



WE SUPPORT
THE GLOBAL COMPACT

Annual Progress Report



LE GROUPE LA POSTE

"Our strategic plan hinges on five priorities and two basic rules: respect for our socially-aware business model and sustainable development"

On behalf of the 268,822 postal workers, I would like to renew La Poste Group's commitment to the 10 Global Compact principles, which we have supported since 2003.



La Poste has therefore opted for a business strategy plan hinging on five priorities: Ambition 2015.

The priorities are as follows:

Complete fulfilment of La Poste's four public service missions (universal postal service, press transportation and delivery, banking accessibility and local and regional development), which are all deeply rooted in the day-to-day life of French people. The French Act dated 9 February 2010 reasserted the specifications of each of these missions.

The Group's sustainable and responsible performance in all sectors, through increasing consolidated revenue, controlling costs, improving operational profitability, developing partnerships and improving customer satisfaction.

Service quality, in all aspects of La Poste, especially customer relations. This has already been put into practice through its commitments to customers (improving complaint and information processing, reducing post office waiting times, etc.), through extending its novel post office concept, the quality of advice given by La Banque Postale, and through its postal workers' daily commitment to a service-oriented attitude.

Innovation, with the development of new services (Digiposte, hybrid letters, a new ColiPoste service, mobile communications products and services, the development of La Banque Postale's multi-channel, online services, etc.).

Development of new business areas in the Business Sectors' value chain and search for new European markets. This priority is notably reflected in acquisition objectives.

La Poste's social model will continue to be grounded in the principles and values to which the company is attached. This means no imposed departure scheme, support for functional and geographic mobility, skills development, tighter security and greater safety for postal workers, and the sharing of the fruit of growth.

Sustainable development will also continue to be a core concern throughout the organisation and in all of its major projects.

The Executive Committee meeting held on 26 September 2011 defined the Group's social and environmental responsibility policy with a view to creating value and forging social bonds. It will pursue two commitments through to 2015:

- **conduct our business in an increasingly responsible manner** (i.e. by continuously improving our processes and behaviours so that they improve the environment, social inclusion, and respect for basic rights)
- **work towards shared sustainable development by harnessing society's stakeholders** (launch and support new business models that are more considerate of people and the planet)

This implies that we:

- 1) develop employability, lower the accident rate, increase diversity at each level of qualification, and improve access to training for everyone,
- 2) lower the CO2 emissions generated by our operations across the entire value chain (from transport, building, IT operations, etc.),
- 3) reduce paper's environmental footprint by decreasing paper use and increasing the percentage of responsible paper and the amount of office paper recycled,
- 4) offer customers a range of responsible products and services, especially where banking products are concerned
- 5) perfect our governance by developing ethics and professional conduct, and defining CSR objectives along the entire managerial line,
- 6) foster economic development through the fulfilment of our public service missions, our action in society and our purchasing power (the growing professional sector for electric vehicles, fair-trade cotton, responsible paper, etc.).

Furthermore, incorporating corporate social and environmental responsibility objectives into managers' roadmaps and the sustainable development and diversity training which they receive are becoming an integral part of La Poste, as it strives to encourage managers to adopt a responsible approach to these issues..

The success of «Ambition 2015» lies in responsible development, through which we will join forces with our stakeholders in a lasting, balanced relationship. My teams are on hand to answer any questions you may have.

With my full support,



Jean-Paul BAILLY,
Chairman and Chief Executive

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PROFILE

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Secteur	Transport, banking, services

PROFILE AND DESCRIPTION OF ACTIVITY

Revenue

21,3 billion

Number of employees

268 822 employees

Organization

La Poste Group is organised around three main businesses: Mail (51.1% of revenue), Parcels-Express (24.1% of revenue), and La Banque Postale (24.4% of revenue).

Its revenue is in excess of €21 billion (representing a growth rate of 1.9%).

Largest local retail network in France

2nd-largest European mail operator (in terms of revenue)

2nd-largest European express parcel operator (in terms of volume and revenue) 3rd-largest bank in France (in terms of managed assets)

Local coverage

In France, La Poste is the leading local network with 17,064 retail outlets including 9,955 post offices and 7,069 retail outlets managed through partnerships..

In 2011, 16.25% of revenue (€3.47 billion) was generated on international markets. La Poste is represented by its subsidiaries in 40 countries across 4 continents.

The Group on the market

100% of its operations take place in competitive markets.



Progress report

Incorporating a way of thinking hinged on responsible

La Poste Group has integrated a sustainable performance objective into its «Ambition 2015» business strategy by following two basic rules: sustainable development and respect for the socially-aware model. The socially-aware model is based on respect and consideration for people.

The corporate social and environmental responsibility (CSR) policy is central to this strategy. Adopted late 2011, it sets out La Poste Group's ambition to create long-term value and social bonds for each of its stakeholders.

It has two key commitments:

- constantly strive to make its operations more responsible by incorporating corporate social and environmental responsibility at each step of its processes and in the daily behaviour of postal workers
- be a major, committed partner in shared sustainable performance. It will achieve this by involving each and every stakeholder in attaining its collective projects and goals.

To make corporate social and environmental responsibility a core concern at every level of decision making, the Group has set up a number of bodies, one of which is a Quality and Sustainable Development Committee that examines strategy and tracks its accomplishment.

The Group Corporate Social and Environmental Responsibility Department created in early 2011 coordinates a Business sector CSR Committee and a Corporate CSR Committee. These committees ensure that policy and action plans are effectively implemented and that CSR criteria are incorporated into everyone's work practices (functional sectors included).

Local «Regional Development Officers» have been appointed and are supported by 22 regional officers charged with coordinating actions and establishments.

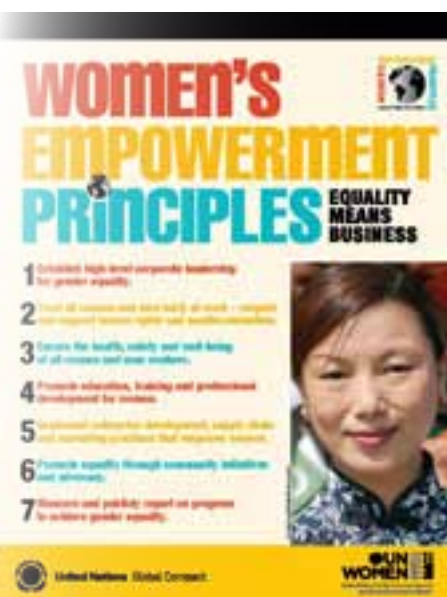
Diversity and Equal

At the end of 2010, the Chairman of La Poste Group signed the CEO Statement of Support for the Women's Empowerment Principles - Equality means Business. On 11 April 2011, La Poste and four trade union organisations signed a new national agreement on gender equality, aimed at improving the gender balance in employment, facilitating work-life balance and combating stereotypes. Médiapost followed suit.

To promote gender equality, a partnership was signed with the Women's Tribune, the Corporate Parenthood Observatory and Poste Maroc.

In early 2011, a Diversity and Equal Opportunity Department was created as part of the Human Resources and Employee Relations Department.

It is charged with directing La Poste's diversity policy in HR matters and the disability mission at national level, chairing a steering committee between different business sectors, and coordinating diversity representatives (at regional level).



The aim is to:

- apply the commitments made in the gender equality agreement
- improve the way incapacity is handled, sign and implement the disability agreement
- direct and monitor the age management action plan
- ensure legal and regulatory compliance and manage discrimination risk

Workplace health and safety

Under the «Workplace Health and Safety 2012-2013» plan, designed to step up La Poste's action to protect postal worker's health, new Health, Safety and Working Conditions Committees were set up in 2011 and 5,000 managers received training in the prevention of psychosocial risks. All of the Group's French subsidiaries opened negotiations on psychosocial risks. As a result, an agreement was signed at Médiapost and Géopost set up a 24/7 help-line and began addressing the subject in the local health and safety committees.

Professional ethics

Another highlight of 2011 was the introduction of a Group-wide ethics initiative.



This new scheme is based on a Reference Guide to Professional Ethics, common to all La Poste Group employees.

This document provides a set of individual and collective professional conduct rules, grounded in La Poste's six values: openness, consideration, fairness, accessibility, proximity and personalised service.

It sets out practical recommendations for everyone and is the first document employees should turn to for help when a delicate or risky situation arises.

The initiative is overseen by an Ethics Committee, which is chaired by Group's Executive Officer and whose members include the Ethics Officers for the Group and for each business sector. The committee meets at least twice a year to discuss and work on.

In December 2011, the Group's 53,000 managers were sent a message from the Chairman explaining the initiative, and the Reference Guide to Professional Ethics, with instructions to hand out a copy of the guide to each of their team members in person.

A dedicated intranet site on the subject was opened in May 2012 and is accessible to all postal workers. Any worker can, for example, approach the ethics officer of their choice directly, using an e-mail address set aside for the purpose.

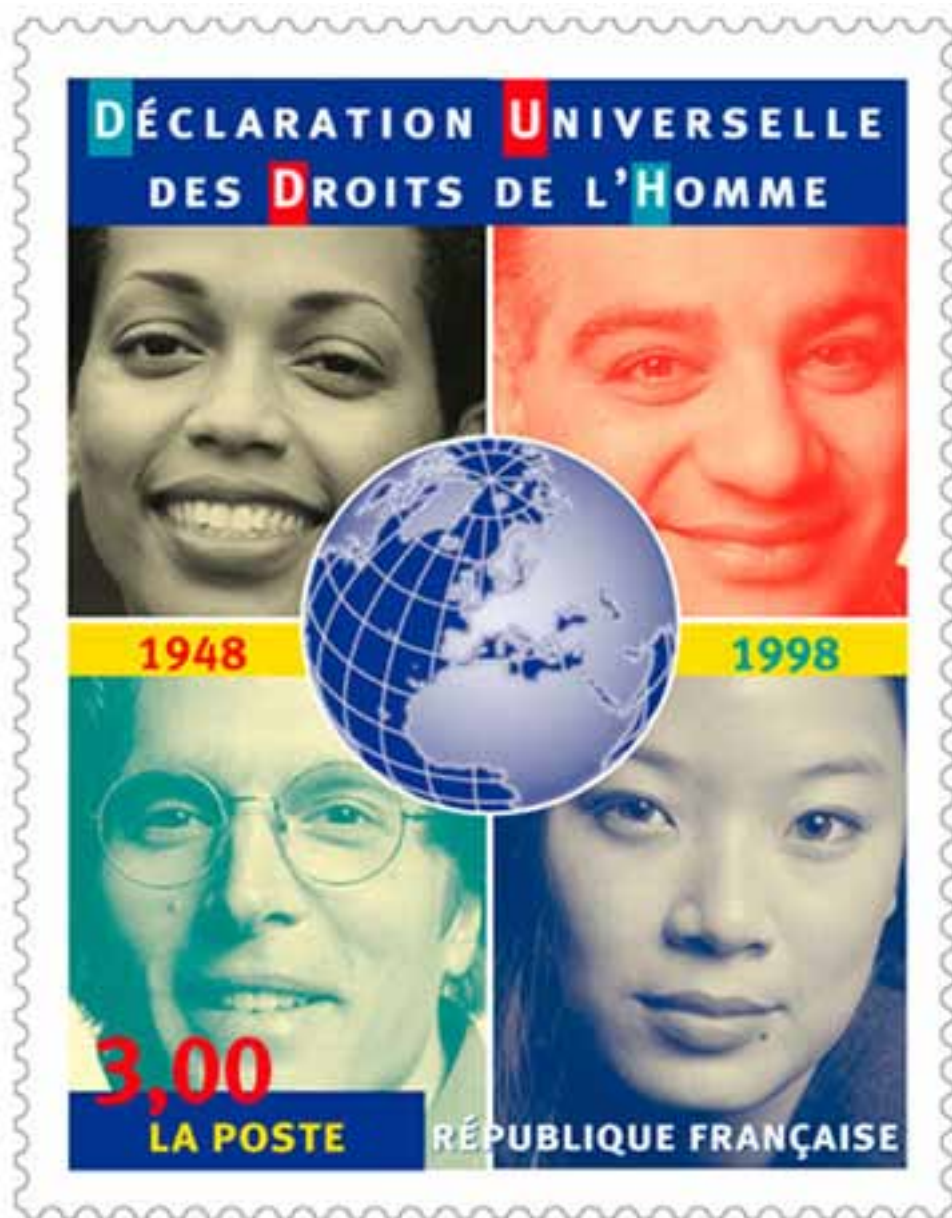
A nationwide information campaign was run and an «ethical manager» training course will be scheduled by the end of 2012.



development
dignity
work
equality
life
health
freedom
discrimination



Human rights



1 Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence, and

2 make sure that they are not complicit in human rights abuses

Our commitments, our policy

The Group is committed to respecting human rights, both at parent company level and at subsidiary level. Responsible change management is based on the quality of employment (open-ended contracts, flexible working times, skills management, etc.), well-being in the workplace, and the development of employability. La Poste Group is also careful to choose its partners and suppliers in accordance with its values and its Global Compact commitments.

Actions in place since 2011 or planned for 2012, and results obtained

Health

In 2010, La Poste launched a new workplace health and safety plan aimed at stepping up its action to protect postal workers' physical and mental health.

The plan consists of four main points:

- 1) Greater consideration and support for staff regarding any major change in the company's organisation (at least 18 consecutive months between two organisational changes, consideration of each person's individual circumstances, involvement of workplace health and safety services right from the project design phase, etc.)
- 2) Training courses for managers and more staff awareness-training on the prevention of risks by stress, rudeness, attacks, etc.
- 3) More targeted prevention of major risks, such as psychosocial risks, road risks, falls and musculoskeletal disorders.
- 4) Management consideration of workplace health, involving regular results tracking and actions at every level of the company, the recruitment of occupational doctors, etc.

Results

4,900 managers have received training in psychosocial risk prevention and managerial practices (this is 2,500 more managers than in 2010).

Development of employability

At La Poste, La Banque Postale and Médiapost, career planning is now an integral part of the appraisal and performance management processes.

Certificate courses have been introduced to develop the additional skills needed for career advancement.

For example, at Médiapost, a La Poste Group subsidiary, 600 people have obtained the general training certificate since 2007. In 2011, all of the trainees were awarded the title of *technicien supérieur en méthodes et exploitation logistique* (senior logistical operation and methods technician), the equivalent of two years of higher education, as part of the accreditation of prior and experiential learning. Others received a vocational degree in relationship marketing.

Professional development

At La Poste, the principles defined in the Mobility Charter were put into practice, giving everyone new possibilities for career growth. Job offers are readily accessible through the Mobility portal. The Mobility portal, which is devoted to postal workers, can be accessed regularly by either intranet or internet to apply online for vacant positions in the Business Sectors and/or find out more about transitions to public service positions and the system to help start up a company. The new "Transition to Public Service" hotline is a quick and easy way for interested postal workers to obtain guidance, support and information.



Results

Every day, over 5,100 postal workers log in to La Poste's job bank. 9,400 offers were posted in 2011.

The company also supported 437 postal workers hoping to join the public service, with a 97% satisfaction rate, and another 227 hoping to start their own business.

Responsible purchasing

La Poste ensures that its suppliers and sub-contractors are committed to respecting human rights. This is reflected in La Poste's responsible purchasing policy, which is defined by the Group's Purchasing Department with input from its CSR specialists. It develops the tools for its implementation within the various entities (risk mapping, guides, training, etc.) as well as a 23-question reference assessment which includes items on decision-makers' needs, supplier commitments, and products' CSR performance (through labels and certification).

La Poste and its French subsidiaries foster job opportunities for vulnerable people (the disabled, the long-term unemployed) by developing purchasing within sectors that work with the disabled and promote integration. To go even further with this work, La Poste helped found the Pas@Pas organisation and worked on building a shared Internet platform which puts member companies in contact with companies that work with the disabled and promote integration. The Pas@Pas online platform provides access to 7,500 such companies.



Results

By the end of 2011, 9,965 suppliers had signed the Group's Responsible Purchasing Charter since it was set up in 2008.

At end-2011, 80% of the 300 buyers targeted had taken the two-day «responsible purchasing» training course.

Additionally, 16 purchasing managers had taken a specific course on the essential tools for leading their teams. They had also been trained in communication with internal specifiers, and CSR strategies for each purchasing category.

In the sector that works with the disabled, the total value of purchases was close to €7 million.



Profit sharing

The profit sharing scheme operating at La Poste since 2007 is calculated on the business result, the quality of service result and the responsible development result. The same amount is distributed to all postal workers.

Results

For the 2011 financial year, €54.3 million were distributed. For 2012, the figure is €58.6 million.

International solidarity

La Poste Group also encourages employees who undertake volunteer work, by financially backing two partner associations (Planète Urgence and France Volontaire). Staff who so desire can contribute their skills and know-how to international solidarity initiatives. During their leave, they go to countries that have called for help in areas such as education, the environment, vocational training, biodiversity, etc.

Results

In 2011, 83 employees took «solidarity leave».



Labour

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining**
- 4 The elimination of all forms of forced and compulsory labour**
- 5 The effective abolition of child labour**
- 6 The elimination of discrimination in respect of employment and occupation**

Our commitments, our policy

La Poste and its French subsidiaries comply with the French law relating to freedom of association and collective bargaining. It respects its employees' lifestyle and career choices, and complies with the minimum age for employment. It only offers internships to students enrolled on an educational programme. Internships lasting over one month are remunerated.

La Poste is deeply committed to ensuring equal opportunities. This involves adapting to disabilities, overcoming hurdles and finding ways to ensure that clients, postal workers and suppliers alike are treated fairly. As a signatory of the Diversity Charter, La Poste is committed to ensuring its employees at all levels reflect the social, cultural and ethnic diversity of the French population.

Actions in place since 2011 or planned for 2012 and results obtained

La Poste and its French subsidiaries have signed agreements or, in the absence of an agreement, have set up diversity action plans (disabilities, gender equality and age management). La Poste has set itself the objective of ensuring that all Business sectors have at least 40% of women and men. Various management procedures have been reviewed and a recruitment guide and monitoring tools have been published.

A specific body for reviewing and providing information on discrimination had previously been set up to collect and deal with questions or requests relating to equal opportunities, disability, incapacity or discrimination. In 2012, this review body will have a new «postal worker support» referral procedure for all types of situation.

Since 2009, La Poste has also published a diversity report which is subject to round table discussions with trade unions. The report presents a quantitative and qualitative report on La Poste's diversity and equal opportunity initiatives, with special measures to monitor so-called sensitive groups more exposed to discrimination, i.e. women, people covered by an employment obligation (disabled workers), postal workers under the age of 26, the residents of sensitive urban areas, people born in the French overseas departments, and postal workers who are non-French citizens. La Poste is one of the few large companies to produce a diversity report.

The diversity report shows that the breakdown of postal workers reflects the French working population in terms of gender equality, age distribution and people living in disadvantaged areas with immigrant populations.

With a view to ensuring the integration of people excluded from the employment market, the Group is taking action by diversifying recruitment channels, creating numerous partnerships and taking part in recruitment events. La Poste Group is firmly committed to the integration of young people in disadvantaged areas, severely affected by unemployment and social exclusion.

For the fifteenth edition of the Semaine pour l'emploi des personnes handicapées (Disabled Employment Week), the CSR Department suggested an awareness-raising week focused on disability, the acceptance of differences, and getting along with others in the workplace. Similar initiatives were undertaken in Group Business Sectors and subsidiaries, from job forums to introductory sign-language workshops, reading in the dark, and displays to raise awareness of differences.

In 2010, La Banque Postale and its trade unions all signed an agreement providing for more resources to integrate and train people with disabilities.

The Handifférence Trophy celebrated its second awards presentation. The Group launched the initiative in November 2010 to make its employees more aware of how their disabled or incapacitated colleagues can be integrated in the workplace. Best practices are collected and disseminated to improve integration of disabled and incapacitated workers.

Results

La Poste holds the Diversity Label (which will be renewed in the course of 2012) and the Equality Label (which was renewed for the second time in 2011). These labels are awarded by AFNOR Certification.

Several labour agreements have been negotiated in recent years at La Poste.

Since 2009, a number of major agreements have been signed between La Poste and trade unions:

- 1 Profit-sharing Agreement (June 2009),
- 2 Amendments to the Contingency and Health and Safety Agreement (November 2009 and April 2010),
- an age management action plan (December 2009), designed to address all the problems encountered by postal workers throughout their career. The action plan is aimed at boosting the integration and employability of young people and over-55s, helping employees of any age acquire and develop skills, and helping senior employees (over-55s) keep working in good conditions
- 2 Salary Agreements (December 2009 and 2010),
- 1 Housing Agreement (March 2011),
- 1 new Professional Equality Agreement (April 2011), renewing the undertakings made in the earlier 2006 agreement
- 1 Amendment to the 4th national agreement on disabled workers (November 2010).



Environment

- 7 Businesses should support a precautionary approach to environmental challenges**
- 8 undertake initiatives to promote greater environmental responsibility**
- 9 encourage the development and diffusion of environmentally friendly technologies**

Our commitments, our policy

Contributing to the Climate Programme, in particular by mitigating our transport- and building-related CO2 emissions.

Taking action to encourage responsible consumption with a specific focus on cutting waste production and safeguarding biodiversity.

Actions in place since 2011 or planned for 2012, and results obtained

The Group's carbon footprint

La Poste Group monitors its carbon footprint and has set itself objectives for reducing its CO2 emissions.

Transport-related CO2 emissions rose 2.6% between 2010 and 2011 as a result of growing international express parcel traffic and an increase in the number of distribution points. To help curb this rise, we have optimised transport plans, made changes to the vehicle fleet and reduced internal-fleet fuel consumption (in part by training employees in eco-driving).



In 2012, following the Bailly initiative's move to pool electric vehicle orders, 1,500 electric vehicles will be brought into service.

On the international scene, plans for a carbon offset fund for the postal sector are making progress!

France, which chairs the Universal Postal Union's sustainable development project group, has offered to set up a carbon offset fund specifically for the postal sector. This measure would allow postal operators, who are major emitters of CO2, to donate money voluntarily corresponding to the CO2 emissions they wish to offset.

This money will then be used to finance sustainable development projects in developing countries.

The three chief objectives are:

- offset the postal sector's CO2 emissions through a system of carbon offsets available to all postal
- share the costs incurred and prevent fractured compensation initiatives,
- stimulate the postal sector by funding projects that benefit the sector.

This fund has many advantages including that of making the postal sector a player committed to fighting climate change, being one of the first business sectors in the world to develop the existing compensation systems (i.e. doing more than simply purchasing carbon credits), and launching a real «climate solidarity» movement involving all the member countries of the UPU irrespective of their experience in the field. The project will be put to vote at the 25th UPU Congress to be held this autumn in Doha, Qatar. It already has the backing of Ireland, Costa-Rica, the Solomon Islands, Thailand, Switzerland and Finland.

Reduced building-related energy consumption

La Poste Group continues to take a proactive approach in this area!

It is continuing its efforts to reduce the environmental impacts of buildings. Seven low-energy buildings have been delivered since 2010 and the Group continued to introduce Green Leases in 2011.

To reduce energy consumption in offices (at night and on Sundays), 453 heating controllers have been fitted, yielding a 15% energy saving.

A programme for rolling out sustainable development initiatives in post office facilities has been under way since 2010. The requirements, which were defined and approved in 2011, cover insulation, lighting, ventilation and summer comfort. The programme will be rolled out in 2012.



Responsible paper

All of the Group's entities are committed to using responsible paper (recycled paper, eco-certified paper, paper from sustainably-managed forests, etc.) wherever possible.

In 2011, La Poste reached a total of 91% responsible paper and the Group 79%. La Poste is on track to achieve its target of 100% responsible paper in 2012.

In 2012, La Poste inaugurated an innovative new service: collecting used office paper from small and medium-sized enterprises (SMEs) when delivering mail. This paper is then passed on for treatment by Nouvelle Attitude, a subsidiary of the Mail sector specialised in social inclusion, which offers integration programmes for people in social and professional difficulty. This activity contributes to La Poste Group's revenues and creates value for the company.



Waste management



Managing the waste generated by the Group's operations (electricals, electronics, paper, cardboard, plastic palettes) called for an action plan - currently being rolled out - to treat and recycle its waste. For example, ISO 14001 certification of the environmental management system on the 15 ColiPoste platforms helped us improve waste management, reduce energy and water consumption, and avert pollution risks.

Green stamp

To give its customers an even wider choice of options, the Mail range now includes a second class letter, symbolised by the new green stamp. Green letters are distributed within 48 hours. They are more economical (€0.57) and more eco-friendly, since they do not travel by air in Metropolitan France.



«The Bailly's initiative»

The Bailly initiative is a scheme for pooling orders for electric vehicles. Set up in 2011 at the French government's request, it is directed by the CEO of La Poste. An initial order for 23,000 vehicles, including 10,000 for La Poste, was placed by the French businesses involved in the project.

Results

A fleet of 484 electric vehicles (cars, quad bikes and two-wheeled vehicles) and 8,387 electric bikes.

Rail transport given precedence over air transport

Optimised delivery routes and loads, with 66% of ColiPoste's national linehauls using bulk delivery.

Since 2007, 71,741 staff trained in eco-driving.

Total carbon emissions reduced by 1.69% since 2010.

A constant improvement in the energy efficiency of the existing property stock and the signature of seven green leases.





Anti corruption

Businesses should work against corruption in all its forms, including extortion and bribery.

Our commitments, our policy

Given La Banque Postale's business sectors, the group is vulnerable to money laundering and terrorist financing.

La Banque Postale is subject to the French Monetary and Financial Code (code monétaire et financier - Article L561-1 and s.). This code requires people who, during the course of their professional activities, carry out, check or advise operations involving the movement of capital, to inform the public prosecutor of any operations which they believe to be fraudulent.

In order to meet the requirements of the law, it has selected effective tools and has introduced a bold training policy with a view to involving people on the ground and ensuring its commitments are reflected in the practices of La Banque Postale employees and people working for La Banque Postale.

Actions in place since 2011 or planned for 2012, and results obtained

La Banque Postale and the Retail Brand (network of post offices) are already reaping the rewards of the work and expertise of two ethics officers.

A «Group» ethics officer was appointed in 2008 and has drafted the Group's professional code of ethics. The guide was successfully distributed to each postal worker in early 2012. All managers were made responsible for handing it to their teams in person.

With a view to working against money laundering and terrorist financing, La Banque Postale has selected effective tools in order for the commitments to be translated effectively on the ground.

Furthermore, La Banque Postale continues to support its employees.

As part of the change of customs procedures, La Poste now clears its own objects through customs, in other words it calculates and collects the duties and taxes the customer is liable to pay the French government.



The training was developed by La Banque Postale with a view to:

- describing the risks of money laundering and corruption in the banking sector and
- presenting the tools and levers for managing the risks.

E-learning was adopted for its speed and efficiency, and for its automated monitoring.

A self-assessment at the end of the online training course enables employees to pinpoint their own areas of development and vigilance.

Training courses are updated every three years to ensure that teams are up to speed with the latest developments.

In 2011, all staff were able to undertake updated courses.

At the Retail Brand, several ethical guides per position were updated to provide teams on the ground with information on the main actions.

With a view to monitoring the payment of duties and taxes owed by the customer to the French state correctly and avoiding any interpretations or temptations of corruption (directly underpaying a carrier) when delivering to customers, La Poste decided to computerise the entire delivery chain (almost 17,000 retail outlets) and trained almost 100,000 mail carriers to collect the money owed to them correctly and responsibly.

Results

In three years, 80,000 people - 94% of the targeted personnel - have been trained to combat money laundering and terrorist financing.



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