



United Nations Global Compact

WE SUPPORT
THE GLOBAL COMPACT

Annual Progress Report



LE GROUPE LA POSTE

A new strategic project :

“Mutual Trust”.



On behalf of our **266,618 postal workers**, I would like to renew La Poste Group's commitment to the 10 principles of the Global Compact to which we signed up in February 2003.

La Poste Group has adopted **a new strategic project, “Mutual Trust”, for 2013-2018**. This project was jointly developed by **all of our stakeholders**. Between March and mid-May, the Group rolled out a participation exercise involving all postal workers, trade union organisations, shareholders and members of the management board, as well as local elected representatives and consumer associations.

The consultation exercise brought together over **150,000 employees** from across the Group's business areas and subsidiaries. They expressed their expectations at **23,000 workshops** and helped to shape the strategic project by putting forward **45,000 ideas**.

In order to pursue this new impetus, the Group will focus on several strategic development areas:

- digital transition within the Group
- cornering the local and home delivery services market
- growing La Poste, especially in the international arena.



Implementing the Group's digital strategy

A genuine “digital brand” will be created to facilitate the customer experience. All of the websites of the Group and its subsidiaries - information content, commercial and non-commercial services - will be integrated.

La Poste will also firmly establish its position as a “trusted third party” in digital transactions.

Making La Poste the leading local services and home delivery provider

The growth in demand for local services driven by the very rapid expansion of online retail and an ageing French population opens up opportunities for La Poste. The Group has the tools required to meet this demand: its mobile network of mail and parcel delivery workers who visit homes daily, a physical network of over 17,000 public outlets and 8,000 customer collection points, and a digital network. Successfully combining this service capability, which is unique in France, with new markets implies achieving convergence between these 3 networks and deploying them for deliveries and provision of local services.

In the international arena, in addition to a focus on international mail with the planned development of the joint company Assendia, created with the Swiss post office in 2012, the Group intends to consolidate its position in the express parcel delivery market in the far eastern area of Europe, the Middle East, North Africa, South-East Asia and the United States.

This strategic development will of course be founded on sound economic health, quality of life in the workplace and customer satisfaction.

The Group has set itself the priority objective of achieving quality of life in the workplace, which is reflected in **a responsible employment policy**. This involves promoting integration of young people into the workplace and social inclusion, adapting work to accommodate older workers, pursuing a policy of transferring employees on temporary contracts to permanent contracts, and also reinforcing our willingness to employ or retain people with disabilities or reduced capacity to work.

This policy goes hand in hand with a drive for personal development and career progression. Quality of life in the workplace is also reflected in a new management model, which focuses closely on the personal circumstances of employees and is sensitive to new types of occupational risk.

La Poste's customer satisfaction depends on the quality of delivery of its public service responsibilities, meeting its commitments and the quality of the customer service relationship more generally. In order to improve the latter, La Poste intends to streamline its offering and range of products and services and improve the customer experience.

Sound economic health is essential to ensure sustainable growth in the Group and its various business areas, sustain a quality social model, support policy to develop and modernise production facilities, deliver public services effectively and offer a reasonable financial reward to shareholders.

Lastly, La Poste undertakes, via the Group's corporate social responsibility policy, to meet the "citizen commitments" described in its public service contract:

- reduce its environmental impact: a 20% cut in direct greenhouse gas emissions between 2013 and 2018; a 75% recycling rate for waste electrical and electronic equipment (WEEE) and dangerous waste; a four-fold increase in office paper recycling compared to 2013.
- improve social inclusion: fight exclusion from the banking system and excessive debt; combat employment discrimination; expand the Group's solidarity activity.
- contribute to the development of a responsible economy: offer backing and support with development to VSEs/SMEs and stakeholders in the social and solidarity economy, the green economy, the collaborative economy and the circular economy.

The Group reinforced its ethical approach in 2012 with the introduction of a code of professional conduct framework at a Group level, a **Professional Ethics Committee and an alert mechanism**. An **"Ethical Climate"** performance indicator offers an annual internal and external measurement facility. This approach will be rolled out by Group and business area compliance officers, with the aim of developing our ethical culture.

La Poste is reinventing itself to create a strategic project for responsible growth based on public service values and citizen commitments for the benefit of all. The aim is to build a future for La Poste, in collaboration with all its stakeholders, based on mutual trust.

Assuring you of my continuing commitment,

Jean-Paul BAILLY,
Président-directeur général



Contents

Profile and description of the business page 7

Progress report page 8

Human rights page 13

Labour law page 22

The environment page 26

The fight against corruption page 34





PROFILE

Contact	Patrick WIDLOECHER
Role	Advisor to the CEO and to the Director of Responsible Development and Professional Ethics
Contact details	+ 33 1 55 44 01 99 patrick.widloecher@laposte.fr
Address	LA POSTE SIEGE SOCIAL 44 Boulevard de Vaugirard - CP V 507 75757 Paris Cedex France
Joining date	February 2003
Sector	Transport, banking, services

PROFILE AND DESCRIPTION OF THE BUSINESS

Revenue

21.658 billion euros (17% from international business).

Number of employees

266,618 employees

15,000 new permanent jobs planned between 2012 and 2014.

Organisation

La Poste Group is structured around three main business areas:

Mail (50% of revenue)

Express parcel delivery (26% of revenue)

Banking services via La Banque Postale (24% of revenue).

No. 1 local network in France

No. 1 European mail operator (by revenue)

No. 2 European express parcel delivery operator (by revenue)

No. 1 French bank (in terms of social commitment to sustainable development, for the 4th consecutive year)

Reach

In France, La Poste is the leading local network with 17,075 public outlets, including approximately 10,000 post offices.

La Poste Group, which is based in over 40 countries spanning 4 continents, generates over 17% of its revenue - 3.68 billion euros - in the international arena due to the dynamism of its parcels business.

La Poste Group also has 270 subsidiaries in France and worldwide, 10 million active bank accounts

Internet

12,752,000 unique visitors per month to La Poste Group websites

Over 3 million downloads for La Poste Group mobile applications

The Group and the market

100% of its activities are open to competition.



Progress report

Incorporating the Responsible Development culture into the Group.

La Poste Group must respond to major challenges facing it in the period 2013-2018 and to developments in society. The growing shortage of non-renewable energy resources, notably oil, as well as climate and environmental changes will continue to have a major impact on the Group's activities. On a social level, the behaviour and expectations of all La Poste users and customers will become more diverse and develop rapidly. Demographic growth, the effects of social crises and changes in the European economy will have a significant impact on all of the Group's business areas, both economically and strategically.

La Poste stakeholders (e.g. customers, key accounts, local authorities, the French government, consumers, employees) expect social and environmental responses which they can trust from the Group. La Poste, "a symbolic company for the French which represents the country by virtue of its reach and diversity" cannot ignore the impact of its activities on the environment or their social consequences on account of its size and importance to the population. It is therefore incumbent on it **to design the responsible company of the future by combining profit, job security, environmental protection, and employee and customer satisfaction.**

In the light of these three types of challenge, which affect the assumptions on which the "Ambition 2015" project was based, and taking into account the findings of the Kaspar Commission report, the Chief Executive Officer decided to launch work on a strategic plan 2013-2018. This work has made it possible to produce a list of **5 major objectives for La Poste Group to be achieved by late 2018:**

ACHIEVE

1. excellence in customer relationships ;
2. recognition for innovation and the digital transition ;
3. modern delivery of our public service responsibilities ;
4. pioneering work in occupational welfare ;
5. effective results, i.e. be profitable and responsible.

Recy'go.



In France today, 60% of office paper is not recycled.

This means that 650,000 tons of paper is burnt or sent to landfill at a time when French paper recycling operators are short of supplies.

In order to remedy this wastage, La Poste Group launched a new office paper collection and recycling business in January 2012. This service, which is dubbed Recy'go, is aimed at VSEs/ SMEs and local authorities and covers the whole of France.

The principle is very simple: a service based on 100% trust which is 100% simple and 100% social and local.

Employees in companies are supplied with an "Ecobelle" bin for green waste. Postal workers collect office paper for recycling when they come to pick up or deliver mail.

The company specifies the frequency of collections according to volume.

The guideline price for an SME with 30 employees, for example, is 810 euros per year.

This agreement forms part of the implementation of a voluntary commitment signed by stakeholders in the graphics industry on 6 February 2012 at the instigation of the Ministry of the Environment. Under the terms of this agreement, all stakeholders make a commitment to increase the tonnage of office paper recycled to over 200,000 tons by a 2015 deadline.

To this end, La Poste is helping to set up a national solidarity office paper recycling sector with stakeholders committed to three major contemporary challenges: preserving natural primary resources by extending recycling; offering a return to long-term employment for the low-skilled by supporting the solidarity and social economy; supporting a locally-focused economic dynamic and increased employment in the French regions by promoting a profitable circular economy.

Results achieved in 2012-2013

- 1 trial service in the first year
- 4 test départements as part of a 6-month pilot scheme
- A national 3-phase regional roll-out
- Full roll-out by mid-2012
- La Poste is setting an example by implementing this approach on its own sites
- 100 tons of paper collected and recycled = 1 workplace integration job opportunity
- By late 2012: over 730 customers and revenue of one million euros
- La Poste aims to collect 100,000 tons of paper

Infini Drive.

Infini Drive is a research, development and innovation project aimed at designing charging equipment for new fleets of electric vehicles.

This project now brings together 8 partners with complementary skills and renowned expertise: industrial and service companies, laboratories and universities - La Poste Group, G'Mobility, ERDF, Greenovia, Docapost BPO, Armines Paristech, Loria and I3M.



Infini Drive provides companies and local authorities with an intelligent communications system between the vehicle, charging point, electricity network and the existing information system. This system is adapted to their usage

and environment and extends beyond purely technical aspects. The aim of the project is to offer a secure charging infrastructure in order to achieve the conversion of captive fleets to electric vehicles on a massive scale. This involves ensuring that the charging infrastructures rolled out meet all the requirements of fleet managers, notably operational and profitability constraints, while making the best use of electricity networks and electricity generation methods. This makes it possible to study the efficiency of electric vehicle charging over time.

Results achieved in 2012-2013

The project was launched in four cities during European Mobility Week 2012: the Greater Paris area, Nantes, Nice and Grenoble.

A balance sheet for this experiment will be drawn up in late 2013, with the publication of a Green Paper in particular.

This document will serve as a reference framework for companies and local authorities which want to equip themselves with electric vehicle charging systems.

Roll-out of the code of professional conduct

In April 2011, the Group's Executive Committee adopted a mechanism based on the concept that ethics and a code of professional conduct inspire confidence both in-house and with external stakeholders and are therefore a lever for company performance. This mechanism, which supplements the social and environmental policy to which the company signed up in 2003, is based on 5 key tools :

A code of professional conduct framework setting out all the rules for individual and collective conduct. This framework is distributed in person to Group employees and is appended to the La Poste internal employment regulations.

An Ethics Committee chaired by the Group's Executive Officer. It is currently made up of compliance officers from the Group, business areas and the property subsidiary Poste Immo, the Director of Legal Affairs, the Director for Audits and Risk, the Data Protection Officer and the Director for Corporate Social Responsibility. In recognition of the development of the Group, its members will be joined in 2013 by the Director of Human Resources and Employee Relations.

A personalised assistance system (or alert system) to respond to queries from employees and to allow them to escalate serious non-compliance with the framework which they may observe, if necessary, and to request mediation in some circumstances.

A network of advisors on the code of professional conduct comprising a compliance officer from the Group, four compliance officers from the business areas and compliance officers from the main subsidiaries.

A programme to raise awareness via information, communications and training initiatives.



Results achieved in 2012-2013

- Circulation of **the code of professional conduct framework** initiated in December 2011 will be completed in 2013. It has already been distributed to the Group's 53,000 senior managers, accompanied by a letter from the Group CEO, Jean Paul Bailly, and a document produced by the HR Department in collaboration with social partners, entitled "Bringing our values to life. Best practice for senior management". It is also available online on the La Poste intranet and the La Poste corporate site for external stakeholders.
- **The Ethics Committee** met twice in 2012 to examine ethics cases escalated via alert systems, initiate joint action plans and familiarise themselves with emerging issues (e.g. social media).
- The Group has developed an ethical climate **performance indicator** to measure its progress and also the level of understanding and adoption of professional ethics by employees. A questionnaire was therefore developed in collaboration with the BVA survey institute and the Cercle Éthique des Affaires (ethical business circle), and also submitted to a panel of major companies and a panel of Group employees for comparative purposes. The first campaign was carried out in September 2012 and the second campaign will take place in September 2013.

- In 2012, the Group consolidated its employees' ethical culture via a number of tools and initiatives:

- **an informative and collaborative website** Éthique et Déontologie (Ethics and the Code of professional conduct), accessible to all La Poste employees has been introduced to make it easier to access reference documents, the compliance officer network, topical news on the subject, as well as tools to raise awareness of best practice.

- **a monthly information letter, NewsEthique**, was launched in 2012. There are over 550 compliance officer and strategic senior management subscribers and all staff can access it on the intranet.

- an additional **four-monthly operational publication - Pratique Éthique (Ethical Practice)** - **devoted to ethics** has been developed to support managers rolling out the ethical culture within their teams. Pratique Éthique explores topics in greater depth and offers managers practical solutions. This publication is now supplemented with an illustrated section, Le petit Illustré, in which each theme is approached from a humorous angle.

- **an ethical management training module** has been developed and will be rolled out in 2013. In order to promote qualifications in the professional ethics sector, the Group is also sponsoring the 2012-2013 year group of the Master of Law and Business Ethics course at Cergy-Pontoise University.

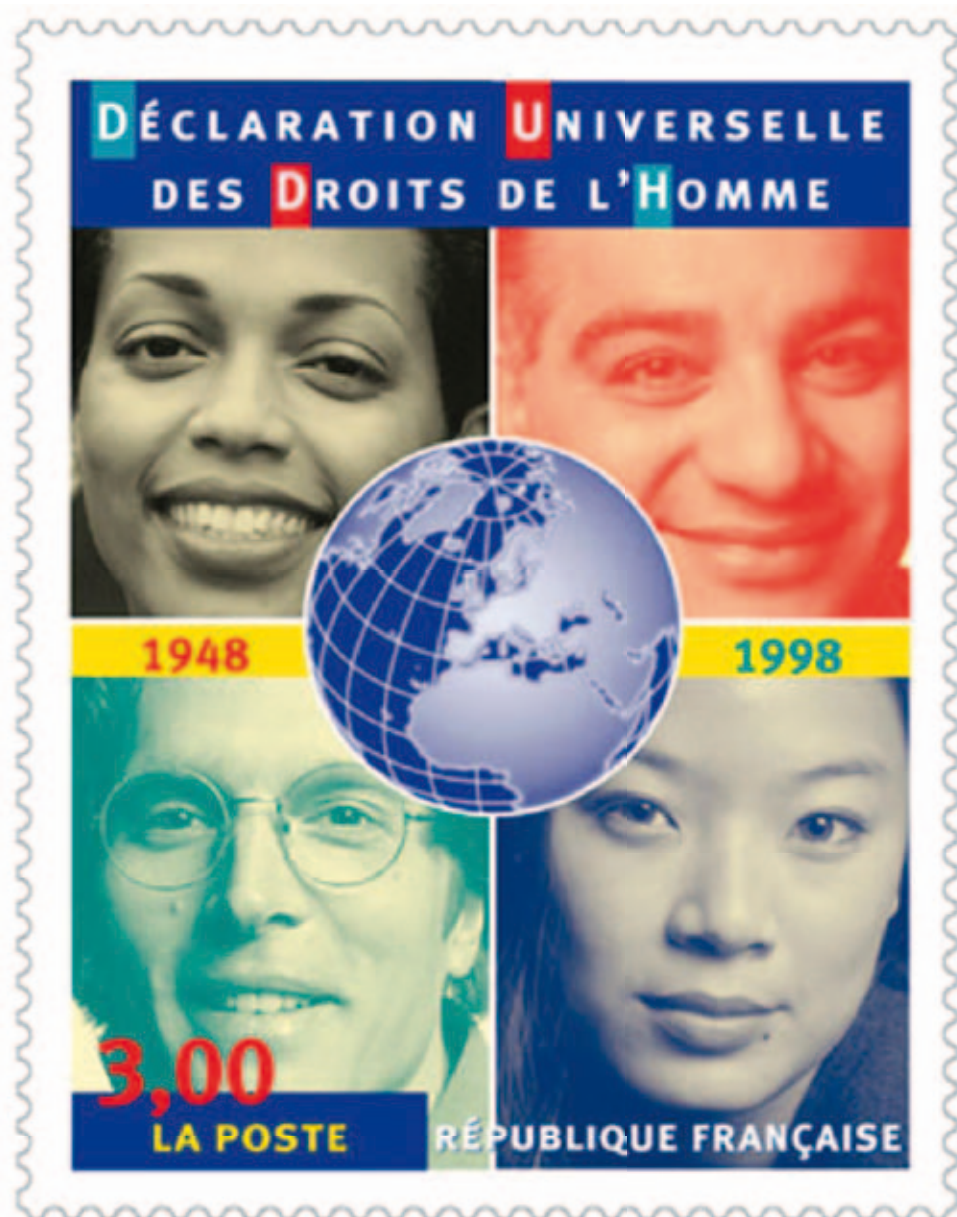
- In early 2013, the first annual report of ethical and compliance activities for the 2012 financial year was published.



development
dignity
work
equality
life
health
freedom
discrimination



Human rights



Human rights

1

Business should support and respect the protection of internationally proclaimed human rights.

2

Make sure that they are not complicit in human rights abuses.

Our commitments

Taking individuals into consideration in all decision-making is a pillar of the Group's vision of responsible development. This also takes into account individual freedom, diversity, quality of life, and health. The Group's companies have policies and practices enshrining equality of opportunity and freedom from discrimination as defined by the International Labour Organisation. They also protect individuals and the right to form trade unions and include a ban on child labour and forced labour.

In terms of protection of human rights, vigilance is mainly focused on compliance in the areas of discrimination and equal opportunities, welfare at work (accidentology, occupational diseases, musculo-skeletal disorders (MSD), psychosocial risks) and employment quality.

Initiatives introduced

Diversity and Equal Opportunities.

In late 2010, the CEO of La Poste Group signed the CEO commitment put forward by the United Nations Global Compact in favour of gender equality (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. Its aim was to reinforce gender parity in employment, enhance the work-life balance and combat stereotyping. Médiapost also followed suit. The promotion of gender equality also included a partnership with the Women's Tribune, the Parenthood Observatory and the Moroccan Post Office.

Furthermore, it should be noted that La Poste was awarded the "label Égalité" Equality label. La Poste Group is keen to promote gender parity at all levels in the company, and most particularly in senior supervisory roles. Increased representation of women on the Management Committee is a perfect illustration of progress achieved. This increase can be observed at every level of the supervisory structure of the company and its operational departments.

In early 2011, a Diversity and Equal Opportunities Office was set up within the Human Resources and Employee Relations Department. It is responsible for managing HR aspects of diversity policy at La Poste, disability policy on a national level and organising the inter-business area Steering Committee and diversity frameworks (at a regional entity level).



This involves:

- implementing commitments made in the agreement on gender equality
- improving the management of incapacity to work, and signing and implementing the disability agreement
- managing and monitoring the age management action plan
- ensuring compliance with legal and regulatory requirements and managing the risk of discrimination.

Results achieved in 2012-2013

By signing up to the Ministry for Women's Rights commitment to gender equality in 2013, La Poste is pursuing its policy of integrating women into its management bodies and making a commitment to achieving a figure of 30% of women on the Group's Management Board (Top 300) by 2015, compared to 27% in 2012, and 25.7% in 2010.

The pay gap between men and women has also closed over this period, for two levels of role: civil servant: 3.2% in 2012 compared to 3.4% in 2010, and employees: 1.3% in 2012 compared to 2.7% in 2010 (the pay gap between men and women in favour of men).

As regards retention in employment of older employees, the proportion of employees aged 55 and over in the workforce has risen in the period 2010-2012: 21.6% in 2012 compared to 18.6% in 2011.

La Poste is pursuing initiatives to retain people aged 55 and over in employment and to develop and promote their skills within the company.

La Poste is also developing recruitment in disadvantaged urban areas. On 22 March 2012, La Poste signed the national commitment for the employment of residents in priority urban districts. This initiative will be reinforced by recruiting 1,000 young people under "future employment contracts" (**contrat d'emploi d'avenir***).

La Poste is fully committed to employing people with disabilities and on 8 March 2012, it signed an agreement with four trade union organisations (CFTC, CGC-UNSA, FO and CFDT) renewing its commitment to people with disabilities. As part of this policy of actively working with people with disabilities, 70% of post offices were accessible to people with disabilities in 2012 compared to 49% in 2010.

Contrat d'emploi d'avenir

"L'emploi d'avenir" is a contract to help integrate young people in particular into the workplace who have found it difficult to work due to lack of qualifications or their geographical origins. It consists of reciprocal agreements between the young person, employer and the authorities to facilitate the long-term integration of young people into the workplace.

The French government is also supporting the creation of 150,000 "emplois d'avenir" by 2014.

Beneficiaries are aged between 16 and 25, unemployed and unqualified or holders of CAP/BEP vocational qualifications who are keen to work in very socially or environmentally useful jobs and to receive on-the-job training.



Occupational Health and Safety.

Occupational health has been a core concern for La Poste Group ever since it was founded.

As an innovator in terms of equipment and tools in the workplace, the Group strives to design them in collaboration with employees, occupational health officers and ergonomists. This facilitates the development of equipment adapted to the circumstances in which it is used and to the user. In 2010, La Poste launched a new occupational health and safety plan for the period 2010-2013. The aim was to reinforce the protection of the mental and physical health of employees at every level of the organisation on a daily basis and in relation to change. This plan is being rolled out across all business area with five key priorities :

- increased consideration for people in the event of significant changes (e.g. family circumstances, a minimum 24-month period between any two changes in organisation, involvement of occupational health and safety departments in the initial design of projects) ;
- greater involvement of employees in occupational health and safety (e.g. training for managers, raising awareness among employees of the risks of stress, rudeness or attack, involvement of postal delivery workers in analysing the causes of occupational accidents) ;
- increased focus on prevention of major risks: psychosocial risks, transport-related risks, slipping and tripping or MSDs (musculo-skeletal disorders) ;
- increased focus on occupational health by managers e.g. (regular interim reviews of outcomes and accidents at every level of the company, an annual occupational risk assessment on each site and ongoing recruitment of occupational health officers) ;
- a special mechanism to deal with national catastrophes on French soil as part of its public service responsibilities, with an associated mechanism to assist postal delivery workers affected by this type of phenomenon.

Results achieved in 2012-2013

Rates

Absenteeism rates for illness remained stable overall at 6.% in 2012 compared to 5.93% in 2010. The small increase is commensurate with the rise in average age, which has increased from 45.4 to 45.9 years of age.

After a very significant drop in levels of frequency in 2011, related to the implementation of the Health and Safety and Work Plan, there was a slight rise in occupational accident levels leading to time off work in 2012. This is linked in particular to bad weather conditions in February. Trips and slips and road traffic accidents during delivery are the most common types of accident. The occupational accident rate for 2010 was 29.49 compared to 26.08 in 2011, and 26.42 in 2012.

Management training at La Poste

Provision to train managers in various aspects of occupational health and safety (prevention of psychosocial risks, occupational accidents, assessment of occupational risks, chairing the Committee for Health, Safety and Working Conditions (CHSCT), familiarity with regulatory requirements) increased 3.5-fold between 2011 (3,775 managers trained) and 2012 when 13,349 people took this training.

This training approach facilitates the roll-out of La Poste's main commitments in this field:

- introduction of objectives and assessment criteria for managers in the occupational safety field
- introduction of "life at work" action plans at a regional level in consultation with postal delivery staff and trade union organisations (La Poste regional Social Dialogue Commissions)
- introduction of initiatives to raise awareness of the risk of falls and road traffic accidents
- research into new delivery vehicles, with view to the eventual withdrawal of motorised 2-wheeled vehicles to reduce the risk of accidents.

Welfare at work.

A fundamental agreement was signed on 22 January 2013 with the CFDT, FO, CGC/UNSA and CFTC trade union organisations on quality of life at work at La Poste. This agreement, which follows up the "Big Conversation" exercise carried out within the company in 2012, makes specific and innovative commitments to improving quality of life in the workplace. In order to demonstrate a willingness on the part of organisations and the company to drive genuine change forward, the agreement defines measures with immediate effect, including :

- the introduction of mechanisms to adapt the activities of older workers, civil servants and employees, taking the degree of strenuousness involved into account ;
- the introduction of remote working on a voluntary basis ;
- a social alert mechanism relating to social dialogue and collective agreements ;
- training for new managers as soon as they take up their posts ;
- the conversion to permanent contracts for 3,000 employees on temporary contracts, with enhanced seniority arrangements.

This agreement also sets out significant improvements in terms of organisation of work and working conditions (introduction of experimental organisation of working over a 5-day period), social dialogue, supervisory policy, development of the HR department, and occupational health and safety for postal workers, which will be the subject of negotiations launched in 2013. The 3-year agreement applies to all La Poste staff, irrespective of rank.



Results achieved in 2012-2013

On 19 March 2012, La Poste decided to launch a "Big Conversation" exercise on quality of life at work in the company. This approach took place at a national and local level simultaneously. On 12 April, ten measures were introduced with immediate effect, including the allocation of a budget of 20 million euros to improving working conditions and recruitment of 1,000 additional employees in 2012. At the end of the Big Conversation, the CEO launched major negotiations with the trade union organisations on quality of life in the workplace at La Poste.

Developing employability.

Responsible change management within the Group is based both on the desire for a genuinely high quality of employment and life in the workplace and on a willingness to develop employability in order to increase operational mobility. The way in which organisational changes are managed was negotiated in early 2012 then trialled for 6 months. It will be introduced across the board in March 2013. An alert system is currently being prepared to flag up any regional drift. This 5-stage change management approach uses a diagnostic tool to inform employees of the consequences of change and the terms and conditions attached to implementing it, and meet the criteria for engaging in genuine social dialogue.

The 5 stages of the change management approach are :

1. launch of the project with the relevant stakeholders ;
2. consideration of individual employee circumstances ;
3. consultation/negotiation with trade union organisations ;
4. consultation with the relevant bodies;
5. a mandatory assessment.

The commitment not to implement any new organisational changes without two years' notice gives employees the guarantee of a period of stability in their role. In order to develop employability and thus to facilitate the changes required in the company, drawing up a career plan has been incorporated into the evaluation and performance management process and mobility advisors have been appointed at various levels of La Poste.

For example:

La Poste has made a commitment to offer at least one training course per year per employee. This is set out in the operational objectives of the three business areas at all three levels of decentralisation.

Results achieved in 2012-2013

The high levels of people involved in training over a two-year period is indicative of the emphasis which La Poste places on employability.

La Poste is particularly focused on keeping employee skills up to date in their business area. For example, the launch of the La Poste Mobile application offered a training opportunity for post office staff.

At La Poste, in 2012:

- 15,465 postal workers were promoted. Training, internal professional mobility, transfers to civil service roles, business start-up assistance, and support for personal projects outside the business are some of the development opportunities offered to postal workers.
- 6,949 job offers were posted at the Group's job centre and 28,390 applications were made over the year.
- 16,588 relocations took place of which 77% were within 30 km and 23% over 30km.
- 2,700 postal workers took up transfers to civil service roles and 97% stated that they were satisfied or very satisfied with their career development.
- 175 postal workers were able to launch their own business start-ups or business takeover projects and 350 are currently receiving support in late 2012.

International solidarity.

La Poste Group is also supporting its employees' voluntary commitment to solidarity projects by providing financial assistance to two socially committed non-profit association partners (Planète Urgence and France Volontaire). Employees can become involved in international solidarity initiatives by putting their skills and knowledge to good use and spending their leave in countries requiring aid in fields such as education, the environment, vocational training and biodiversity.



Results achieved in 2012-2013

La Poste Group supports its employees' commitment to international solidarity work by providing financial support for two non-profit association partners: Planète Urgence (since 2006) and France Volontaires (since 2008). In 2012, 75 Group employees took leave to work on solidarity projects, taking the number of employees who have offered their time and skills to educational and socio-economic initiatives up to over 450.

Responsible procurement.

With 32,800 active suppliers, La Poste has a major stake in managing its supply chain and has implemented an array of tools to introduce responsible purchasing criteria for selecting products and services across all of its procurement families into its procurement processes. All areas of procurement are now affected by this approach, ranging from institutional catering to equipment maintenance, not forgetting paper, office supplies and furniture, IT services and equipment procurement, transport, buildings, vehicles and green space maintenance.

La Poste is developing the tools required to introduce responsible procurement in its different entities (e.g. risk mapping, guides, training, a "responsible procurement" self-assessment framework, the Provigis hub) and also a framework of 23 questions covering everything from advisor needs to supplier commitment, not forgetting the CSR performance of products (and labels awarded, in particular).

Results achieved in 2012-2013

The "Provigis" hub was created in May 2012 with the aim of optimising and consolidating processes to enable La Poste to ensure that its suppliers do not employ unregistered workers.

By late 2012, 93% of the 300 buyers targeted had attended a two-day responsible procurement training course.

In 2012, special training provided 23 procurement managers with the tools required to organise procurement for their teams ranging from communication with in-house advisors to the development of CSR strategies by procurement family.

This training provides them with the skills to:

- develop purchasing strategies which take sustainable development into account
- identify levers to raise awareness among advisors, buyers and users
- roll out the responsible procurement approach within their own teams and with their own customers.



Labour law

- 3 Business should uphold 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

La Poste and its French subsidiaries follow French law relating to freedom of association and the right to collective bargaining. They respect the lifestyle and professional choices of their employees and observe the minimum legal age for employment. They only accept registered students as interns and internships which last more than 1 month are remunerated.

La Poste is firmly committed to equal opportunities. This involves accommodating people with disabilities, removing blockers and finding drivers so that all individuals (customers, postal workers, suppliers and partners) are treated equally. La Poste has signed the Diversity Charter and is committed to reflecting the social, cultural and ethnic diversity of France at every level of its workforce.

Initiatives introduced

La Poste has chaired the European Social Dialogue Committee for the postal sector since 2006. This committee, which has its legal basis in European Union treaties, is an autonomous instrument for social dialogue between European social partners at a sectoral level, which allows it to develop initiatives and conduct negotiations on subjects of shared interest. It is made up of employers' representatives and unions from the 27 EU Member States designated by PostEurop for postal operators and by UNI Europa Post & Logistics for the trade unions.

Its objectives are:

- to promote sharing of best practice on key social questions such as the social regulation of the sector, innovative training programmes, corporate social responsibility and occupational health and safety
- to raise the awareness of all stakeholders in the sector of social issues relating to its development
- to advise the European Commission on European political developments which have a social impact on the sector.

Through its four Working Groups, the committee covers the main social issues in the sector: training, CSR, accident prevention and the social development of the sector. Six joint declarations were adopted on all of these issues which reflect the vision of European social partners in the sector.

Results achieved in 2012-2013

La Poste has held the "label Egalité" Equality label since 2006 and was one of the first companies to be awarded the "label Diversité" Diversity label in 2009 for its operations as a whole across all of its activities. This label was renewed in early 2013. La Poste produces an annual diversity report.

In 2009, the committee set up a Social Observatory to monitor developments in the postal sector. Within this framework, three successive projects co-funded by the European Commission were carried out in 2009, 2011 and 2013. They made it possible to track the transformation of the sector in Member States as a whole and its impact on social regulation, change management and delivery of its universal service obligations. Sharing best practice within the framework of this project allowed La Poste to gain a better understanding of the main social developments in the sector and to measure its strategy against the policy changes of other European operators. It was also able to promote its own social model and policy to support change at a European level.

This work led to the signature in 2012 of a Joint Declaration on the social development of the sector with the aim of identifying the main principles for supporting developments - anticipating change, developing employees' employability, flexible organisation of work - while recalling the role of social dialogue in this process.

In 2013, moreover, the European social partners signed the Joint Conclusions on the Environment to formalise their commitment to the fight against global warming. They emphasize the various ways in which the partners contribute to reducing the environmental impact of postal operations, notably by raising awareness and providing training for employees, and through dialogue with all stakeholders.

As Chair of the Committee, La Poste meets key stakeholders from the sector such as the UNI Global Union, the Directorate General for the Internal Market and Services and the Directorate General for Employment and sends speakers to major international conferences to present its vision of the socially responsible transformation of the sector. Its key role on the Committee allows it to promote its social model at a European level.



The environment

The environment

- 7 Businesses should adopt 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

In order to consolidate its responsible development approach in the future, La Poste Group intends to offer a more targeted and modern range of products and services. This goal cannot be achieved without exemplary in-house practices. Employees in each business area and subsidiary will be able to offer 45 million individual customers and 3.5 million corporate customers products and services which respect both people and the environment at a market price, of course. This approach, to which a commitment was made several years ago, therefore involves Group as a whole.

Initiatives introduced

Eco-design.

Environmentally-friendly pre-franked packaging: the use of paper from sustainable managed forests and vegetable inks for mail and parcels is becoming widespread and will become the norm.

The Green stamp



The mail's "green letter" was launched in October 2011 and forms part of the responsible product design dynamic.

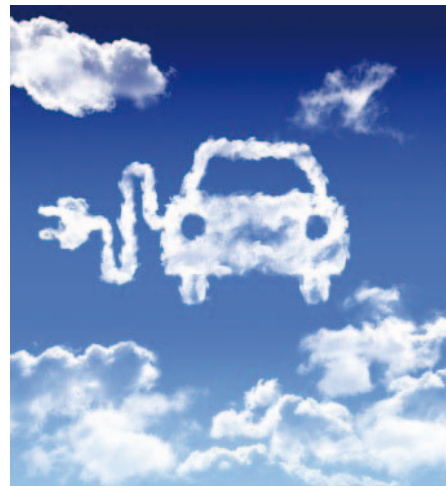
Developed in close collaboration with stakeholders (notably consumer associations and NGOs such as the WWF), it provides a more effective response to customer expectations of a 90% reliable two-day delivery service (a public service contract objective), while contributing to lower mail-related CO2 emissions by abolishing the use of aircraft as a means of transport in mainland France.

Reducing the environmental impact of transport.

In 2012, La Poste emitted 624,291 tons of greenhouse gases with its transport operations. On a like-for-like basis compared to 2011, the reduction between 2011 and 2012 is 5%, (due in part to the update of CO2 emission factors) despite a 0.75% increase in traffic for ColiPoste and a 2.22% increase in the number of delivery points for Mail.

In order to reduce its direct CO2 emissions, La Poste has implemented several levers :

- a technological lever, by gradually incorporating greener vehicles into the internal fleet ;
- a change in transport mode lever through the use of greener transport methods ;
- a transport subcontractors' lever by demanding greater environmental efficiency ;
- a logistics lever, optimising delivery routes and loads.



A carbon neutral footprint for all.

The La Poste Group offers its customers carbon neutral physical and digital mail, parcel and express delivery services. This voluntary approach has become a unique selling point. This completely carbon neutral footprint has been in operation since 1 March 2012 for ColiPoste, Mail and its subsidiaries which offer customers a special marking so that they can promote this approach in their own dealings with their clients.

Coliposte, for example, has introduced a strapline on its logo: "Colissimo/So Colissimo, carbon neutral delivery".

On 1 July 2012, GeoPost also implemented its "total zero" campaign relating to greenhouse gas emissions from all parcels transported by GeoPost subsidiaries in France, Germany, the United Kingdom, Belgium, Luxembourg, the Netherlands and Switzerland, at no additional cost to the customer. This is an important issue as these emissions represent 80% of the volume of CO2 emitted by GeoPost subsidiaries.



The postal sector offsetting project

In October 2009, at France's suggestion, the Council of Administration of the Universal Postal Union (UPU – a specialist UN agency devoted to the postal sector) decided to launch a feasibility study on the introduction of a carbon offsetting system across the whole postal sector. Studies demonstrated the economic viability and timeliness of the project on the one hand, and the feasibility of a postal offsetting fund on the other hand. After more than two years of research, a mechanism was adopted at the last UPU Congress in Doha in 2012 by the 192 member countries of this UN institution.

This postal carbon offsetting fund will allow postal services in "developed" countries wishing to offset emissions to finance projects for postal systems in developing countries or projects of benefit to the postal system in the country in which the project is being funded (e.g. renewable energy, green transport). It will also allow postal systems in developing countries to receive funding to finance postal projects which will enable them to reduce CO₂ emissions and promote economic and social development. The postal projects funded will make it possible to roll out less polluting technologies in a sustainable manner and to share expertise within the postal community.

After providing this sectoral initiative with a legal structure and visual identity, the founding members of the project, representing a dozen countries spanning different continents, are setting up a pilot scheme to fund the first projects and test their implementation, feasibility and relevance to the postal sector. The objective is to extend the fund to all interested UPU postal operators by capitalising on the mechanisms and methodologies defined in the pilot phase. Furthermore, an organisation with the skills to develop projects and manage the fund in the long term will be appointed in 2013 in order to provide support to postal systems taking part in the project.



This sectoral initiative is a response to a desire to protect the global environment via the fight against climate change and contributes to local development in developing countries. The roll-out of technologies which emit less CO₂ in the postal systems of developing countries will promote low-carbon development by funding projects which benefit the postal sector. The goal is to launch a "climate solidarity" movement involving postal services on every continent which are all facing the same challenges. Many postal services in developing countries are also carrying out initiatives to build better infrastructures to make their electrical installations in particular more reliable and to resolve the problem of frequent power cuts. Improving energy efficiency by financing a project via the fund will enable these postal services to delivery a better quality service to local people and to develop their infrastructures in a sustainable manner.

Cutting energy consumption in buildings.

In late 2012, with a property portfolio of 12,058 buildings managed by Poste Immo, i.e. 69 million sq. metres, of which 4.15 million sq. metres are owned outright, buildings represent almost 18% of the Group's total CO₂ emissions. Improving the energy efficiency of buildings is therefore a major issue which is also evolving in regulatory terms since the Grenelle Environment Forum, leading to far-reaching changes in practices in the sector.

The property sector has experienced significant regulatory developments since the Grenelle Environment Forum. In this respect, the sector is undergoing major changes in practices (building, refurbishment and development). Poste Immo is becoming involved in reducing energy consumption and CO2 emissions by introducing a number of levers for action with a variety of effects ranging from the short-term to the longer term:

- rescaling of property holdings, bringing them into line with needs and new uses ;
- improvement of the existing energy mix ;
- construction to new market standards ;
- promotion of environmentally responsible practices ;
- greater use of renewable energy.



Reducing the environmental impacts of information systems.

La Poste Group has launched a programme to cut CO2 emissions linked to information and communications systems. Within the framework of the Group's responsible procurement policy, specifications aimed at promoting Green IT, i.e. environmentally responsible IT and communications systems, will form part of the contract specifications for suppliers and subcontractors.

Requirements will focus in particular on green labels and energy efficiency of IT and telecommunications equipment. In November 2011, the La Poste Group Information Systems Department signed a contract with an innovative SME, Dotgreen, to develop a tool to assess the carbon footprint of IT equipment.

La Poste has had an operational version of this tool since June 2012 and will carry out an assessment of the carbon footprint of its IT equipment. The assessment tool has been made available to IT departments in all the business areas and can be used by IT technicians and buyers to carry out carbon footprint simulations to compare various solutions prior to purchase. In parallel, a consultation exercise on the choice of energy management solutions for IT equipment was successfully launched in 2011. The solution selected and tested will be deployed initially on 800 computers at head office in early 2013.

Waste management.

La Poste Group operations generate a wide variety of types of waste (electric and electronic equipment, paper, cardboard, pallets, plastics, etc.). The Group is gradually rolling out action plans for waste sorting, processing and recycling. Mail and ColiPoste are also gradually introducing widespread sorting and recycling practices at their industrial hubs, where the quantities involved make it possible to optimise waste management. ISO 14001 certification for the environmental waste management at 15 ColiPoste hubs is the fruit of a significant improvement in waste management which has reduced energy and water consumption and facilitated a reduction in the risk of pollution.

La Poste is meeting its obligations for treating waste electrical and electronic equipment (WEEE). In 2012, 84% of the 804 tons of WEEE products (excluding equipment donated or sold) were recycled, compared to the European Directive threshold for WEEE of 75%.



In May 2011, the Group developed a framework contract with WEEE processing service providers to include in their services recycling of packaging waste (used cardboard, paper and plastics) produced in technical centres, and optional services such as processing of ink and toner cartridges removed from the equipment used in the postal services, and bicycle recycling. In Ile-de-France, the contract is delivered by an organisation offering vocational integration into the workplace.

Results achieved in 2012-2013

A commitment to the mass roll-out of electric vehicles with 2,000 electric vehicles in service by late 2012 (10,000 by late 2014); ongoing eco-friendly driving training courses, with 72,000 postal workers trained since the start of the project; 1,000 refresher courses in 2012, and ongoing transport plan optimisation.

Prioritising rail transport over air transport.

Optimisation of delivery rounds and loads, with 66% of national ColiPoste links using bulk delivery rather than containers, with the result that 3 times as many parcels can be fitted into lorries and the number of lorries on the road halved.

The Group's business trips and travel policy explicitly encourages employees to reduce their travel by favouring audio, video and web-conferencing and to travel by train rather than fly where possible.

In 2012, the Rennes Armorique industrial mail hub was the first hub in the Group to receive HEQ (High Environmental Quality) and BBC (low energy building) certification. GeoPost subsidiaries are also committed to this approach with the start of operations in January 2012 at the new HEQ-certified Exapaq sorting office in Coudray-Montceaux (Essonne).

Mail has developed an eco-framework with a self-assessment checklist for all Mail establishments. This Charter aims to help managers to assess efficiency on their sites and prepare site action plans to reduce CO2 emissions as part of progress plans for Regional Mail Operations Departments. Furthermore, over half of the planned energy savings will be achieved by adapting operations/maintenance and use.

In 2011, Poste Immo set up a subsidiary, Arkasolia, devoted to developing solar products for the Group's property holdings. Developing renewable energy sources for new building projects is now examined on a systematic basis. In 2012, Poste Immo installed solar energy power plants at 22 sites. The roll-out of Phase 2 is scheduled for 2013.





The fight against corruption

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

Our commitments

The Group has developed an anti-corruption policy reflecting OECD and UN international anti-corruption agreements. The Group's code of professional conduct framework deals with active or passive, direct or indirect corruption on the part of a private individual as the representative of public authority. It is incorporated in full into the code of professional conduct introduced by the Group.

The framework also reflects the fact that money laundering is a crime. Training campaigns relating to the code of professional conduct document and the fight against money laundering and funding of terrorism have been rolled out with most employees. Furthermore, La Banque Postale is fighting against tax evasion by scrupulously following the preventive mechanisms currently in force. Monitoring of customer activity for tax compliance is carried out within the context of the fight against laundering of capital and funding for terrorism and fraud. A mechanism to monitor international transactions between France and countries "at risk" has been introduced.

Initiatives introduced

The fight against money laundering and the funding of terrorism is a banking process for which La Banque Postale is fully responsible. A dedicated mechanism structured on three different levels (national, regional and local) enables it to fulfil this responsibility both for the transactions it handles itself and for those carried out in its name and on its behalf by the Enseigne La Poste retail brand. L'Enseigne La Poste is responsible for implementing the necessary resources to carry out transactions effectively in the name and on behalf of La Banque Postale. These resources are described in the Core Cooperation Policy for the fight against money laundering and funding of terrorism updated in August 2010. This document sets out the mutual responsibilities of L'Enseigne La Poste and La Banque Postale.



Results achieved in 2012-2013

In the last three years training relating to the fight against money laundering and funding of terrorism has been taken by:

94% of employees in La Poste Financial Services Centres
93% of employees in L'Enseigne La Poste retail outlets
67% of La Banque Postale employees.

La Banque Postale has a subsidiary with almost 100 employees and automated tools dedicated to the fight against money laundering, corruption and funding of terrorism based on behavioural analysis and specific risk scenarios.



LE GROUPE LA POSTE

DIRECTION DEVELOPPEMENT RESPONSABLE
DEONTOLOGIE
44 BD DE VAUGIRARD - 75757 PARIS CEDEX 15
Tél. : +33 (0)1 55 44 00 00

www.laposte.fr