to finance energy saving work in lodging > Develop disabled customers' accessibility to banking products and services
Partnerships and solidarity	<ul style="list-style-type: none"> > Signed an agreement with UNCASS to combat banking exclusions > Téléthon partnership – La Banque Postale > Donated \$100,000 to Aide and Action with Western Union > Partnership with UNICEF: donated 142,760 vaccinations > Partnership with National Education and the Yann Arthus-Bertrand, Good Planet association 	<ul style="list-style-type: none"> > Partnership with IMS-Entreprendre pour la Cité (organisation of companies promoting innovative projects for local communities) on recruiting, coaching, etc. > Continue actions with UNCASS and any partnership taking into account changes in society
Consultation and cooperation		<ul style="list-style-type: none"> > Support micro-insurance (integration and cooperation with the Fondation Entrepreneurs de la Cité)

ENVIRONMENT

THEMES	ACHIEVEMENTS IN 2006	OBJECTIVES FOR 2007
CORPORATE		
Transportation	<ul style="list-style-type: none"> > Identified levers to reduce subcontractors' greenhouse gas emissions > Created an engineering subsidiary with the SNCF to create a high-speed European rail cargo network > Informed "transportation" subcontractors > Participated in the work programme of PostEurop's Environment group on Corporate Responsibility 	<ul style="list-style-type: none"> > Coordinate tests on using alternative fuels > Participate in the work programme of PostEurop's Environment group
Eco-design/Paper	<ul style="list-style-type: none"> > Developed an eco-design tool and trained marketing product managers and Mail communicators > Committed and formalised the Group's paper policy > Generalised use of recycled paper at the head office 	<ul style="list-style-type: none"> > Analyse the life cycle of a parcel > Manage the deployment of a paper policy in the Business Sectors
Environmental site management	<ul style="list-style-type: none"> > Prepared a partnership with CERTIVEA (subsidiary of the Scientific and Technical Building Centre) > Distributed the sustainable construction guide 	<ul style="list-style-type: none"> > Implement the partnership with CERTIVEA > Train the "Property" channel in environmental issues
POST OFFICES		
Eco-design/Paper		Produce and market an illustrated and eco-designed local Ready-to-Mail envelope
Environmental site management	> Assessed energy in partnership with EDF (energy certificates)	Launch a water and energy savings plan (CAP 30)
MAIL		
Transportation	<ul style="list-style-type: none"> > Industrial and financial assessment of the electric car test (Cleanova) > Continued tests of clean vehicles > Tested eco-driving in Lyon > Sofipost: acquired three ethanol fuelled vehicles 	<ul style="list-style-type: none"> > European tender call for the purchase of an initial series of 500 electric cars in 2008 > Train 10,000 mail carriers how to eco-drive > Study the environmental impacts of the "transportation" section in the Mail Quality Project > Integrate environmental criteria in the "vehicle policy 2012"
Eco-design/Paper	<ul style="list-style-type: none"> > Developed the eco-book of stamps > Expanded the conditions of access to the Alliage line, which reduces addressing errors on files > Analysed the life cycle of an unaddressed advertising flyer (Mediapost) > Multiplied recycled publications 	<ul style="list-style-type: none"> > Develop and market "NF Environment" Ready-to-Mail > Develop an eco-design guide for unaddressed advertising (Mediapost)
Environmental site management	<ul style="list-style-type: none"> > Re-launched the waste approach and redefined players' roles > Energy assessments at 30 sites > High Environmental Quality criteria increasingly integrated in new construction projects 	<ul style="list-style-type: none"> > Implement waste management at 390 sites more than 1,500 sq.m. > Implement energy efficiency action plans > Obtain ISO 14001 certification for the Phil@Poste printing plant
PARCELS-EXPRESS		
Transportation	<ul style="list-style-type: none"> * GeoPost > Measured direct and indirect CO₂ emissions * Chronopost > Reduced use of air transportation and developed rail > Assessed the implementation of Urban Logistics Areas (ULA) * ColiPoste > Implemented bulk loading at 100 national connections (70% of volumes) 	<ul style="list-style-type: none"> * GeoPost > Study the feasibility of a CO₂ neutral line of transportation services > Test NGV vehicles in some subsidiaries * Chronopost > Implement rail delivery on the Paris/Southeast and Paris/Southwest corridors > Raise awareness of eco-driving * ColiPoste > Implement bulk loading at 150 connections
Eco-design/Paper	<ul style="list-style-type: none"> * GeoPost > Implemented tracking indicators: paper consumption, share of recycled paper * Chronopost/ColiPoste > Promoted the use of recycled paper 	
Environmental site management	<ul style="list-style-type: none"> * GeoPost > Implemented tracking indicators * Chronopost/ColiPoste > Implemented waste management at operational sites 	<ul style="list-style-type: none"> * ColiPoste > Conduct an internal audit of waste management
LA BANQUE POSTALE		
Products and services/Paper	> Dematerialised loan application procedures	> Dematerialise sales documentation
Environmental site management	> Waste selectively sorted at 90% of sites	

Competition and changing customer expectations require adaptations in La Poste's organisations. La Poste intends to successfully implement this change by choosing an employee relations model that is based on the quality of employment, pays attention to working conditions and is open to the diversity of profiles.

EMPLOYEE RELATIONS

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An agreement on postal worker promotion

Five trade unions signed the agreement on promotion on 6 June 2006. It meets the willingness asserted in La Poste's employee relations project, "Succeed Together", to extensively modify promotion systems. The three new systems, the same for all postal workers, are based on the recognition of professional achievements, potential and experience. 22,275 promotions were effected in 2006, out of an objective of 45,000 by 2008.





A staff-benefits agreement for postal workers and their family

Signed by six trade unions on 19 May 2006, the staff-benefits agreement institutes two mandatory collective benefits plans ("incapacity – disability – death" and "reimbursement of healthcare expenses") to the benefit of La Poste's private law employees. Consequently, 100,000 postal workers benefit since 1 January 2007 from a considerable improvement in their complementary benefits.

303,000

EMPLOYEES IN THE GROUP*

* In APY (agent-per-year equivalents).

8.1%

OF POSTAL WORKERS PROMOTED IN 2006*

* Scope of La Poste parent company.

50.6%

OF WOMEN IN THE TOTAL STAFF*

* Scope of La Poste parent company.



La Poste receives the "Égalité" label

On 22 December 2006, La Poste received the "Égalité" label, which rewards its commitment and its actions in favour of professional gender equality. It is the first public company to receive this label for all of its business activities, as each Business Sector decided to also obtain it for its own scope. With the creation in 2007 of a gender equality network, La Poste is demonstrating its determination to strengthen its communication and awareness raising actions for professional equality.





La Poste intends to guarantee, on the basis of diversified recruitments, stable jobs and secure career paths. It offers postal workers a human resources management model combining respect for individuals and professional development that recognises employees' involvement and their contribution to the company's performance. La Poste has respected the commitments made in 2004 to combat insecurity. It continues its actions in favour of occupational integration and the recruitment of young people.

STRENGTHENING THE QUALITY OF EMPLOYMENT AND RECRUITMENT



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GIVE PRIORITY TO PERMANENT EMPLOYMENT

La Poste exercises its activities in increasingly competitive markets, especially in the Mail and Parcels-Express Sectors that are subject to economic cycles. Consequently, its performance is based on its ability to be reactive and to adapt its organisations to meet its customers' needs, to remain competitive and to carry out its missions. In this context, La Poste acts as a responsible employer by choosing job stability rather than contract flexibility, a source of insecurity. The commitments La Poste made in 2004 to reduce its use of fixed-term employment contracts, to transform 11,000 fixed-term employment contracts into permanent employment contracts (including 10,000 for the Mail Business Sector) and to decrease the number of part-time permanent employment contracts are coming to an end in 2006. The Mail Business Sector has exceeded its objective: 10,548 fixed-term employment contracts were transformed into permanent employment contracts over the past two years and new commitments were made for 2007. Over the same period, more than 17,272 people working part-time expressed the desire, after consultation, to be offered a fulltime position. Among them, the working hours for 86% of them increased to fulltime.

In April 2005, ColiPoste signed an employee-relations agreement with four trade unions, completed by the signature in 2006 of an addendum with a fifth trade union. In this context, ColiPoste created 270 additional permanent employment contracts, transformed 200 fixed-term employment contracts into permanent employment contracts and opened 200 positions to promotion.

Henceforth, in order to cope with the adaptability needs (traffic peaks, seasonal population movements) inherent to its business, La Poste uses a temporary workforce based on strictly controlled terms.

CONTINUE THE COMMITMENT IN FAVOUR OF APPRENTICESHIP

In order to encourage young people's access to the working world and their success in the company, La Poste has recruited based on cooperation vocational education for more than ten years. It has given priority to this hiring method since two years. A signatory of the Apprenticeship Charter, in 2005 La Poste committed to increase the number of its apprentices 20% by the end of 2006, or the equivalent of 1,250 young people. This objective was reached since 1,328 apprenticeship contracts have been signed, which represents a 30%-increase compared to 2005. A significant development is that apprenticeship increasingly involves supervisory positions. In 2006, 97 senior managers followed a cooperation vocational education training programme in La Poste. La Banque Postale also gives priority to this recruiting method for its financial advisors. In 2006, Mediapost implemented an innovative recruiting approach, carried out in partnership with training organisations. 26 young people were recruited through professionalisation, apprenticeship or long-term internship contracts. They benefited from a specific integration session and personalised tutoring from their managers who had been trained in how to manage young people in an apprenticeship situation.

ENCOURAGE REINTEGRATION THROUGH EMPLOYMENT

In May 2005, La Poste committed to facilitate the return to professional life for long-term unemployed persons. 369 CIRMA's (occupational integration contracts with a minimum wage) have already been recruited and are benefiting from local tutoring and actions adapted to continuous vocational training. This way La Poste offers them a new chance to integrate successfully and permanently in the company.



Valérie Bastide,
COUNTER CLERK IN SIX-FOURS

I have twelve years of banking experience and I had to resign to follow my husband. After several of my applications were rejected, I alternated between periods of unemployment and short-term contracts. Following an ad at the ANPE, I learned about La Poste's offer for a CIRMA*. I was very interested because I could apply for a counter clerk position based on my banking and relational skills. In Six-Fours, I was immediately taken under the wings of the head of the establishment and I didn't feel I was treated any differently because of my status. After thirteen months under the CIRMA, I was recruited for a permanent employment contract at the post office in Bandol.

MODERNISE AND GET ORGANISED RESPONSIBLY

As part of their modernising, La Poste Group and its Business Sectors implement new reorganisations, based on the principle of offering each employee concerned at least two positions corresponding to their qualification under acceptable geographic conditions. Internal mobility advisors support, activate retraining initiatives and facilitate access to the Group's job offers. This way 90% of employees find a new job before their position is eliminated.

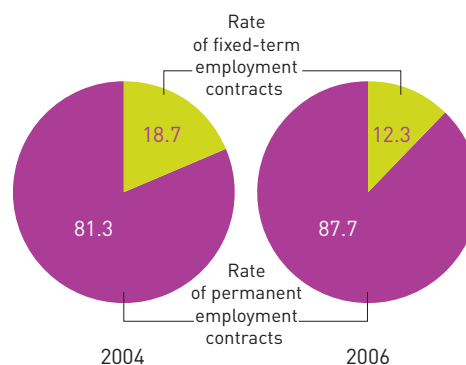
Implementation of the Mail Quality Project (CQC) constitutes an in-depth change in the Mail Business Sector's organisations. The Mail Business Sector has committed not to make anyone redundant, not to require any geographic mobility beyond a 30-km radius and finally to systematically seek an agreement with the trade unions. Indeed, the success of the Mail Quality Project will necessarily involve its ability to adapt to its new environment by relying on its employees' skills.

To get ready to apply the new regulation on vehicle speeds, Chronopost committed in 2006 to profoundly reorganise its network and to generally revise its processes to reduce the processing time for parcels in the agency and to maintain its delivery lead times. By anticipating this reorganisation sufficiently in advance, Chronopost was able to reclassify 285 people, including 22 in the Group. Mediapost, the leader in the French Unaddressed Advertising market, employs nearly 14,000 employees including 12,500 distributors. Its processes were reorganised with the double objective of increasing quality and improving employee relations.

Between 2004 and 2006, this reorganisation resulted in the signature of 22 collective agreements with trade unions, most of which were signed unanimously, a 30%-increase in distributors' salaries in 2006 and increased employee loyalty with a 40%-drop in turnover.

FIXED-TERM EMPLOYMENT CONTRACTS TRANSFORMED INTO PERMANENT EMPLOYMENT CONTRACTS IN THE MAIL DIVISION

(as a % of contractual employees – in the scope covered by the commitments to transform fixed-term employment contracts into permanent employment contracts)



Assessment and outlook

La Poste's modernisation projects and the mobilisation of all postal workers have contributed to the company's good performance. In markets that are going to continue to change, La Poste and its Business Sectors will continue their transformations. With the impacts on the nature of work areas, their layouts and the required skills, the Group's objective is to better anticipate necessary personnel movements based on its employees' career development desires. To do this, La Poste will upgrade the mobility principles and procedures in the Group and outside the Group.



The “postal demographics” and the company’s modernisation require renewing and adapting skills. In the face of these issues, La Poste, which is aware that skills development is a source of motivation and commitment to the company, facilitates career changes and recognises postal workers’ efforts through promotion.

RECOGNISE SKILLS AND DEVELOP EMPLOYABILITY

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PARCELS-EXPRESS AND MAIL: ENCOURAGE VERSATILITY IN POSITIONS

Developing versatility in positions can increase employees’ employability while meeting the organisations’ needs in terms of adaptability and responsiveness.

In 2006, this approach constituted the basis for Chronopost’s reorganisation. Agents can diversify their skills by going to a multiple profession logic: someone that had one profession will now be able to have several. For example, some people exercising the sorter function have been able to become a driver-sorter. For them this constitutes a development opportunity and facilitates the adaptation of Chronopost’s organisation.

The Mail Business Sector’s multiple activities provide for flexible and adaptable organisations, decrease stress from workloads and increase employees’ skills. Managers play a major role in managing the multiple activities so this organisational choice succeeds.

POST OFFICES: DEVELOP THE RECEPTION AND ADVISORY PROFESSIONS

The counter clerk profession has changed substantially and the responsibilities, in terms of receiving the clientele, sales and advice, have expanded. In order to promote this change, La Poste has undertaken a vast programme to recognise the new skills acquired by its counter clerks, which has resulted in three waves of promotion over the 2006-2007 period. In 2006, 11,000 counter clerks were promoted, which represents nearly 20% of the Business Sector’s employees. A third promotion wave, open to salaried agents and civil servants, has been announced for the first six months of 2007, with 4,500 positions created. Moreover, since 1 January 2007, the banking advisor line’s remuneration has been rebalanced. In order to better satisfy its employees’ expectations, the fixed part of the

remuneration has been increased and a new commission system, more oriented towards rewarding performance, has been defined.

LA BANQUE POSTALE: INSTALLING A BANKING CULTURE

There are three circles of players in La Banque Postale: the bank’s salaried employees, the salaried employees in the Financial Centres and in IT, and finally the advisors and counter clerks at the post offices. In 2006, La Banque Postale made an exceptional investment in training and created the École de La Banque (La Banque Postale’s own school). Its four areas of expertise – integrating new employees, sales development and customer service, controlling risk, and management – help the bank implement its strategy. In 2006, nearly 162,000 training days were offered, with a sharp increase for some categories of personnel (8.4 days per employee for the sales functions). Training is the key lever to create a common banking culture and give each player the means to succeed, consistent with the banking regulations.





The social benefits offered postal workers have always been at the centre of La Poste's action. This policy of employee-relations action, by facilitating postal workers' personal and professional life, strengthens the Group's ability to build its employees' loyalty and to attract and support new postal workers in the company.

CONTRIBUTE TO POSTAL WORKERS' QUALITY OF LIFE



HELPING POSTAL WORKERS FIND ACCOMMODATION

Today, accommodation represents the leading expense for households. La Poste strives to facilitate lodging for its employees by encouraging the development of a supply of local authority type housing.

In 2006, La Poste signed 10 local agreements with HLM cooperatives (council housing estates). They facilitate postal workers access to a supply of suitable local authority housing. The signature of these agreements falls within the scope of an employee-relations agreement on accommodation signed in July 2006 between La Poste and six trade unions. This agreement aims to improve the existing financial aid and to increase the number of local authority lodgings offered. Through these partnerships, La Poste participates, at its level, in the national commitment for lodging.

FACILITATE THE HOME TO WORK COMMUTE

La Poste's employees travel every day to reach their place of work at one of the 16,000 sites in France. This increasingly complex travel in urban settings, beyond its environmental impact, consumes time and is a stress factor. La Poste has adopted a very aggressive policy to implement business travel plans (PDE) combined with an exemplary system of financing subscription to a collective transportation service. It also encourages other means of eco-friendly transportation (car pooling, bicycle). The business travel plan approach now involves all Business Sectors, over larger areas, like the business travel plan in the Var and the Alpes-Maritimes, which will eventually involve more than 7,000 postal workers from three different Business Sectors.

DO A BETTER JOB OF COMBINING PERSONAL LIFE AND PROFESSIONAL LIFE

In 2006, La Poste offered the restaurant ticket to postal workers that don't have access to company restaurants. It also expanded child-minding services to all age groups and offers a service to help find a method of child-minding. La Poste offers postal workers its "Genius" line of human services for the general public at preferential rates and takes care of the prepaid CESU (Universal Service Employment Cheque), with a graduated participation based on revenues.



Agnès Grangé,

DIRECTOR OF THE RENNES FINANCIAL CENTRE

I am responsible for a centre with more than 600 people, located in the city. When we learned that the car park where most agents park was going to become paying at the end of 2007, we immediately anticipated the consequences. This was the occasion to implement a business travel plan, both for agents and for the environment. We undertook a broad dialogue beginning in mid-2005: with the town to obtain preferential rates on public transportation, with the trade unions and the managers so they could relay the approach, and with the agents so all of the players could develop and get involved. We committed to concrete measures: purchase bicycles, triple parking spots for two-wheel vehicles, financial participation, etc. The business travel plan was signed on 1 January 2007. Nearly 180 agents changed their habits and now come by bicycle or on public transportation.



Aware of the major changes introduced by legislative acts in 2005 and 2006 (law of 11 February 2005 on handicaps, law of 31 March 2006 on equality of chances and law of 23 March 2006 on salary equality), La Poste intensified and deployed its actions in 2006 in terms of diversity and equality of chances, consistent with the commitments of its employee-relations project, “Succeed Together.” With more than 300,000 employees, La Poste is convinced that gender equality and diversity constitute levers of modernity and performance.

COMMITTING TO DIVERSITY



A FORMALISED GROUP POLICY

After signing an executive agreement on professional equality in 2005, La Poste reaffirmed in December 2006 its commitment to the fight against discriminations and in favour of equality of chances by signing the Diversity Charter. In order to ensure the initiative is managed based on an integrated approach, a management team was created for the diversity and handicap project in the Group. Among the priorities listed in its action plan, La Poste is committed to developing postal workers' employability, ensuring there is no discrimination in management acts and combating the glass ceiling. It is also committed to diversifying its recruitments in order to better reflect the diversity of job applicants. A sign of its expanded responsibility, La Poste has also set objectives with regard to external stakeholders. It wants to improve customers' access to products and services, and make sure there is no discrimination in the procedures and contracts. Finally, La Poste has decided to promote respect for equality with its suppliers and subcontractors.

CROSS-FUNCTIONAL ASSESSMENTS AND IN TWO DIVISIONS

Before actually implementing these policies, two Business Sectors wanted to rely on an assessment in order to better identify their characteristics and their own issues. La Poste Retail Outlets was the first Business Sector that completed an assessment at the beginning of 2006 with the Group's Sustainable Development Department. The study covered the perception of discrimination by agents in contact with customers, due to the extreme sensitivity of the reception and advisory functions to these issues. The postal workers interviewed consider that La Poste does not discriminate in its hiring process, quite the contrary, while expressing the fear that the same opportunities of advancement and promotion are not offered to everyone.

Because there are real difficulties in the relationship with some customers, experienced as real discriminations, postal workers express strong expectations vis-à-vis the company, and especially their managers, to deal with these questions. With the support of the IMS' (Institute for Sponsorship and Solidarity) diversity Hub, the Mail Business Sector carried out a very comprehensive assessment in 2006, covering 145 people: managers, staff and line personnel, including 57 mail carriers, 40 sorting agents and 19 HRD staff. The assessment confirms that the corporate culture is very favourable to a policy of diversity and openness in terms of recruitment, but identifies the need to improve the HR process, especially concerning career advancement and internal communications, with more formalised management of issues related to diversity. At the same time, at the corporate level, the Diversity and Handicap project's management has launched several qualitative and quantitative studies: a qualitative study in July 2006 on the current situation with equality of chances, a study on professional equality and statistical studies on the variances in fixed and variable remuneration.



Assessment and outlook

The Diversity and Handicap project management and the Business Sectors will continue to implement the Diversity policy decided in the Group's Executive Committee. Based on the evaluation from the "Égalité" label, the objectives of the actions will be to improve the management models, facilitate career paths, facilitate the professional/private life connection and favour women's access to reflection groups and networks. The feasibility of an overall employee-relations agreement on diversity will also be studied.

A NEW PROCESS FOR PROFESSIONAL GENDER EQUALITY

Obtaining the "Égalité" label, which recognises La Poste's commitment, should accelerate projects and facilitate the structuring and management of actions.

An initial forum on gender equality was held in October 2006 to raise the awareness of senior and strategic managers in the West to the issue of promoting women to strategic positions. By 2008 forums will be organised around France on the same theme.

The Business Sectors relied on assessments to prioritise the actions that were best suited to their issues, in the context of a dialogue between management and the unions.

The Mail Sector has created a "Mail Professional Equality Commission," comprised of Business Sector managers and trade unions. Its mission is to raise management's awareness and perform very precise assessments of the distribution of remunerations, promotions and employees by rank and function. La Poste Retail Outlets has created a combined task force with the trade unions to identify the priorities that should be implemented.

ColiPoste has prepared an assessment dealing with the proportions of women per rank, per type of establishment and in the promotions. With women representing 26% of the workforce, vs 25% in 2005, ColiPoste has committed to improve the rate of female recruitment, gradually moving towards a workforce with 30% women by 2009.

The action plans from these assessments will be implemented in 2007.

A REQUIREMENT FOR RESULTS CONCERNING HANDICAPS AND INCAPACITY

In 2006, in order to better integrate disabled employees, La Poste continued its communication actions and actions to improve the understanding of disabilities. This mobilisation enabled La Poste to recruit 100 disabled persons in 2006 and increase its division-specific purchases 10%.

A partner of the 10th Week for the employment of disabled persons, La Poste participated in more than 20 regional events. The local entities met applicants as well as professionals for the integration of disabled persons, local missions, employment CAPs (Professional Ability Certificate) and local ADAPT representatives. Managers were made aware of handicaps and received a polite behaviour guide and a division-specific purchasing guide. La Poste also conducted a study on its incapacitated and disabled agents. This study showed there was no discrimination vis-à-vis these agents, especially in terms of rating, but it also revealed lower rates of promotion and mobility. These results, shared with the unions and management, provided input for the 2007 action plan. A new agreement in favour of disabled persons and agents with limited capacity will be prepared and negotiated in 2007 and measures concerning customers' accessibility to premises, products and services will be strengthened. Mediapost has mobilised to make its managers and local recruitment directors aware of their responsibilities. This commitment was able to achieve, with 136 additional disabled persons, a 4%-rate of beneficiaries of the employment obligation for disabled persons. These efforts will be continued in 2007 based on the good practices identified in its network.

BOE RATE IN 2006

(BOE: Beneficiaries of the Employment Obligation)

4.8% La Poste parent company

6% La Banque Postale's Financial Centres



La Poste's businesses present proven risks for employees (road risks and risks related to handling, rudeness and aggressions), resulting in accidents, occupational diseases or stress-related diseases; hence absenteeism that penalises the company's performance. Beyond becoming aware of this issue, decisive in preventing the risks and reaching the Group's ambitious goals, in 2006 the Business Sectors continued the efforts commenced in 2005 to improve working conditions and reduce the impact of their activities on postal workers' health.

IMPROVING POSTAL WORKERS' WORKING CONDITIONS AND GUARANTEEING THEIR SAFETY



MAIL DIVISION: PRIORITY FOR ROAD SAFETY

In France, road accidents represent 55% of the occupational accidents and are the leading cause of death at work. With a total fleet of more than 58,000 motorised vehicles and 100,000 drivers, La Poste is one of the most represented companies on the roads, which imposes a high degree of responsibility on postal workers, for their own safety and that of other road users. In 2006, La Poste stepped up its efforts in terms of preventing road risks and formalised its commitment by signing the Road Security Charter with the Ministry of Transportation for a renewable three-year term. The Charter's application will be assessed for the first time at the end of 2007.

In the Mail Business Sector, concerned by this issue as a matter of priority, the actions already undertaken have been reaffirmed: mandatory driving certification, training in road safety rules, prevention courses aimed at users of motorised two-wheel vehicles and the wearing of safety equipment. In 2006, the "road risk" parameter was integrated in how the distribution rounds are organised, especially for pedestrians and cyclists, in view of the large number of accidents on this type of round: limitation of crossing roadways, balanced loads on two-wheel vehicles, taking the state of the roads into account, etc. Moreover, on the whole, "health and safety" objectives have been integrated in the evaluation and management of performance in order to increase managers' involvement in the Mail Business Sector.

PREVENTING RISKS OF STRESS AT LA BANQUE POSTALE

In the Financial Centres, the bank's players in charge of the telephone relationship with customers can be confronted with a noisy and stressful environment. Therefore, La Banque Postale deploys a prevention policy, supported by a specific budget dedicated to preventing these occupational risks and improving the working conditions. The stations have been rearranged with ergonomic seats, individual lamps and telephone headsets. In addition, La Banque Postale's players are made aware of the risks of cardiovascular diseases, tobacco and alcohol.

INTEGRATING PREVENTION IN THE PARCEL PROCESSING PROCESS

The parcel processing process includes several handling steps that are a source of stress. In order to improve the working conditions in the agencies, in 2006 ColiPoste tested new equipment like raised sorting tables that reduce the load carried. The container-turners allow agents to avoid emptying containers manually. During 2006, the carts used in the parcel sorting hubs were replaced by more ergonomic equipment.

ColiPoste also did an internal assessment of Health and Safety at Work in 60 of its establishments. The assessments covered, in particular, safety and the working environment and resulted in the creation of action plans for each audited establishment.

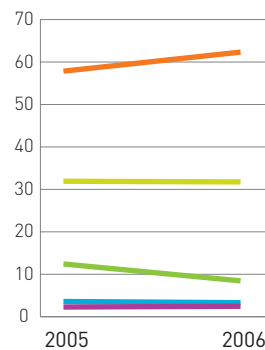


POST OFFICES: SIGNIFICANT INVESTMENTS IN ERGONOMICS AND THE FIGHT AGAINST STRESS

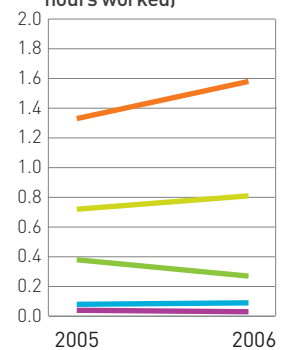
Health and Safety were placed at the centre of the agreement on the counter clerk function: concluded at the end of 2005 to handle this activity's two major risks (rudeness or aggressions and problems related to the constraints of the counter clerk profession), this agreement devoted nearly €10 million to prevention actions in 2006. Work carried out in collaboration with a specialised firm was able to define the workplace ergonomics and comfort criteria (e.g.; thermal ambiance and lighting). These requirements are incorporated at the very early stages of the process to renovate offices, when the work areas are being designed. The Business Sector's ergonomist verifies that the organisation, layout and furniture comply with the criteria in the specifications.

Since June 2006, a day on rudeness, for counter clerks and supervisors, offers the keys to getting a better grasp of rudeness, understanding it, analysing it and knowing how to prevent and manage it better. This action is in addition to the stress management module already created in 2005 and the stress audit implemented in 2006. Nearly 1,500 counter clerks have taken this training. In order to complete the measures, a post-aggression support plan, including tools, has been implemented in each office.

FREQUENCY RATE*
(number of accidents
per million hours worked)



SERIOUSNESS RATE*
(number of work days lost following
occupational accidents per thousand
hours worked)



■ Post Offices ■ Mail ■ ColiPoste
■ Financial Services ■ Support and Structures

*La Poste parent company data, excluding subsidiaries.

Assessment and outlook

Continuing the actions undertaken, La Poste has defined a Health and Safety at Work action plan for the 2007-2010 period. The Business Sectors will be quite involved: they will implement prevention action programmes to decrease occupational accidents and occupational diseases, and, in particular, road accidents. La Poste will also continue its policy of preventing incapacities and maintaining employment, and will develop psychosocial risk prevention.

In France La Poste is a major economic player and the preferred contact for local authorities. It stands at the interface of multiple relations between its customers, its suppliers, its partners, elected officials and associations. It intends to use all of the levers it has to lead all of these players in a “virtuous circle” in favour of sustainable development.

CORPORATE RESPONSIBILITY

26

Mail carriers, fair trade ambassadors

In the face of the success of the fair trade cotton sleeveless top offered to female mail carriers in 2006, La Poste has decided to extend the line of fair trade garments to all upper clothing (tee-shirts, polos and sleeveless tops) for female and male mail carriers. In 2007, these articles represent a total estimated volume of 350,000 items, or 11% of the fair trade cotton market in France. This action is an exemplary demonstration of the support La Poste's sustainable development commitment arouses in the interested parties.





A new tool to track the regional postal presence

In April 2006, La Poste implemented a postal presence observatory. Its main mission is to formalise tracking of the regional postal presence and to suggest areas for improvement. Comprised of members of parliament, representatives of town halls and La Poste managers, this observatory is La Poste's new dialogue and transparency tool vis-à-vis its stakeholders. It also helps prepare the departmental reports on the postal presence.

2.4

MILLION CUSTOMERS
PER DAY IN THE POST OFFICES

€5.8

BILLION OF PRODUCTS
AND SERVICES PURCHASED

17,000

OUTLETS
THROUGHOUT FRANCE

Ready for reading

La Poste is engaged alongside the Association "Lire and faire lire" (ready for reading), which introduces children to the pleasures of reading, in a spirit of intergenerational solidarity. Thanks to this initiative, 11,000 volunteer retired people are reading ambassadors with young people in nearly 4,000 primary schools that have requested the service. The association solicited La Poste's help to find volunteer readers. Mail carriers, counter clerks and financial advisors, in contact with the public, identify these potential readers among their clientele and encourage them to get involved.





La Poste purchases, designs and markets a significant volume and a wide range of products and services from a large number of businesses and individuals. Its position at the interface of three roles – buyer, supplier and distributor – allows it to reach a very broad target in all regions where it is established. La Poste uses the purchasing and sales levers to strengthen consideration for sustainable development in the company. This posture helps create a virtuous circle where advances in the range of products and production processes and changes in behaviours and decision-making methods cause the local authority and players concerned to move forward.

PURCHASING AND SALES, TWO LEVERS SERVING SUSTAINABLE DEVELOPMENT



OUR FAIR TRADE COTTON PURCHASES*

341

TONS (SEED COTTON)

11%

OF THE FRENCH MARKET

2.8%

OF THE WORLD MARKET

350,000

GARMENTS

* Source: Max Havelaar France.

OUR PURCHASES, A LEVER FOR SHARED PROGRESS

La Poste Group purchases approximately €5.8 billion of products and services per year. Gradually integrating sustainable development in the purchasing process allows La Poste to take the environmental and social impacts of processes and projects into account before they are adopted so the impacts can be controlled or eliminated.

Since 2005, buyers have been trained in sustainable development. In 2006 the purchasing department developed a methodological aid intended to ensure that sustainable development was taken into account at each step of the purchasing process. A dedicated intranet offers, per purchasing family and per product, a map of environmental and social risks. This way the buyer can select the product or supplier that meets the requirements formulated by the purchasing advisor.

The Sustainable Development Department has decided to strengthen the appropriation and understanding of the issues in a responsible purchasing approach. To raise the awareness of buyers, purchasing advisors and the sustainable development network, it organised visits to committed suppliers' production sites. The suppliers presented their progress actions and La Poste was able to verify that they were indeed real. Regarding textile purchases, a group of the Mail Business Sector's buyers and internal auditors followed a training course in social auditing. At subcontractors' sites in Morocco, they witnessed a control to verify that the recommendations of audit reports had been duly implemented. These educational actions organised by the Group's Sustainable Development Department also show the supplier the importance La Poste attaches to its commitment and the progress achieved. Buyers and decision-makers see in the field the real impacts of La Poste's responsible purchasing approach on subcontractors' daily lives. In this way La Poste



Soloba Mady Keita,
REPRESENTATIVE OF THE MALI
GROUP OF COTTON PRODUCER
ASSOCIATIONS

Every time a postal worker orders a piece of clothing from fair trade, he should know that he is helping to send a child to school, to decrease the difficulties of our rural women and to enable us to access drinking water and better health. He should also know that we are doing our utmost to give him the best quality of cotton possible. Fair trade is more than justice, more than North/South solidarity, it is a spirit of sharing that gains acceptance.



clearly demonstrates its intent to support shared progress and strengthen its ties with its suppliers. In 2007, the training programme for buyers will be strengthened with the creation of a comprehensive module dedicated to sustainable development. La Poste will multiply meetings with its committed suppliers in order to develop synergies and common projects.

OUR RESPONSES TO OUR BUSINESS CUSTOMERS

La Poste, as an operator in the Mail and Parcels-Express markets, provides its services to a large number of businesses that are involved in a sustainable development approach. These major accounts question La Poste about its social and environmental performances, either systematically each time the contract is renewed or on the occasion of periodic tender calls. These businesses expect from La Poste, as proof of its commitment in favour of sustainable development, concrete actions and innovative products to decrease their indirect impacts, especially the environmental impacts. To satisfy this demand and protect its competitive lead, La Poste is strengthening its range of environmentally-friendly services and developing innovative products.

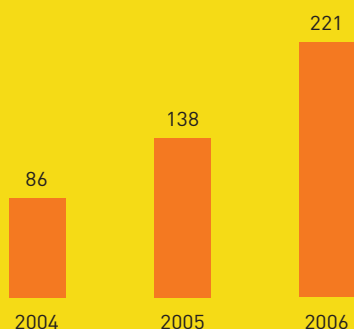
EXEMPLARY PURCHASES OF TEXTILE

For its purchases of professional garments, La Poste excludes all purchases from the Asia-Pacific zone to the benefit of the Euro-Mediterranean zone and gives priority to African fair trade cotton to outfit the postal workers. This choice ensures transparent and auditable production conditions, facilitated by the closer cultural and geographical proximity. Beginning in 2005, the Mail Business Sector offered female mail carriers the first fair trade cotton garment. This sleeveless top is manufactured by Armor-Lux out of cotton from West Africa. The Max Havelaar label guarantees the cotton's fair trade origin and certifies the entire production channel based on environmental and social criteria, from the spinning to the garment making. In the face of the success of this first product (90,000 articles ordered), La Poste decided in 2006 to generalise the use of fair trade clothing for all upper clothing (tee-shirts, polo shirts and sleeveless tops). In 2007, these eight products will represent an estimated total volume of 350,000 articles.

This action is an exemplary demonstration of the support La Poste's sustainable development commitment arouses among the mail carriers. The commitment arouses this support because it is sincere and built by and for players that share the same values of solidarity and equity and because each postal worker can verify on a daily basis, in his professional environment, the concrete translation of the corporate strategy and see the benefits of this choice both for the producers from the South and for the local economic development.

Since La Poste's initiative, other major corporations have adopted the same approach for their professional garment purchases, recognising La Poste's pioneering role in creating a virtuous circle of responsible purchasing for professional garments.

PURCHASING AND SALES, TWO LEVERS SERVING SUSTAINABLE DEVELOPMENT



€ **221.3**
MILLION

**AMOUNT OF FUNDS INVESTED
IN SOCIALLY-RESPONSIBLE
INVESTMENTS (ISR) (in € millions)**



30

OUR POST OFFICES, A SOCIALLY-RESPONSIBLE BRAND NAME

With fair trade, La Poste reaffirms its sales network's position as a local socially-responsible brand name. The post offices, which receive 2.4 million customers per day, constitute an especially interesting lever to raise French people's awareness of fair trade and its issues.

Consequently, La Poste has decided, thanks to a two-year partnership signed in July 2006 with Artisans du Monde, to train counter clerks and increase events and actions to raise customers' awareness. The post offices' modernised shop areas offer stationary and gifts from fair trade. The sales directors have also imagined other sales channels for these products, like distance selling or second-hand shops, in partnership with local fair trade players. The sale of these products is increasing and could eventually constitute an additional turnover lever (€36,000 in 2006). Postal workers participate in this initiative's success because they are proud to sell products with meaning and to contribute to the development of countries in the South.

LA BANQUE POSTALE, A COMMITTED AND RESPONSIBLE BANK

Accessibility and proximity

A full-service bank since 1 January 2006, La Banque Postale is a major player in the fight against banking exclusion. Loyal to its values, it receives all customers with consideration and respect and meets their needs under the best conditions of accessibility at a reasonable price. La Banque Postale is the least expensive of the network banks* and its pricing practices in terms of payment incidents have inspired new advances in the matter. Adispo Essentiel, available since 2005, constitutes a range of banking services for people in a financially vulnerable situation. More than 300,000 of them had already chosen this service at the end of 2006. Thanks to the three-year agreement signed in February 2006 with the National Union of Communal Social Action Centres (UNCCAS), La Banque Postale's customers in a situation of banking exclusion receive, in the field, information, advice and a personalised orientation that helps them in their reintegration. Because, thanks to its network of post offices, La Banque Postale is the best equipped and the most legitimate to meet the needs of people in a vulnerable or exclusion situation, it wanted to be able to distribute socially-supportive micro-credit. It can do so since April 2007, in partnership with associations specialised in the fight against exclusion.

* Source: rate comparisons, published in *Le Monde* (December 2006), *Challenge* and *Le Revenu* (January 2007).

Toniciel World Bank

By subscribing to the Toniciel World Bank, customers of La Banque Postale increase the value of their savings while associating them with a socially-supportive investment.

The funds collected through this time-deposit account are not allocated to specific projects but are used to finance more generally the World Bank's various activities. This international institution intervenes in numerous areas like education, health, the fight against AIDS, and the reconstruction of countries affected by conflicts and natural catastrophes. Customers contribute indirectly through their choice of savings to improve the level of living in the developing countries where the projects are implemented.



Ethical and socially supportive

La Banque Postale gives meaning to its customers' savings by developing Socially-Responsible Investments (ISR) and socially-supportive financial products.

"Investir Autrement" (Invest Differently), La Banque Postale's ISR line, offers ethical funds and shared investments. The ethical funds take into account extra-financial criteria to select the investments, while the shared investments pay part of the interest earned in the form of donations to organisations like the French Association against Muscular Dystrophy. These products' managed assets reached €221.3 million at the end of 2006, with very satisfactory performance for customers. The LBP-AM Actions Développement Durable unit trust stood out with a 5-year performance of +36.89%* at the end of 2006 compared to an average Europerformance of +21.46% for European share funds over the same period.

La Banque Postale also lets its customers finance projects supported by the World Bank with the "Toniciel World Bank" time-deposit account launched in 2005, which has €28.7 million in managed assets.

Environment

La Banque Postale develops a range of "green" products to respond to environmental issues. Since April 2007, it offers Pactys Environnement, a loan that allows customers to finance, under certain advantageous conditions, work to reduce energy consumption in their lodging.

* Source Europerformance, past performances are not an indication of future performances.

Assessment and outlook

La Poste passed a milestone in 2006. The awareness raising actions, deployment of dedicated tools and the purchasing and marketing functions' involvement and appropriation of issues were able to better integrate sustainable development both ahead of and after the value chain. To strengthen this process and make it permanent, the Group and the Business Sectors have to identify in a pertinent and targeted manner the opportunities to develop new products and improve purchasing criteria, with the objective of satisfying new customer requests, encouraging innovations and sharing progress initiatives with our stakeholders.



La Poste is present in the regions that are undergoing profound transformations and are confronted with new economic, environmental and social issues. La Poste's activities contribute to the responsible development of regions, which ensures the continuity of its own activities. The commitment of the company and the postal workers to sustainable development provides a new dimension to the dialogue with elected officials and expands the opportunities for local partnerships. La Poste wants to follow a coordinated approach to successfully make the necessary changes in its organisations, meet all of its stakeholders' expectations and increase the synergy with the regions' projects.

DIALOGUE AND CONSULTATION, A NEW REGIONAL PROCESS



TRANSPARENT AND SHARED INFORMATION

In May 2005, the French Postal Sector Regulation Act defined the new criteria for postal coverage throughout France and accessibility to post offices. An October 2006 decree specifies the information terms by which La Poste has to report on the postal network's accessibility.

In April 2006, La Poste implemented the Postal Presence Observatory, whose main mission is to formalise tracking of the regional postal presence and to suggest areas to optimise its regional development action. Comprised of members of parliament, mayors and representatives of La Poste, this body also helps prepare the departmental reports on the postal presence. Consistent with the renovation action undertaken in 2004, La Poste has continued a sustained dialogue with the regional elected officials and organised meetings of Departmental Commissions on the Regional Postal Presence. For local managers, the Regional Dialogue Charter involves transparency, anticipation and the search for shared solutions. In order to respect these commitments, they have to know and understand the local organisations and the issues in their regions. This is the subject of two training courses they can take at the national centre for regional public services. After 150 Directors in the Mail and La Poste Retail Outlet Business Sectors in 2005, 867 line managers were trained in 2006, which makes it easier to implement reorganisation projects.

COORDINATED REGIONAL REORGANISATIONS

For the post offices

The regional organisation of post offices is continuously adapting to match the forms of postal presence with the needs of its customers and changes in their lifestyles. This transformation takes place while preserving the overall range of services between post offices, post offices managed in partnership with other service providers and post offices in partnership with local authorities. In 2006 La Poste continued to implement the TERRAIN (Attractiveness and Initiatives Territory) project. This project defines the organisational framework that can offer, in a given geographic area, all of the postal services consistent with the postal presence obligations defined by law. A "TERRAIN" is organised around a "central post office" that several establishments are attached to (post offices, post offices in partnership with local authorities and post offices managed in partnership with other service providers). In order to ensure a regional logic, each "TERRAIN" is managed by a unique establishment director and has its own dedicated sales team.

More than 80% of the new organisation has been implemented and it will be fully implemented by mid-2007. At the end of 2006, 3,840 "TERRAIN" had been implemented in less than eighteen months thanks to regular and constructive dialogue, both with local elected officials (2,000 meetings of Departmental Commissions on Local Postal Presence) and with trade unions (10,000 meetings). The impacts of the reorganisations on postal workers are negotiated in consultation with the trade unions.



Jean-Pierre Adam,

MAYOR OF VILLEPOT (44)

In Villepot we worked in consultation with La Poste to maintain the postal presence when the post office agent retired. The post office in partnership with local authorities (APC) appeared to me to be the most appropriate solution to our situation. By sharing workforces, the town agent in charge of the APC doesn't have to wait for the customer because he is responsible for other tasks like sorting the town hall's mail, posting notices, etc. He is also there to ensure the social connection, especially vis-à-vis elderly people. Villepot residents are satisfied because the agency is open six mornings a week, which is quite acceptable for a town of fewer than 1,000 residents.



For the Mail Sector's sites

At the end of 2006, 29 industrial sorting hubs were in the process of being deployed and four were already operational. These achievements are part of a close dialogue with local elected officials in the early stages of each project. With the regional representatives, the Mail Business Sector implements support systems including, if required, the reclassification of personnel who (at their request) are not transferred. For the regions that receive a new activity, the dialogue takes into account the project's environmental impacts, the housing or transportation needs of the transferred postal workers and the search to integrate in the region's economic projects.

A CONTRIBUTION TO LOCAL ECONOMIC DEVELOPMENT

The postal activities, whether they are industrial or commercial, are elements of attraction for the region. Major mail generating, mail order or e-commerce companies find a direct benefit for their operation in being located near Mail and Parcels-Express industrial sites. As such, the installation of an industrial site can be the source of a new logistics activity zone or strengthen the attractiveness of existing zones.

La Poste's activities also have major indirect impacts on a region's economic performance through the jobs created, purchases made and postal workers' consumption. The Post Offices managed in partnership with other service providers help maintain shops in rural zones by enabling them to increase their business activity.

Assessment and outlook

In the modernisation and accelerated transformation phase La Poste Group is going through, it supports the impacts of its reorganisations with dedicated tools and bodies. The major projects undertaken over the past few years, especially the reorganisation of post offices, will continue in 2007. The Business Sectors concerned will continue, through their managers' actions, to strengthen the dialogue and consultation with the regions' players with the objective of transparency, mutual listening and shared progress.

CDPPT*
(Commission
Départementale
de Présence Postale
Territoriale)

273
IN 2006

277
IN 2005

* Departmental Commissions
of Local Postal Presence.



La Poste supports several solidarity actions as part of long-term partnerships or periodic operations. It also wants to develop relationships between the company, postal workers and society at large. To do this, it has co-financed since 2006 international solidarity missions performed by postal workers in partnership with Planète Urgence.

LA POSTE AND POSTAL WORKERS, SOLIDARITY PLAYERS



34

CONTINUING THE COMMITMENT TO ASSOCIATIONS

La Poste's institutional partnerships continued in 2006 and were able to collect nearly €122 million for Unicef, the Red Cross, the "Pièces Jaunes" Operation, Aids Solidarity, the Téléthon, the French Muscular Dystrophy Association and the "+ de Vie" Operation.

La Poste and La Poste Corporate Foundation also support the Education for Everyone programme in Madagascar in partnership with a consortium of NGOs working to improve education through the use of new information and communication technologies. Financial and material contributions (donation of 700 computers) were used to create an electronic educational media library in the educational structures. Six regional centres of Madagascar's National Educational Training Institute (equivalent of the IUFMs in France) have been equipped, thereby opening access for 20,000 students to computers and their educational contents. In addition, 195 educational counsellors and 36 school managers have been trained. This partnership also enables La Poste to contribute to the fight against exclusion in France. The computer hardware is reconfigured in a Help Centre Through Work, managed by Ateliers Sans Frontières, which employs more than 40 people.

TESTING SOLIDARITY LEAVES

La Poste is testing a system of solidarity leaves in order to contribute to the development of South countries. It thereby demonstrates its confidence in the postal workers' professional skills and personal values. In December 2006, the Group and La Poste Corporate Foundation signed an agreement with Planète Urgence, the founding association for solidarity leaves. It will allow 20 postal workers to go on a mission in 2007 to five pre-selected countries (Burkina Faso, Mali, Benin, Senegal and Madagascar). The missions proposed by Planète Urgence are consistent with the Group's values and the Objectives of the Millennium for Development. They will help reduce the North/South gap and combat poverty by teaching children and women to read and write, and educating them.

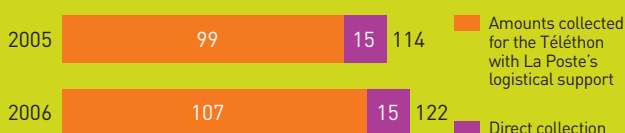
SUPPORTING LOCAL COMMUNITIES

Convinced that the continuity and success of its business depends partially on its being well integrated in the local fabric, GeoPost UK, GeoPost's British subsidiary, has participated for the past fourteen years in the "Business in the Community" project that groups 700 companies in the United Kingdom.

GeoPost UK's employees volunteer for concrete actions like helping people learn to read, meeting with young people to discuss their career orientation or assisting teachers to help them do a better job of presenting the working world to their students.

SUMS COLLECTED IN 2006 FOR SOLIDARITY ASSOCIATIONS

(in € millions)





For many years postal operators have shared their experiences and exchanged their good practices in various areas. Major employers, they are aware of their social responsibility. More recently they have analysed the environmental impact of their activities. La Poste has been a driving force to develop a comprehensive approach to sustainable development in international postal cooperation organisations. It also stimulates European sectorial initiatives in favour of a shared commitment to decrease the environmental impacts of the postal transportation and logistics activities.

COOPERATION AND COMMITMENT, POSTAL OPERATORS' INVOLVEMENT



ENCOURAGING SECTORIAL APPROACHES IN EUROPE

Aware of the postal sector's impacts on society and the environment, the 43 postal operator members of PostEurop have created a Social Responsibility Committee that adopted a Corporate Responsibility Charter at the end of 2005. Until then centred on social and corporate-responsibility questions (equality of chances, training, health-safety), this committee expanded its work in 2006 to include environmental themes like the fight against greenhouse gas emissions. The objective is to develop a common reduction commitment so the entire sector can develop responsibly, consistent with the national and European environmental policies. An agreement on the methods of calculating CO₂ emissions needs to be discussed so the practices can be harmonised, thereby making it possible to compare performances between the various operators.

PROMOTING SUSTAINABLE DEVELOPMENT WITH POSTAL OPERATORS IN SOUTH COUNTRIES

La Poste presides the Universal Postal Union's (UPU) "Sustainable Development" project group. This group's objective is to discuss this issue and exchange innovative good practices.

After an initial work session on sustainable development in May 2006 in Cotonou, the UPU organised in July 2006, in Dakar, the first seminar on sustainable development in West African Francophone post offices (Senegal, Mali, Ivory Coast, Niger, Benin, Burkina Faso and Cape Verde). These days allowed African post offices to familiarise themselves with the concept of sustainable development and to reflect on specific actions based on their local issues. These seminars also identified the need to have regional representatives who are responsible for distributing information to neighbouring countries and reporting local feedback. Burkina Faso and Mali agreed to fulfil this regional relay role.

Moreover, as part of the "Sustainable Development" project group, a common definition of sustainable development and priority action plans were adopted in April 2007.

La Poste continues to increase and strengthen its actions to control its environmental impacts. In its transportation, new industrial sites and future offices, and for its products, stamps and communications, La Poste chooses ecological progress.



ENVIRONNEMENT

Eco-book of stamps launched

On 16 January 2007, La Poste launched the eco-book, an “eco-designed” book of stamps that is more environmentally friendly. It includes two additional stamps (12 instead of 10) on virtually the same surface area of paper, which reduces the quantity of paper used by 13%, for a savings of 12 tonnes of paper per year. Moreover these stamps are printed on paper from sustainably managed forests. Their red ink doesn't contain any hazardous substances and their glue is solvent-free.





Support for the creation of an eco-organisation in the paper channel

La Poste, with its Mediapost subsidiary, supports the creation of Eco-Folio®, the new collection and recycling organisation. Its scope covers the paper channel and, in particular, free advertising publications, Unaddressed Advertising and phonebooks. By expanding the producer's responsibility, who now has to support the cost of recycling its products, EcoFolio's mission is to enrol a business sector in a virtuous circle of environmental responsibility, while preserving its economic performance.

ENT



987.3

MILLION KILOMETRES TRAVELLED*

IN 2006, INCLUDING 66.8 MILLION USING CLEAN METHODS (TRAIN, MAIL CARRIERS ON BICYCLES AND ON FOOT)

7.8

MILLION SQ. M. OF BUILDING FLOOR AREA**,

INCLUDING 63% OWNED

67,664

MOTORISED VEHICLES*

(MOTORCYCLES/MOPEDS, LIGHT/HEAVY GOODS VEHICLES)

* La Poste's fleet.

** Scope of La Poste parent company and La Banque Postale.

Joint subsidiary created with SNCF

In November 2006, La Poste and SNCF announced the creation of a joint engineering subsidiary, Olena Cargo. This subsidiary's objective is to create and operate a high-speed European postal cargo network and, as a consequence, transfer a significant portion of air cargo to rail. It draws on La Poste's experience operating multi-modal logistics hubs and the strategic advantage of SNCF's high-speed train technology. With this project, La Poste manages new constraints that affect its business (increase in fuel prices, speed limits on motorways for heavy goods vehicles and stricter regulations on air transport) while reducing its CO₂ emissions.





In the face of global warming issues, La Poste committed between 2003 and 2007 to reduce by 5% the CO₂ emissions from the transportation it manages with its fleet (road and plane). In 2006, these emissions increased very slightly (0.6%), which enabled the overall decrease to be held at 1.6% since 2003. In spite of increased kilometrage, the renewal of the fleet with more economical vehicles avoided a major increase in consumption. La Poste innovates as well with new transportation means, even if the effects of these actions will only be felt in the long term. In the short term, it gives priority to eco-driving, studies the performance of biofuels and optimises the logistics. It now estimates the emissions of all of its subcontractors and the Mail and Parcels-Express Business Sectors.

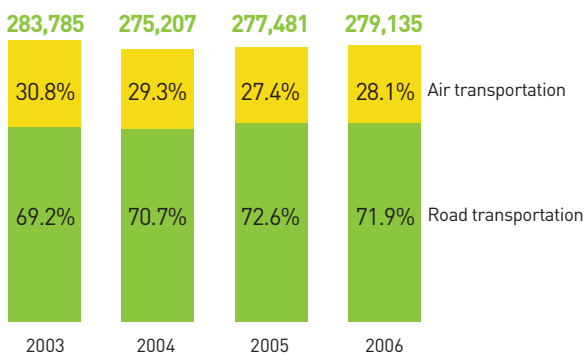
DECREASING “TRANSPORTATION” CO₂ EMISSIONS



-1.6%

SINCE 2003

EMISSIONS FROM TRANSPORTATION OPERATED BY LA POSTE* (tonnes of CO₂)



* Scope of La Poste parent company.

ANALYSING CHANGES IN OUR EMISSIONS

La Poste's commitment in 2003 covered a scope corresponding to collections and deliveries made with vehicles managed directly by La Poste (parent company). 80% of these trips concern the Mail Business Sector and 20% ColiPoste. The level of commitment was decided before the Mail Business Sector's industrial equipment was completely reorganised (Mail Quality Project). This organisation is based on concentrating industrial processing sites and merging distribution centres. Consequently its objective, and its effect, is to bulk the transportation of flows, while lengthening some collection and distribution routes and rounds. Under these conditions, it became necessary to use a motorised vehicle to reduce stress of mail carriers' work on the longest rounds. This explains the 3%-increase in the motorised fleet in 2006, or more than 2,000 vehicles. In addition, urban sprawl and the move towards single-family housing, which increases the number of distribution points, increases the number of kilometres travelled.

In 2007, La Poste will make a complete assessment and revise its objective based on integrating these new data.

BETTING ON THE ELECTRIC VEHICLE

To collect and distribute, six days out of seven, 28 billion items per year, 60,000 Mail Business Sector employees use a fleet of 42,226 light vehicles, 15,020 motorcycles and 451 heavy goods vehicles. To maintain an equivalent level of services (lead times and daily deliveries) while decreasing its environmental impacts, La Poste gives priority to using clean vehicles.



During a two-year period, La Poste tested eight prototypes of a new generation of electric vehicle designed by SVE, a Dassault subsidiary, with the support of CEREVEH. This vehicle demonstrated its reliability in varied conditions of use. Its technical performances correspond to La Poste's expectations. Drivers are also very satisfied and the frequency of accidents has decreased. Finally, the prospects for profitability are encouraging in view of the increases in fuel costs, environmental taxation and the restrictions on CO₂ emissions in the transportation sector. Consequently, in April 2007 La Poste decided to launch a European tender call to acquire an initial series of 500 vehicles like these in 2008. In parallel with this long-term project, the Mail Business Sector systematically replaces all of its vehicles at the end of their contract with vehicles that meet the Euro IV standard. They accounted for 21% of the fleet at the end of 2006, or 10,807 vehicles. In 2006, La Poste's Mediapost subsidiary continued to test an electric delivery tricycle for distribution and to gradually renew its fleet with vehicles that are exclusively from the three energy classes that emit the least CO₂.

GENERALISING ECO-DRIVING

The Mail Business Sector also acts on behaviour behind the wheel, training mail carriers in eco-driving techniques. Drivers learn the gestures that can reduce fuel consumption while improving road safety conditions. Convinced by the results in 2006 (e.g. a pilot centre managed to reduce its consumption 8% and its at fault accidents 68%), the Mail Business Sector decided to train 10,000 mail carriers in eco-driving techniques by the end of 2007, which will represent 5,000 days of training.



Jacques Saint-Marc,
SECRETARY GENERAL OF THE
INTER-MINISTRY GROUP, "MOBILITY
AND ELECTRIC VEHICLES"

La Poste is a company that is totally concerned about the energy efficiency of its vehicle fleet. Consequently it is constantly seeking the best vehicle, the best engines and the best energies to conduct its business while respecting the environment and anticipating the "after-all-oil" era. This is a real challenge that La Poste is attempting to meet in a market where the supply is still embryonic. I would like to see this pioneer initiative encourage manufacturers to become aware of the market's expectations and the development potential for clean vehicles. Aren't the European post offices natural customers for such a product with their fleet of more than 300,000 vehicles?



EMISSIONS OF SUBCONTRACTOR TRANSPORTERS

152,000^{*}
TONNES OF CO₂ FOR MAIL

468,316^{**}
TONNES OF CO₂ FOR GEOPOST

109,000^{*}
TONNES OF CO₂ FOR COLIPOSTE

* Estimated based on kilometrage.

** Estimated based on fuel consumption.

OPTIMISING LOGISTICS

Loading methods

ColiPoste continued to implement bulk loading in 2006. Parcels are loaded without containers, which increases lorry loads by 60%. Today nearly 70% of ColiPoste's national connections are done as bulk loads, thereby avoiding nearly 60,000 km of transportation per day. The objective is to reach 85% in 2007. Mediapost, the Mail Business Sector's subsidiary, bulks its logistics flows. Its lorries in the greater Paris region are articulated lorries equipped with an adjustable deck. Consequently, their volume capacity has been increased 80%.

Deliveries in the city centre

ColiPoste has developed the **Cityssimo** service. Aimed at cybershoppers, customers can use this service to pick up their Colissimo parcels 24 hours a day, 7 days a week, at the Parcel Location of their choosing, whether it is close to their home or their place of work. As such Cityssimo avoids travel and deliveries, sources of pollution, while providing customers more freedom.

For its part, Chronopost continues to implement a new organisation, distribution and collection method based on commissioning **Urban Logistics Areas**. Installed in city centres, these parcel storage zones avoid vehicles having to return to Chronopost agencies, generally located in urban outskirts. This system is functional in Toulouse and Paris.

The Concorde Urban Logistics Area has significantly reduced environmental impacts of Chronopost's deliveries in the centre of Paris. During the second half of 2006, the equivalent of 16.5 tonnes of CO₂ were avoided (the equivalent of 80 Bordeaux-Paris roundtrips in a small-engine car), 2/3 of which were due to the use of electric vehicles and 1/3 due to the reduced number of connections with the suburban agency.



DEVELOPING RAIL TRANSPORTATION

Chronopost International reduced by 60% the proportion of parcels transported by plane in 2006 in favour of rail. This strategy is based on a closer partnership with SERNAM and the development of a new Express Train Blocks liaison, Paris-Bordeaux-Toulouse and Paris-Orange, which can transport 60 cu.m. of parcels per day.

EXPANDING THE SCOPE OF OUR COMMITMENT

The maturity the Business Sectors have acquired since 2003 on measuring emissions enables La Poste today to expand these measurements to all transportation subcontracted in France and Europe. In 2006, GeoPost estimated for the first time the CO₂ emissions related to its transportation activities in Europe. They amounted on average to 1.2 kg of CO₂ per parcel.

In France, in 2006, La Poste strengthened its actions to raise the awareness of its 800 subcontractors in order to incite them to take global warming issues into account and to help them reduce the impacts of their activity on the environment. In 2007, La Poste will also integrate environmental criteria in the evaluation grid for its transportation suppliers.

Assessment and outlook

La Poste expanded the scope of its environmental responsibility in 2006 by integrating the impacts of its transportation subcontractors' fleets. The assessment prepared at the end of 2006 shows that sometimes it is difficult to reconcile the reorganisation of processes and the quality of services, in order to meet an economic requirement while decreasing environmental impacts. Therefore it is necessary to have alternative solutions like eco-driving, until the strategic decisions taken today (creation of a subsidiary with SNCF, electric vehicles) produce significant effects.



La Poste is present in all regions and offers its products and services to individual consumers, the largest corporations and local municipalities. All of these players, like all postal workers, are committed to sustainable development approaches or are increasingly aware of the environmental issues. La Poste develops a range of products and services that meets their expectations and uses this lever to increase all of its customers' level of awareness.

STRENGTHENING THE ENVIRONMENTAL QUALITY OF OUR PRODUCTS AND SERVICES



CREATING ECO-DESIGNED PRODUCTS

In 2006 La Poste created the "For the Planet" line. Each product in the line meets a very strict specification and can be recognised due to its specific marking. A dedicated commission, comprised of representatives from La Poste, ADEME and consumer associations, determines the eligible product families. It defines the criteria each family has to meet, based on a life cycle analysis. It evaluates the respect of environmental criteria for each product and attributes the marking. Five product families intended to be marketed or used internally are currently eligible for this line (envelopes, stamps and stationary). The "For the Planet" eco-book of stamps, marketed in January 2007, is the first consumer product that respects this approach. NF Environment Ready-to-Post products have been marketed since April 2007.

All of Colissimo's packaging already takes eco-design criteria into account. Its fabrication uses recycled cardboard (28% of the packaging) and water-based inks. In order to evaluate the benefits of the eco-design actions already implemented on Colissimo packaging and to find new areas for improvement, a lifecycle assessment of parcels will be carried out in 2007.

Product managers have to be trained in eco-design as a prerequisite for the development of new products and services. Consequently, the Sustainable Development Department trained 60 product managers in the Mail Business Sector in 2006 and will do so for Parcels in 2007.

PROVIDING INNOVATIVE SERVICES TO BUSINESSES

The Mail Business Sector offers its customers services that can decrease the transportation phase or do a better job of targeting production ahead of mail, to avoid useless shipments. Maileva, a hybrid mail service, eliminates certain transportation phases and decreases the environmental impact of shipments. Mail is digitised, transmitted by electronic means and then printed in dedicated platforms located close to the destination (one in the greater Paris region and three in French overseas departments). On overseas destinations, Maileva avoided the transportation of 12 tonnes of envelopes by long-haul flights in 2006, thereby eliminating 100 tonnes of CO₂.

The Mail Business Sector is also strengthening the marketing of Alliage, whose access thresholds have been lowered. For businesses that send large volumes of advertising flyers or management mail, Alliage can reduce the number of envelopes returned to the sender marked "Not Known at This Address." By updating the customer address files, this service optimises the quantity of mail produced. La Poste recycles the leftover envelopes, which represented 1,100 tonnes of paper in 2006, or 18% more than in 2005.

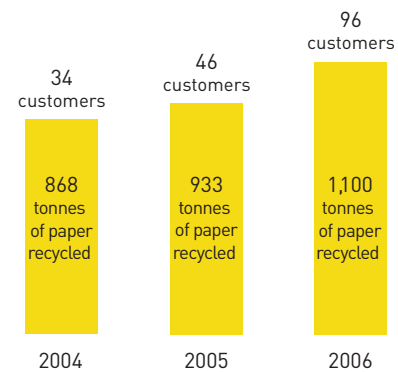


Paul Rowsome,

ENVIRONMENT MANAGER FOR THE CARREFOUR GROUP

In 2005, La Poste and Mediapost wanted to involve us in the Lifecycle Analysis of one of our advertising flyers. The results of this analysis, carried out with ADEME, confirmed the Carrefour group's strategy. Since 2002, we have chosen to primarily use recycled fibres or fibres from certified forests managed sustainably. We have also reduced the paperweight and thus the quantities of paper used, the primary impact of Unaddressed Advertising. The Lifecycle Analysis also revealed the environmental impacts of the fabrication sites. Consequently, we decided to integrate environmental criteria in our choice of printers. To sum up, this joint work with Mediapost enabled us to progress in our thoughts about how to optimally use an information medium appreciated by our customers.

NUMBER OF CUSTOMERS AND VOLUME OF PAPER RECYCLED AS PART OF THE ALLIAGE SERVICE



ANALYSING PRODUCT IMPACTS

Unaddressed Advertising is controversial and the subject of attacks on its environmental impacts. Yet, this advertising media helps develop the local economic activity and plays a real corporate responsibility role by allowing consumers easy access to useful information. Moreover, 92%* of consumers confirm their interest in this medium. In 2006, Mediapost conducted, in partnership with Carrefour and ADEME, a Lifecycle Analysis of the impacts of a catalogue distributed in letterboxes, at each step of its route. The major improvements concern fabrication, printing, collection and recycling, with transportation having a limited impact.

*Source TNS Sofres.

IMPROVEMENT LEVERS FOR UNADDRESSED ADVERTISING

	Eco-design actions	Level of improvement
PAPER	Reduce the paper weight (from 57 g/sq. m. to 51 g/sq. m.)	++ Decreases all impacts 7% to 10%
	Select paper producers and paper types	++ Decreases the greenhouse gas effect 20% to 60%
	Use paper with recycled fibres	++ Decreases the greenhouse gas effect 21% and waste production 61%
	Use paper with wood fibres from certified forests	+ Good forest management, maintains biodiversity
IMPRESSION	Select printers	++ Printer commits to reduce his environmental impacts
	Use vegetable based inks	+/- Decreases petroleum consumption 30% and energy 20%, but eutrophicates the water
CONCEPTION	Decrease the quantity of ink used	++ Reduces solvent emissions (COV) 5% to 10%
	Reduce the waste	++ Reduces all impacts related to paper

Assessment and outlook

La Poste has two action levers depending on the type of products or services it markets. For the products it designs, fabricates and markets, the first products launched on the market are used to acquired eco-design expertise, to better target the eligible ranges and to test customers' interest. Based on the analysis of commercial and financial performances, substitution decisions can be extended based on the technical feasibility. When La Poste provides transportation services, it can also act on the portion of the process it controls, its own approach reinforcing the approach already initiated by the customer.



To exercise the activities of its different Business Sectors, La Poste occupies nearly 7.8 million sq. m. of building floor space, where it is either the owner or the tenant. It consumes energy and water in these buildings and generates wastes. La Poste is committed to limiting the environmental impacts of its sites, even if the heterogeneity of its property portfolio and its uses make it necessary to adapt the actions to each type of building. This policy, based on assessments, favours choosing innovative solutions and takes into account the specific needs of users and La Poste's status as owner or tenant.

INCORPORATING THE ENVIRONMENT IN OUR BUILDINGS



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DOING A BETTER JOB OF ESTIMATING OUR CONSUMPTION

La Poste currently has total invoices for its water and energy consumption, but consumption by site is not always available. To get a better understanding of its consumption and reduce it more efficiently, La Poste decided to conduct 30 energy assessments in 2006. They will cover a representative sample of the stock of post offices and Mail Business Sector sites, in terms of use, building age and geographic location.

In the Mail Business Sector, the results of the assessment place the emphasis on the inefficiency of lighting, poor control of heat settings, a lack of knowledge about installations' specific characteristics and a failure to monitor consumption. An action plan, implemented beginning in the second quarter of 2007, will address users' behaviour and the technical management of buildings. In the post offices, these assessments were carried out in partnership with CEREN (Centre for Economic Research and Studies on Energy) and EDF. Initially, implementation of the CAP 30 programme will aim to reduce property operating expenses by €30 million by 2010 (energy and water consumption).

These assessments will be extended to ColiPoste in 2007.

TESTING THE USE OF RENEWABLE ENERGIES

In order to limit the impact of their energy consumption, the post offices have been testing, since mid-2006, the use of renewable energies. The visibility of post offices is an opportunity to raise the public's awareness about the advantage of this type of energy in the fight against global warming. In 2006, five post offices tested a thermal solar panel installation that heated the building's water. The impact of this type of installation was deemed insufficient and the priority is now given to photovoltaic panels that transform sunlight into electricity. In 2007, a total budget of €1.5 million will finance the installation of 25 photovoltaic panels throughout France, plus city windmills, wood-fired boilers and geothermal installations.

In the French overseas departments, where the hours of sunshine are quite high, the mail sorting centre in Sainte-Anne, Guadeloupe, will install 200 sq. m. of photovoltaic panels on its roof. The building will produce 33 MWh annually and consume 32 MWh (a net positive energy building). Likewise, La Banque Postale's financial centre in Guadeloupe has 260 sq. m. of solar panels on its roof and produces 47 MWh, thereby avoiding the emission of 40 tonnes of CO₂ annually (85% of the electric energy produced on the island is oil-based).

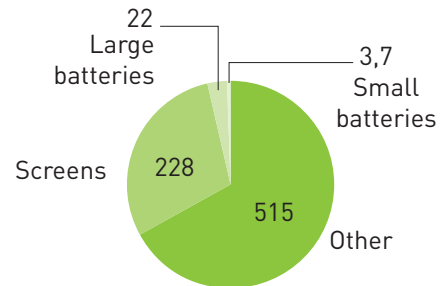
WEEE

La Poste, which manages a stock of more than 600,000 pieces of electrical equipment, has collected and recycled its WEEE (Waste Electrical and Electronic Equipment) since 2002. Even though it doesn't produce WEEE, it anticipated the adaptation of the European directive, which took effect at the end of 2006. La Poste's Support and Maintenance Department organises and manages a collection and processing process that processed 769 tonnes of WEEE in 2006.

Mediapost has entrusted the management of its computer waste to the Emmaüs association. The association's 85 communities collect the hardware throughout France and consolidate it in the reintegration shop certified to dismantle and recycle WEEE. This choice combines respect for the environment with the solidarity economy.



WEEE ELIMINATED AND RECYCLED IN 2006 (in tonnes)



ERECTING INNOVATIVE BUILDINGS

The integration of HEQ (High Environmental Quality) criteria in logistics buildings is a new approach. In 2006, the Mail Business Sector launched two types of tests designed to prove that this option can limit buildings' environmental impacts while being profitable. The future mail preparation and distribution hub in Montélimar (opening mid-2008) will incorporate the High Environmental Quality criteria. Developed in collaboration with Certivea (subsidiary of the Scientific and Technical Building Centre), this project will be used to help develop an NF-HEQ Building certification for logistics buildings. The new mail distribution and preparation hub being built in Faulquemont, Lorraine, was conceived in a spirit of "sustainable construction." It incorporates environmentally-friendly materials and equipment (a Canadian well, an acoustic cladding, a rainwater recovery system and solar heating). This hub won the 2006 Services Industry prize in the "Lorraine Environmental Quality" Challenge. The Parcels hub in Mer, opened in September 2006, incorporates sustainable construction criteria like a wood structure and light wells. Sustainable development criteria have already been integrated in the specifications for the Parcels hubs in Moissy-Cramayel (opening planned in 2008) and Clermont-Ferrand (opening planned in 2009). The Parcels hub in Moissy-Cramayel will be installed in the Chanteloup Business Park, which has developed an environmental quality charter. Finally, La Banque Postale is incorporating HEQ criteria in the project to renovate its future head office.

Assessment and outlook

The assessments carried out provide a better understanding of our consumption so we can act on the good levers. Now we have to develop precise and reliable monitoring tools for water and energy consumption as well as waste production in order to make site management aware of its responsibilities. Henceforth, the owner's property policy places priority on investments' long-term profitability and reducing operating costs by incorporating environmental criteria in its construction and renovation programmes.





La Poste's activities are intimately related to paper. Transporting information in the form of paper constitutes the *raison d'être* of the Mail Business Sector, La Poste's historic Business Sector. The use of paper is also a major issue for the Group's other Business Sectors. Consequently, La Poste has decided to adopt a proactive and exemplary policy for its own consumption and that of its customers. It wants to work in partnership with all players concerned to define and implement a responsible and shared approach to paper use, beyond substitution or the environmental taxation lever.

IMPLEMENTING A RESPONSIBLE PAPER POLICY



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GENERALISING THE HEAD OFFICE'S EXEMPLARY APPROACH

The responsible paper policy, defined by the Executive Committee in March 2006, commits La Poste to control its consumption and generalise the use of recycled paper for all of its own needs. This approach, which aims to be exemplary, has been implemented at the head office, where all of the paper consumed is now recycled or NF Environment paper. As an example, since July 2006, all business cards and their cases, until then plastic, are made from recycled paper. The Sustainable Development Department carried out major work with the Purchasing and Supplies Departments to select the products, inform the suppliers and change all of the purchasing practices without increasing costs, and even reducing them. Today, at La Poste, the cost of a ream of recycled paper is equivalent to the cost of a ream of virgin fibre paper. Today this approach has been adopted by all of the Business Sectors, which have progressively incorporated recycled paper in their main markets, communication aids and administrative printed forms. It has been implemented consistent with waste management in all establishments to reduce at the source the volume of aids produced.

MAIL

The Mail Business Sector transports and distributes envelopes, newspapers and letters for its customers. Different studies show that today the paper medium is considered, in the digital and Internet age, as a medium related to knowledge and its transmission, which enhances the message it transmits by making it lasting. Regarding management mail (invoices, statements), a dematerialised version is not only accessible to everyone, but also transfers part of the impact to the recipient that has to print it to keep a trace of it. For the Mail Business Sector, the challenge is to preserve a rational use of this natural resource by working upstream with its customers on two themes: targeting

recipients and raising customers' awareness through the joint definition of a responsible marketing policy.

Moreover, the Mail Business Sector uses large quantities of paper to produce stamps and Ready-to-Mail envelopes. The technical nature of some mediums, like collection stamps, limits the integration of recycled materials. Nevertheless, the Mail Business Sector develops the use of responsible channels and paper from sustainably managed forests. Moreover this is the approach of the Mail Club that groups all players in the paper channel.

POST OFFICES

In the post offices, which offer the services of all of the Business Sectors, paper is used to inform the 2.4 million daily customers (rates, flyers, posters, etc.) and allow them to perform 848 million transactions every year, most of which require publishing an administrative or sales form (delivery slip, transfers and sales receipts). In 2006, 24 printed aids were produced on 566 tonnes of recycled paper. With implementation of the "For the Planet" line, the products sold in the post offices are more environmentally friendly (eco-book of stamps and the NF Environment Ready-to-Mail). In the Retail Outlets, the ESPADON intranet (Digital Documentation Area) can dematerialise all of the professional documentation and make it available to all employees. More than 27,000 people use this tool daily, thereby reducing paper consumption for professional documentation by 75%, while also reducing the related costs. This use saved 700 tonnes of paper in 2006. The approach will be generalised in 2007 to La Poste's other three Business Sectors.



Jean-Michel Parcheminal,

DIRECTOR OF LA POSTE'S
SUPPLIES DEPARTMENT

The Group's adoption of the paper policy strengthens the actions that we have been carrying out for several years. For the reams, we very quickly offered reams of recycled paper in our catalogue. But our commitment doesn't stop there. We also have very high requirements for our virgin fibre paper. It also has to respect environmental criteria: sustainably managed forests, production sites certified ISO 14001, no use of chlorine, etc. 85% of the envelopes we offer also respect environmental criteria (NF Environment label or recycled paper). We also encourage the dematerialisation of paper aids, because we can't forget that the best paper is first of all the one we don't use!

76%

OF THE PAPER USED
FOR INTERNAL AND EXTERNAL
PUBLICATIONS
IS RECYCLED
(482 TONNES)



LA BANQUE POSTALE

La Banque Postale communicates regularly by mail to its 29.3 million customers to inform them and send them their bank statements. To do this it uses 364 million envelopes per year. In 2006, La Banque Postale changed its purchasing criteria so that its envelopes would be labelled NF Environment, consistent with the responsible paper approach. La Banque Postale also tries to optimise the mail it sends with a constant concern for its customers' satisfaction. This change will be made progressively by raising customers' awareness of environmental issues. Internally, La Banque Postale changes management practices with a view to reducing the use of paper (e.g. dematerialisation of administrative and commercial management and implementation of electronic votes in the company's employee relations). Its Financial Centres, which all have implemented the waste management approach, implement numerous actions to reduce their consumption.

PARCELS-EXPRESS

The Parcels-Express Business Sector consumes large quantities of paper for parcel shipping documents (labels, forms and attempted delivery notices), which correspond to two A4 sheets per parcel, or approximately 4,000 tonnes of paper per year. Strengthening the Internet ordering system will dematerialise these documents (Ship@ease in the United Kingdom and Chronopost online in France). ColiPoste's attempted delivery notices have been on recycled paper since February 2007 and tests are underway to reduce their size and the paperweight. ColiPoste also has a project to dematerialise invoices for its business customers.

Assessment and outlook

In 2007 the responsible paper policy will be extended to all of La Poste's sites. All of the levers that can control and, if possible, reduce consumption have to be implemented. The challenge today is to implement this policy in the field and convince all of the postal workers, suppliers and customers. We also have to continue the studies, discussions and reflections with all of the players concerned (NGOs, printers, suppliers, communication agencies, advertisers, etc.). Finally, paper constitutes an opening to arouse a more comprehensive awareness of sustainable development by showing that taking the environment into account is consistent with economic performance and business development.

EVALUATING OUR PERFORMANCE



Patrick Widloecher

DIRECTOR OF SUSTAINABLE DEVELOPMENT
FOR LA POSTE GROUP



It is often difficult to measure precisely, and then evaluate regularly, the impact of the choices one makes, the fairness of the decisions one takes and the relevance of the actions one implements. It is even more complex when one attempts, as is the case with sustainable development, to measure overall performance. Indeed, how does one calculate all the economic, social, environmental and corporate responsibility impacts of a decision or a project? How can one be sure to identify all of them, or even to conceive of them, when one reasons medium and long term? And even by just addressing just one aspect of a project (e.g. the environment), how can one be sure to measure reliably, exhaustively and objectively all of the potential impacts?

I am convinced that, in spite of its difficulties, its imperfections and its uncertainties, this is indeed the right approach. The approach that involves questioning ourselves, addressing and asking all of the right questions, listening to and analysing all of the answers, being receptive to all hypotheses, doubting as well and, above all, anticipating the future. Undoubtedly sustainable development is also a means of reinventing ways of doing business.

An approach that also chooses the collective group and sharing: sharing methods and tools with experts, sharing experiences, reflections and objectives with peers, sharing questions or criticisms with trade unions and NGOs and sharing the progress achieved with everyone including customers, employees, partners and society as a whole.

It is with this ambition and by favouring this approach that I lead my mission as Director of Sustainable Development for La Poste. And everyone can measure today with satisfaction the road travelled and the first results.

Before others, we believed in the electric vehicle. Today, with the first tender call for 500 cars, it becomes an industrial reality that will meet the challenge of climate change. We have analysed the changes in our customers' expectations. Millions of them now use the eco-book of stamps. We have learned to speak about diversity. Today it is a formalised Group policy. We listened to the female mail carriers tell us about fair trade. Today they wear, with their male colleagues, 350,000 garments made from fair



Sustainable development
is satisfying for
La Poste, its personnel,
its customers and its partners.



trade cotton. Four years ago, we were a handful to work for sustainable development. Today it is an entire company that is mobilised, with 89% of the postal workers ready to relay the projects or take initiatives*.

Sustainable development is a factor in reducing costs and sometimes a source of new revenues. It is also often a factor in innovation, personnel motivation, internal consensus and strengthening ties with the regions. It allows us to avoid environmental, financial and image-related risks and it is increasingly becoming a competitive advantage for our economic model and our recruitment. Thus it is less a cost than an investment. On all these scores, each manager has to be convinced that sustainable development is not just another task in his already busy working day, but rather a good means to reach his professional objectives faster and under better conditions.

Lots of projects and challenges are waiting for us, just as exciting and important. We will carry them out together, by strengthening the synergy between the corporate and Business Sector sustainable development teams and our entire network in the regions, by professionalising our work methods, our tools and our processes and by relying on the expertise and know-how of new partners like Euromed Marseille, with whom we have created a La Poste Chair in sustainable development. We will do this because we share the common objective of responsible performance that is meaningful and because sustainable development is satisfying for La Poste, its personnel, its customers and its partners.

* Survey carried out in May 2007 with a representative sample of 1,000 Group employees.

EVALUATING AND INCREASING THE RELIABILITY OF OUR MEASUREMENT OF PERFORMANCE

In December 2005, the Group's Executive Committee decided that some of the 2007 data in the sustainable development report published in 2008 would be subject to an external verification. This decision is in keeping with the approach to continuously improve reporting, started by the Sustainable Development Department in 2004. To make this evaluation possible under the best conditions, several actions have been implemented.

The Group's Audit Department has conducted two successive missions (2005 and 2006) to control and evaluate the reliability of the primary environmental and employee relation indicators.

The first mission identified the need to validate the collection and estimation methods, the reproducibility of calculations and the coherence of objectives with the precision of the measurement. For the 2005 data, the Sustainable Development Department was given the objective of controlling the formalisation of procedures from the collection of data through to its publication. The Executive Committee requested additional progress for the 2006 data. The Sustainable Development Department had to provide proof that this data was completely reliable (traceability and reproducibility from end-to-end).

In 2006, the Group Audit Department carried out a mission to control that the Executive Committee's decisions had been implemented and verified that the Business Sectors' audit services had themselves controlled the traceability and the quality of the information provided.

In parallel with this internal initiative, La Poste engaged Vigeo in 2006 to carry out two missions to audit social responsibility: one involving the Group's scope and the other the Mail Business Sector's scope. Their results and conclusions were presented to the Board of Directors in January 2007. These initiatives demonstrate the Group's determination to provide a more reliable account of its performance. They also show its determination to evaluate objectively the level at which its different structures take its social responsibility commitments into account.

Methodological note on the indicators

Scope

The indicators presented in this report cover the scope of La Poste parent company. The subsidiaries are excluded from the scope of reporting, except for a few indicators where the information is specified in the table.

Methodological details

Social indicators come from La Poste's social reports.

The Human Resources Department collected and consolidated the social indicators.

The Property Management Department, the Supplies Department and the Mail Business Sector's Technical Department collected and consolidated the environmental indicators.

Greenhouse gases emitted by La Poste's fleet were calculated using the calculation model created by ADEME (French Government's Environment and Energy Management Agency) and Entreprises pour l'Environnement. This model, which uses the fuel consumption rather than the number of kilometres per type of vehicle, makes the calculations more reliable. Furthermore, this model provides an official method for calculating emissions from air transportation.

CO₂ emissions related to subcontractors are estimated based on:

- fuel consumption (GeoPost);
- estimated kilometrage based on contractual clauses (Mail Business Sector and ColiPoste).

The variations observed in the water and energy indicators can be explained by a change in the calculation methods, which are more precise than in 2005, but are still based on estimates.

In 2007, the postal sites will continue to deploy consumption measurement tools that will improve the data's reliability.

TOTAL STAFF OF LA POSTE GROUP

LA POSTE PARENT COMPANY

Staff numbers, status and movements	Total staff of La Poste parent company
	Total staff of La Poste parent company
	senior executives
	executives
	supervisors and line staff
Health and safety	Number of fixed-term contracts and % of the total APY
	Number of permanent contracts among contracted staff
	% fulltime permanent contracts
	Departures (resignations, retirements, dismissals, removals, etc.)
	Number of fatal accidents
Diversity	workplace accidents
	accidents on journey to/from work
	Frequency rate for workplace accidents frequency rate**
	Seriousness rate for workplace accidents***
	Women
Training and promotion	Percentage of women in the total staff
	Percentage of women by category
	among senior executives
	among executives
	among supervisors and line staff
Absenteeism	Disabled persons
	Rate of Beneficiaries of the Employment Obligation
	Total number of training hours delivered
	Average number of hours of training per postal worker
	Number of employees promoted
Absenteeism	Number of sick days taken
	Rate of absenteeism due to sickness

* APY: Agents-Per-Year Equivalent. ** Number of accidents requiring sick leave per million hours worked.

*** Number of workdays lost due to workplace accidents per thousand hours worked.

STAFF OF LA POSTE PARENT COMPANY BY DIVISION

Mail
Retail Outlets Network
Financial Services
ColiPoste
Support Services and Structures
Total



UNIT	2004	2005	2006
APY*	309,286	303,405	303,401
APY	280,800	275,495	271,887
U	306,371	303,041	289,632
U	11,893	12,763	13,659
U	42,059	41,315	40,378
U	252,419	248,963	235,595
APY and %	15,014 [5.3%]	13,346 [4.8%]	11,330 [4.2%]
APY	75,628	81,696	89,502
%	71	78	82
U	11,122	11,878	11,427
U	7	10	11
U	3	4	4
U	4	6	7
	21.51	23.40	23.73
	0.59	0.56	0.61
%	50.3	50.5	50.6
%	36	37	38
%	41	42	43
%	52.5	53	53
%	4.8	4.6	4.8
hours	4,435,479	4,449,781	4,913,972
hours/postal worker	14.5	14.7	15.7
U	14,272	16,242	22,275
days	5,440,492	5,382,072	5,070,558
%	5.18	5.27	5.04
U	160,136	181,908	178,330
U	108,684	83,944	75,909
U	22,426	21,506	20,174
U	6,720	7,847	7,710
U	8,405	7,836	7,509
U	306,371	303,041	289,632

ENVIRONMENT – OTHER IMPACTS

LA POSTE PARENT COMPANY

General information

Number of buildings used by La Poste (owned and rented)

Total surface area in sq. m.

Water consumption

Total water consumption

Water consumption per postal worker

Water consumption in cu. m./sq. m. of surface area

Energy consumption for premises

Total energy consumption

electricity

gas

fuel oil

Energy consumption per postal worker

Energy consumption per sq. m. of surface area

Waste

Total waste electrical and electronic equipment (WEEE) eliminated and recycled

Paper*

Reams of A4 paper order by the Supplies Department

Proportion of paper recycled

Envelopes ordered by the Supplies Department

As recycled paper

NF Environment

TRANSPORTATION

Fleet and kilometrage*

La Poste's motorised vehicle fleet (motorcycles, mopeds, light/heavy goods vehicles)

Aircraft (Europe Airpost subsidiary)

Number of trains operating (high-speed train carriages)

Trolleys and bicycles

Kilometrage of La Poste's motorised vehicle fleet (motorcycles, mopeds, light/heavy goods vehicles)

Kilometrage of the aircraft fleet (Europe Airpost subsidiary)

Kilometrage of the train fleet

Kilometrage by clean means (bicycles and mail carriers on foot)

Fuel consumption for air and road transportation*

Total fuel consumption for La Poste parent company's own road and air transportation

CO₂ emissions due to road transportationTotal CO₂ emissions from La Poste parent company's own road transportationDistribution of CO₂ emissions by Business Sector

Mail

ColiPoste

La Poste Retail Outlets

La Banque Postale and La Poste Financial Services

Maintenance and other

Total CO₂ emissions for road transportation subcontracted by the Mail Business Sector and ColiPoste (estimate)Total CO₂ emissions due to road transportation – GeoPost**

Direct

Subcontracted

CO₂ emissions per parcelCO₂ emissions due to air transportationTotal CO₂ emissions due to air transportation in the national scope performed by the Europe AirPost subsidiary

* La Poste parent company. ** Géopost + Géopost transport subcontractors. NA: Not Available.



UNIT	2004	2005	2006
U	16,792	16,449	15,649
sq. m.	7,939,873	7,949,862	7,839,686
cu. m.	2,136,000	2,227,000	2,076,000
cu. m./postal worker	6.96	7.35	7.17
cu. m./sq. m.	0.27	0.28	0.26
GWh	1,732	1,775	1,443
GWh	661	685	612
GWh	770	802	623
GWh	301	288	208
kWh/postal worker	5,645	5,857	4,981
kWh/sq. m.	218	223	184
t	N/A	N/A	768.7
U	N/A	1,770,000 (or 4,425 tonnes)	1,771,840 (or 4,429 tonnes)
%	N/A	N/A	6.5%
millions of units	N/A	N/A	577
millions of units and % of orders	N/A	N/A	47 [8.1%]
millions of units and % of orders	N/A	N/A	364 [63.1%]
U	65,336	65,651	67,664
U	20	20	20
U	3	3	3
U	30,000	36,300	35,770
km	879,990,418	892,668,124	914,226,151
km	6,479,619	6,282,033	6,285,797
km	1,020,600	1,062,825	1,068,134
km	75,000,000	74,781,000	65,774,520
cu. m.	105,921	106,553	107,171
t	194,633	201,347	200,745
t	N/A	N/A	177,037
t	N/A	N/A	6,959
t	N/A	N/A	10,609
t	N/A	N/A	1,177
t	N/A	N/A	4,963
t	N/A	220,000	261,473
t	-	-	468,316
t	-	-	84,496
t	-	-	383,820
kg CO ₂ /parcel	-	-	1.195
t	80,574	76,134	78,390



La Poste thanks its employees and stakeholders who, through their work or their account, participated in preparing this document.



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