



# 2022 UNIVERSAL REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

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# 2022 UNIVERSAL REGISTRATION DOCUMENT

**INCLUDING THE ANNUAL  
FINANCIAL REPORT**



The French language version of this Universal Registration Document was filed on 23 March 2023 with the French Financial Markets Authority (*Autorité des marchés financiers* – AMF), as the competent authority under Regulation (EU) no. 2017/1129, without prior approval in accordance with Article 9 of the Regulation. The Universal Registration Document can be used when securities are offered to the public or for their admission to trading on a regulated market if it is completed by a note on the securities and, if applicable, a summary and all of the amendments made to the Universal Registration Document. The package is approved by the AMF in accordance with Regulation (EU) no. 2017/1129. The Annual Financial Report included in the Universal Registration Document is a translation of the official version of the Annual Financial Report in ESEF (European Single Electronic Format) format and is available on the website [www.grounelaposte.com](http://www.grounelaposte.com). This is a translation into English of the Annual Financial Report/URD of the Company issued in French and it is available on the website of the Issuer.

# MESSAGE FROM THE CHAIRMAN



**IN 2022, LA POSTE GROUPE DEMONSTRATED ITS ABILITY TO REMAIN STEADY UNDER PRESSURE AND BOUNCE BACK. THESE QUALITIES COME FROM THE DEDICATION OF ITS EMPLOYEES, THE SUPPORT OF ITS SHAREHOLDERS, CAISSE DES DÉPÔTS AND THE FRENCH STATE, AND THE SOUNDNESS OF ITS STRATEGIC PLAN, 'LA POSTE 2030, COMMITTED FOR YOU'.** 🐣

**PHILIPPE WAHL**  
CHAIRMAN AND CHIEF EXECUTIVE  
OFFICER OF LA POSTE GROUPE


**T**he year 2022 marks the world's shift into an era of uncertainty. The war in Ukraine has brought tremendous human tragedy and widespread apprehension. It has also sparked a macro-economic downturn, which has slowed growth and triggered a sharp rise in inflation, particularly in energy prices. This latest crisis for La Poste Groupe comes in the wake of the pandemic. The rise in energy and electricity prices has produced additional costs that are compounded with revenue losses due to the steady decline in the use of mail by its millions of customers, who prefer digital interactions. As society increasingly shifts towards digital technology, post office footfall has decreased significantly, with the number of visitors down by half in the past 10 years.

Nevertheless, the group has managed to cope with the situation thanks to the unwavering commitment of its postal workers. As a wholly state-owned company, La Poste continues to carry out its four public service missions and demonstrates its determination to serve all and be useful to everyone.

2022 operating revenue totalled €35.4 billion, up from €34.6 billion in 2021, while attributable net profit came to €1,250 million excluding significant non-recurring items<sup>(1)</sup>, demonstrating once again the relevance and strength of the multi-business model.

La Poste Groupe continued its transformation and development strategy this year. As in 2021, parcels and express deliveries accounted for more than half of La Poste Groupe's operating revenue. The choice of diversification should ensure the sustainability of the company. Today, La Poste Groupe is number one in Europe for parcels delivered by road transport, ahead of the three global logistics giants. This is the result of our investment strategy in France, Europe and worldwide. Another growth driver is bancassurance. 2022 marked a major milestone for our group. With the success of the tender offer launched by La Banque Postale for CNP Assurances, the construction of a large public financial group around our majority shareholder, Caisse des Dépôts, is complete. La Banque Postale has the means to stand against powerful and long-established competitors in the retail banking market.

<sup>(1)</sup> Excluding the impact on attributable net profit of impairment charged against Mail, Mediapost and DPD Russia assets and the net impact of other accounting effects and the utilisation of deferred taxes ahead of CNP Assurances' potential inclusion in the group's tax consolidation scope.



**“LA POSTE GROUPE ACTS  
AS A DRIVING FORCE IN  
DECARBONISING THE  
ECONOMY, FOR THE SAKE  
OF ITS CUSTOMERS, OF  
REGIONS AND OF SOCIETY  
AS A WHOLE.”**

To support the environmental, demographic, digital and regional transitions, La Poste is pursuing its transformation for the good of the whole community.

The group is working to recreate its role as a trusted third party in the digital environment. Digiposte is already the leading digital safe in France, with 9.4 million accounts. La Poste’s Digital Identity, the only service of its kind currently certified by the French cybersecurity agency ANSSI, now provides secure access to personal training accounts. Lastly, the sovereign cloud project launched at the end of 2022 by Docaposte, with Caisse des Dépôts, Dassault Systèmes and Bouygues Télécom, marked a decisive step forward for La Poste Groupe and for the digital security of Europeans.

The group is in a prime position to ensure regional cohesion and to maintain social and human ties, which are currently being weakened. To safeguard the future of its network of 62,000 postal carriers, La Poste is committed to developing human services provided at home. Their new missions revolve around reaching out to people – visiting the elderly, delivering meals or medicines – and play a fundamental role in boosting solidarity and regional cohesion. In 2022, these new local services generated revenue of more than €700 million.

Customers are sending fewer and fewer letters, now preferring to use emails and text messages. The number of letters sent fell from 18 billion in 2008 to less than 7 billion in 2022. Due to the low and continuously decreasing volumes processed, the industrial organisation of La Poste’s next-day mail delivery service has become too costly and emits too much CO<sub>2</sub>. This is why the mail range was redesigned, as announced in 2022. Its launch is effective since 1 January 2023. In doing so, La Poste can prevent the emission of 60,000 tonnes of CO<sub>2</sub> per year by optimising truck loading and eliminating three daily air routes in France.

The environment has been a priority for La Poste Groupe for decades. La Banque Postale was the first to commit to phasing out fossil fuel financing by 2030. Now other banks are starting to follow suit. CNP Assurances has committed to having a carbon-neutral investment portfolio. Geopost is the first global parcel delivery company to have its short- and long-term carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi). Making the environment a priority is even more strategic at a time of soaring energy costs. La Poste Groupe therefore acts as a driving force in decarbonising the economy, for the sake of its customers, of regions and of society as a whole.

In 2022, La Poste Groupe demonstrated its ability to remain steady under pressure and bounce back. These qualities come from the dedication of its employees, the support of its shareholders, Caisse des Dépôts and the French State, and the soundness of its strategic plan, “La Poste 2030, committed for you”. Its commitment to helping the planet decarbonise, its social and societal commitment to ageing in good shape and its commitment to digital inclusion are shaping its future and the future of France. Through its public service missions, the group is there for millions of French people, especially the most vulnerable.

La Poste Groupe is determined to continue its development and to fully embrace its role as a mission-led company. I trust in the support of the state-owned financial group and in the know-how and commitment of our 238,000 postal workers. ■

# A LARGE MULTI-BUSINESS GROUP



## LA POSTE'S PURPOSE SETS OUT THE FUNDAMENTAL MEANING OF ITS CONTRIBUTIONS.

“Serving all, useful to everyone, La Poste is a people-oriented company with a local presence that develops exchanges and builds essential links by contributing to the common wealth of society as a whole.”

In line with its purpose, La Poste, as a mission-led company, has set itself social and environmental objectives, enshrined in its Articles of Association, that it pursues in the course of its business.

## MISSION COMMITTEE

The Mission Committee monitors progress on commitments and is made up of 17 members, including nine qualified external individuals, three non-voting Board members representing municipalities and consumers, the Chairman and Chief Executive Officer of La Poste, one director representing the French State, one director representing Caisse des Dépôts and two directors representing employees.

## OUR COMMITMENTS

Contributing to the development and cohesion of local areas



Fostering social inclusion



Promoting ethical, inclusive and sustainable digital services



Working to accelerate the environmental transition for all



## OWNERSHIP STRUCTURE

**66%**  
CAISSE DES DÉPÔTS

**34%**  
FRENCH STATE

**€35.4bn**

**IN REVENUE**

**44% IN INTERNATIONAL MARKETS**  
**€1.2bn IN OPERATING INCOME**  
**€2.1bn IN INVESTMENTS**

**238,000**

**EMPLOYEES**

**22.7% IN INTERNATIONAL MARKETS**  
**94/100 GENDER EQUALITY INDEX**  
**16 AGREEMENTS SIGNED TO DRIVE THE GROUP'S TRANSFORMATION FOR THE BENEFIT OF ALL EMPLOYEES**  
**86.9% OF EMPLOYEES ATTENDED AT LEAST ONE TRAINING COURSE DURING THE YEAR**

**17bn**

**ITEMS DELIVERED**

**35,600 POSTAL SERVICE ACCESS POINTS IN FRANCE, INCLUDING:**

- **17,300 RETAIL OUTLETS (POST OFFICES AND PARTNER OUTLETS)**
- **18,300 OTHER ACCESS POINTS (BUSINESS AREAS, PICK-UP POINTS)**

## 4 PUBLIC SERVICE MISSIONS

**AT THE HEART OF THE GROUP'S IDENTITY, ENTRUSTED BY THE FRENCH STATE UNDER THE LAW OF 2 JULY 1990**



### UNIVERSAL POSTAL SERVICE

La Poste collects and delivers mail six days a week to homes throughout France at regulated and controlled prices. In accordance with the principles of equality, continuity and adaptability, this service contributes to social cohesion and the balanced development between regions.



### PRESS TRANSPORT AND DELIVERY

Six days a week across France, La Poste delivers nearly 7,000 publications at affordable prices. This mission is crucial in a pluralist democracy, which guarantees equal access to information for all citizens.



### REGIONAL DEVELOPMENT

La Poste pledges to maintain at least 17,000 retail outlets to provide postal coverage throughout France. La Poste's network is the country's leading local network, with 97% of the population living within 5 kilometres or 20 minutes by car from a retail outlet.



### ACCESSIBLE BANKING

Anyone can open a Livret A passbook savings account starting from €1.50 and make withdrawals and deposits free of charge. La Banque Postale thus guarantees universal access to free basic and essential banking services for people who are excluded from the traditional banking system.

**THE GROUP'S COMMITMENT** to serving the public interest is in line with its public service missions.

## A DIVERSIFIED, RESILIENT GROUP ORGANISED INTO FOUR BUSINESS LINES

22.9%

**SERVICES-MAIL-PARCELS**

43.7%

**GEOPOST**

23.4%

**LA BANQUE POSTALE**

9.4%

**RETAIL CUSTOMERS & DIGITAL SERVICES**

*(as a % of the group's consolidated revenue)*

# A STRATEGIC PLAN FOR 2030

LA POSTE

2030

LA POSTE  
**2030**  
COMMITTED  
FOR  
**YOU**

## ONE AMBITION

Be the No. 1 European platform for connections and exchanges, people-oriented and digital, green and community-minded, helping customers succeed in their projects and driving transformation in society as a whole.

## THREE LEVERS OF ACTION

**Consolidate** the group's core historical activities: mail, network, and public service missions

**Accelerate** the development of growth drivers: parcels, e-commerce services and bancassurance

**Lay** the foundations for future growth in digital trust and local human services

## ONE GOAL FOR 2030

Be a company with profitable growth that has successfully transitioned to a sustainable business model.





**SEVEN  
STRATEGIC  
PRIORITIES  
WITH CUSTOMER  
SATISFACTION  
COMING NO. 1**



**CUSTOMERS**

Serving customers with the highest level of quality, innovating and winning over new customers (corporate clients, young people, etc.).



**COMMUNITY**

As a mission-led company, putting the community at the heart of our commitments and being accountable for our responsibility to a just transition.



**PRESENCE**

Making our presence increasingly felt, thanks to the combined power of our physical, digital and human networks.



**INTERNATIONAL**

Continuing to expand internationally to develop our networks.



**DIGITAL**

Accelerating our digital transformation, being a recognised provider of digital trust services and contributing to digital inclusion.



**LABOUR-MANAGEMENT  
AGREEMENT &  
MANAGEMENT CULTURE**

Strengthening the pride and commitment of postal workers and rolling out a more agile organisation.



**GREEN**

Committing as a leading company in the environmental transformation to making it accessible to all and maintaining our leadership in impact finance.

**CLOSE-UP**

**LA POSTE, COMMITTED  
TO A SUSTAINABLE  
WORLD**

2022 was a year of immense upheaval, marked by the conflict in Ukraine, the energy crisis and environmental change. These situations bring about awareness, new demands and more virtuous behaviour. The group has made the environmental transition a priority of its strategic plan. 2022 emphasised the need to move faster to decarbonise fleets and reduce emissions.

Already boasting one of the world's largest electric vehicle fleets, with nearly 20,000 vehicles, La Poste will invest €200 million to double its size by 2025. La Poste is strengthening its environmental commitment and has set a "net-zero" target for 2040.

**LA POSTE, COMMITTED  
TO DIGITAL TRUST**

In response to the growing prevalence of digital technology throughout society, La Poste is a leader in digital trust. As such, the group brings into play its long-standing values: neutrality, universality and sustainability.

In today's reshaped geopolitical context, La Poste aims to become a pillar of digital trust for citizens in Europe. As part of that goal, La Poste announced an alliance signed with Banque des Territoires, Dassault Systèmes and Bouygues Telecom to launch the Numspot solution in 2023.

**LA POSTE, EVER CLOSER  
TO ITS CUSTOMERS**

La Poste is continuing its transformation and increasing the pace of business diversification around a common denominator: local presence, embodied by its 238,000 postal workers.

# A BUSINESS MODEL THAT CREATES VALUE

## NON-FINANCIAL PERFORMANCE

in 2022



### WORKING TO ACCELERATE THE ENVIRONMENTAL TRANSITION FOR ALL

**104,558**  
TCO<sub>2</sub>EQ

Greenhouse gas (GHG) emissions avoided (scopes 1, 2 and 3 plus subcontractors) resulting from the reduction in emissions per parcel

**-62%**

Reduction in air pollutant emissions :

**-49%**

- nitrogen oxides;  
- particulate matter.

(baseline: 2015)



### CONTRIBUTING TO THE DEVELOPMENT AND COHESION OF LOCAL AREAS

**446,000**

Group employment footprint (direct, indirect and induced)

**80%**

Micro, small and medium-sized enterprises among our suppliers and subcontractors

**€4.9bn**

Annual loan originations to the social housing, healthcare and non-profit sectors and the local economy



### ACTING AS A RESPONSIBLE EMPLOYER

**8.8%**

Proportion of employees with disabilities

**12.2%**

Proportion of postal workers having benefited from a professional development opportunity



### FOSTERING SOCIAL INCLUSION

**14,700**

Young interns, work-study students and new hires (permanent or fixed-term contracts) taken on in the year

**230,000**

Beneficiaries of La Poste Groupe support services for the frail and elderly



### PROMOTING ETHICAL, INCLUSIVE AND SUSTAINABLE DIGITAL SERVICES

**474,000**

People identified, supported, trained and equipped in the use of digital technology

**10,500**  
TONNES

Amount of materials saved by extending the life of IT equipment

**86.9%**

Employees having attended at least one training course during the year (including Climate Fresk)

## FINANCIAL PERFORMANCE

At 31/12/2022

### OPERATING PROFIT

**€1,197m**

DOWN €2,235M VS 2021

### ATTRIBUTABLE NET PROFIT

**€1,203m**

DOWN €866M VS 2021

### FREE CASH FLOW

**€1,530m**

UP €1,282M VS 2021

### ATTRIBUTABLE EQUITY

**€17,546m**

DOWN €3,386M VS 31/12/2021

### NET DEBT/ADJUSTED EBITDA\*

**2.8**

VS 3.6 AT 31/12/2021

\* Definition presented in the "Alternative performance measures" section in Chapter 3 of this document.

## FINANCIAL AND NON-FINANCIAL RATINGS

### FINANCIAL RATINGS THAT REFLECT THE STRENGTH OF THE GROUP'S FINANCIAL STRUCTURE

#### S&P Global

LONG TERM	A+
SHORT TERM	A-1
OUTLOOK	Negative
LAST REVISED	7 December 2022

#### Fitch Ratings

LONG TERM	A+
SHORT TERM	F1+
OUTLOOK	Stable
LAST REVISED	5 December 2022

### RECOGNISED SOCIAL ENGAGEMENT

MOODY'S | ESG Solutions

#### NO. 1 RANKING WORLDWIDE

for La Poste Groupe, across all sectors, for the third consecutive year.



#### LA POSTE GROUPE IN THE A LIST

Top 1% of companies worldwide for climate action.

ecovadis

#### SCORE OF 78/100 FOR LA POSTE GROUPE

Platinum, top 1% of suppliers.

# A WIDE RANGE OF BUSINESSES

## SERVICES-MAIL-PARCELS

- Addressed and advertising mail, press
- Colissimo for business customers
- Logistics solutions for companies (Log'issimo)
- Small cross-border parcels (e-PAQ)

**453m**

Colissimo parcels delivered worldwide in 2022

**€10,201m**

in revenue in 2022

### 2030 AMBITION

Become the number one operator of local human services and e-commerce services focused on customer satisfaction and customer experience.

## LA BANQUE POSTALE

A major player in bancassurance organised around four business lines:

- Bancassurance France
- International Bancassurance
- Corporate and Investment Banking
- Wealth and Asset Management

**No. 1**

bank worldwide for CSR<sup>(1)</sup>

**€8,320m**

in revenue in 2022

### 2030 AMBITION

Become France's favourite bank, for customers, citizens and employees.

## GEOPOST

- Express business in France and abroad (express road transport parcel delivery)
- BtoB and BtoC value-added delivery solutions for the last mile, at home and out-of-home
- Operational management of Asendia (since 1 July 2021)

**2.1bn**

parcels delivered by Geopost worldwide in 2022

**€15,573m**

in revenue in 2022

### 2030 AMBITION

Become the international benchmark for sustainable delivery and a driver for the acceleration of e-commerce.

## RETAIL CUSTOMERS & DIGITAL SERVICES

- Develop the market for individual customers, business customers and local services of municipalities with fewer than 10,000 inhabitants
- Ramp up the development of digital trust services, with Docaposte as a growth driver, and continue the group's digital transformation
- Coordinate the regional coverage of the La Poste retail outlets in France

**1.7m**

French people with a La Poste Digital Identity

**€6,576m**

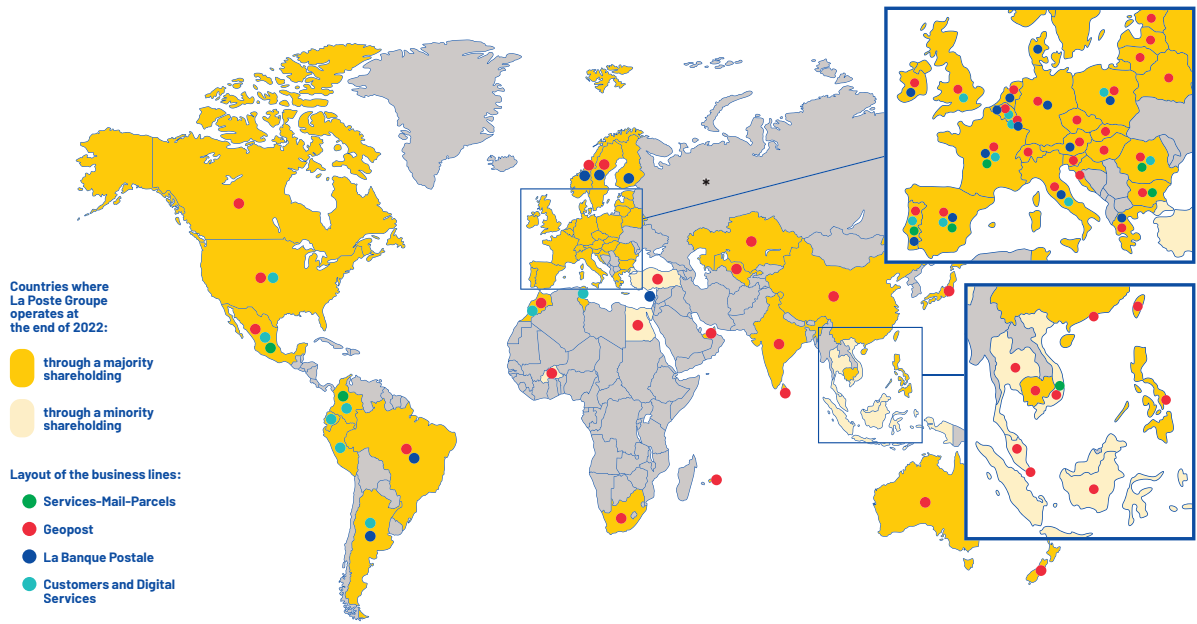
in revenue in 2022

### 2030 AMBITION

Make La Poste the number one platform for human and digital services in France.

(1) Moody's ESG Solutions (formerly Vigeo Eiris) ranking, October 2021. CSR: corporate social responsibility.

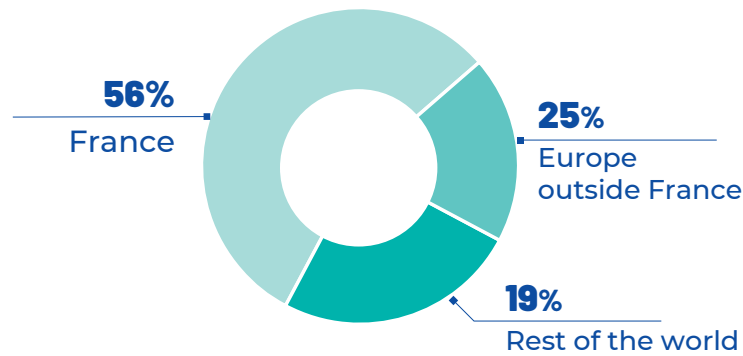
## GLOBAL REACH



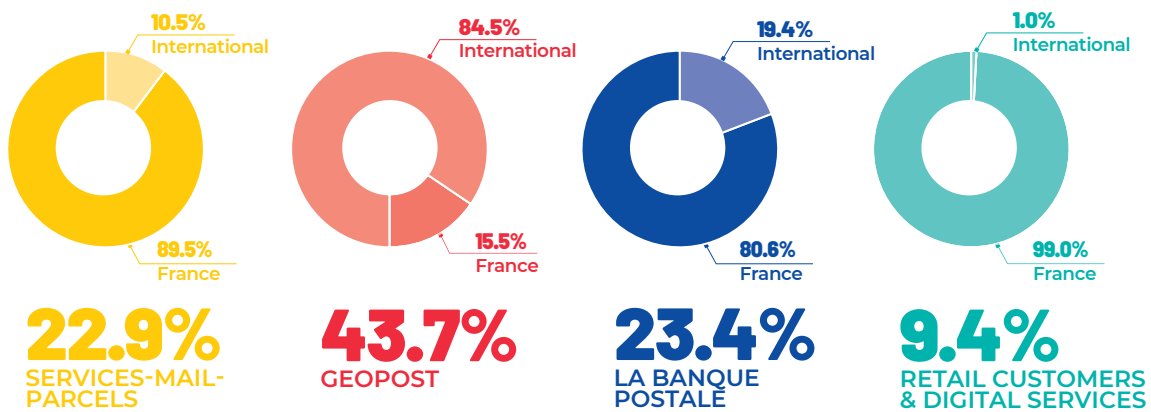
\* In May 2022, Geopost announced its decision to withdraw from the Russian market, after having suspended all shipments to and from Russia as of February 2022.

### Group geographic footprint at 31 December 2022

44% of operating revenue generated internationally



### Revenue by geographic area for each business line



# STABLE GOVERNANCE

## BOARD OF DIRECTORS

2 DIRECTORS APPOINTED BY THE GENERAL MEETING UPON A PROPOSAL BY THE FRENCH STATE



**PHILIPPE WAHL**  
Chairman



**FRANCK GERVAIS**

1 DIRECTOR REPRESENTING THE FRENCH STATE



**CHARLES SARRAZIN**

11 DIRECTORS APPOINTED BY THE GENERAL MEETING UPON A PROPOSAL BY CAISSE DES DÉPÔTS



**VIRGINIE CHAPRON-DU JEU**



**MARIE-PIERRE DE BAILLIENCOURT**



**CORINNE LEJBOWICZ**



**PHILIPPE LEMOINE**



**ÉRIC LOMBARD**



**FRANÇOISE MALRIÉU**



**OLIVIER MAREUSE**



**CATHERINE MAYENOBE**



**ANTOINE SAINTOYANT**



**OLIVIER SICHEL**



**CLAIRE WAYSAND**

7 DIRECTORS REPRESENTING EMPLOYEES



**IRÈNE BAUDRY**



**STÉPHANE CHEVET**



**FLORENCE FIMBEL**



**ISABELLE FLEURENCE**



**FRANCK HASPOT**



**SYLVIE JOSEPH**



**HUGO REIS**

### OTHER PARTICIPANTS ON THE BOARD

GILLES AVEROUS (non-voting member)  
GUYLAINE BROHAN (non-voting member)  
PATRICK MOLINOZ (non-voting member)  
THOMAS COURBE (government representative)  
EMMANUEL CHARRON (Head of the French State's Economic and Financial Control Unit for La Poste)

**21**  
DIRECTORS

**48%**  
WOMEN

**4 YEARS AND 9 MONTHS**  
AVERAGE LENGTH OF SERVICE

**57 YEARS AND 3 MONTHS**  
AVERAGE AGE

**11**  
MEETINGS

**91.5%**  
ATTENDANCE RATE

## BOARD MEMBERS' EXPERTISE

### BUSINESS-SECTOR EXPERTISE

**7**  
RETAIL/DISTRIBUTION

**7**  
LOGISTICS/TRANSPORT

**13**  
BANKING/FINANCE/INSURANCE

**10**  
TECHNOLOGY/DIGITAL/MEDIA

### CORPORATE EXPERTISE IN THE MAIN ESG RISKS AND OPPORTUNITIES

**11**  
ESG/COMPLIANCE,  
ETHICS AND GOVERNANCE

**16**  
ESG/SOCIETY – PUBLIC INTEREST

**13**  
ESG/SOCIAL

**12**  
ESG/ENVIRONMENT

## FIVE BOARD COMMITTEES

### AUDIT COMMITTEE

**5** **7** **90%**  
members meetings attendance rate

### APPOINTMENTS, COMPENSATION AND GOVERNANCE COMMITTEE

**4** **2** **88%**  
members meetings attendance rate

### STRATEGY AND INVESTMENT COMMITTEE

**9** **9** **84%**  
members meetings attendance rate

### QUALITY AND SUSTAINABLE DEVELOPMENT COMMITTEE

**7** **4** **96%**  
members meetings attendance rate

### PUBLIC SERVICE MISSIONS COMMITTEE

**7** **3** **100%**  
members meetings attendance rate

## EXECUTIVE COMMITTEE **9** MEMBERS

### PHILIPPE WAHL



Chairman and Chief Executive Officer of La Poste Groupe, Chairman of Geopost

### PHILIPPE BAJOU



Executive Vice President, General Secretary of La Poste Groupe, Chairman of La Poste Immobilier

### YVES BRASSART



Executive Vice President, in charge of Finance and Development

### NATHALIE COLLIN



Executive Vice President, in charge of the Retail Customers & Digital Services business line

### VALÉRIE DECAUX



Executive Vice President, Group Head of Human Resources

### YVES DELMAS



Executive Vice President, in charge of Geopost Chief Executive Officer of Geopost

### PHILIPPE DORGE



Executive Vice President, in charge of the Services-Mail-Parcels business line

### PHILIPPE HEIM



Executive Vice President, Chairman of the Executive Board of La Banque Postale

### NICOLAS ROUTIER

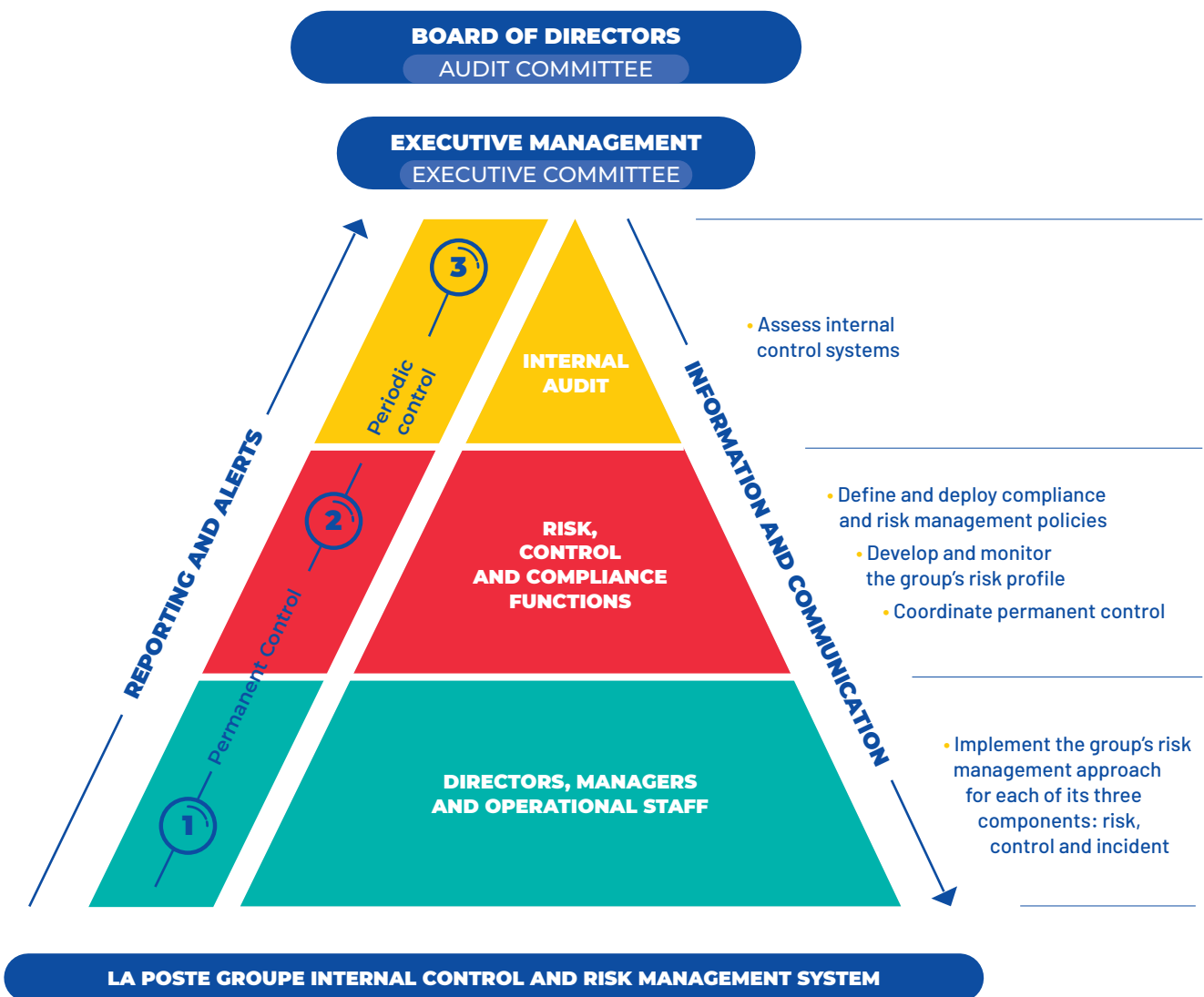


Executive Vice President, in charge of Institutional Strategy and Regulatory Affairs

# A STRONG RISK MANAGEMENT SYSTEM

Risk governance is built on the group's internal control system and structured into three lines of risk management.

The risk map covers the four major risk categories to which La Poste Groupe is exposed. This map is based on the annual risk review, accompanied by the associated management plans, which enables assessment of the level of residual risk to which the group is exposed.





## SUMMARY TABLE OF THE MAIN RISK FACTORS BY CATEGORY

RISK CATEGORY	MAIN RISK FACTORS	LEVEL OF CRITICALITY EXPOSURE
<b>RISKS RELATED TO THE ECONOMIC, FINANCIAL AND GEOPOLITICAL ENVIRONMENT</b>	Impact of inflation on the logistics and Services-Mail-Parcels businesses	■ ■ ■ ■
	La Banque Postale's sensitivity to interest rate risk	■ ■ ■ ■
	Global economic slowdown, geopolitical tensions and energy supply tensions	■ ■ ■ ■
	Accelerated attrition in addressed and advertising mail	■ ■ ■ ■
	Fierce competition in the Parcels and logistics markets	■ ■ ■ ■
	Customer in-sourcing and aggregation of customers in the logistics sector, via platforms	■ ■ ■ ■
	Regulatory developments in the Express sector	■ ■ ■
	Changes in carbon regulations in the Express sector <b>CNFS</b>	■ ■ ■
	Labour shortage in the Express sector	■ ■ ■
<b>RISKS RELATED TO THE TRANSFORMATION OF THE GROUP'S BUSINESS AND OPERATING MODEL</b>	Mergers and acquisitions in the Express sector	■ ■
	Transformation of the group's networks and production tools <b>CNFS</b>	■ ■ ■ ■
	La Banque Postale's strategic and business risks	■ ■ ■ ■
	Financial resources	■ ■ ■ ■
	Growth drivers	■ ■ ■
	Quality of service as perceived by customers <b>CNFS</b>	■ ■ ■
	Development of the employability of postal workers <b>CNFS</b>	■ ■ ■
	La Banque Postale's regulatory own funds	■ ■ ■
<b>RISKS RELATED TO NON-COMPLIANCE WITH LAWS AND REGULATIONS</b>	Adaptation to environmental and societal challenges <b>CNFS</b>	■ ■ ■
	Non-compliance <b>CNFS</b>	■ ■ ■ ■
<b>CROSS-BUSINESS RISKS</b>	Business disruption in the event of a major crisis <b>CNFS</b>	■ ■ ■ ■
	Cybersecurity	■ ■ ■ ■
	Health and safety <b>CNFS</b>	■ ■ ■ ■

■ minor ■ ■ moderate ■ ■ ■ major ■ ■ ■ ■ critical





# 1.

## COMPANY OVERVIEW

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## 1.1 PROFILE AND ORGANISATION

### 1.1.1 Key milestones in the group's history



2015

**Asset management partnership** with Aegon AM and Malakoff-Médéric.

**Launch** of the new international brand **DPDgroup**.

2016

**100% takeover of the DPD network in Germany**, and **acquisition of 60% of Jadlog** (a last mile specialist in Brazil).

2017

**Acquisition of KissKissBankBank by La Banque Postale.**

**Acquisition of a non-controlling interest** in BRT (Italy) and Ninja Van (South-East Asia).

2019

Acquisition of a controlling interest in Lenton and increase in the stake in Seur (to over 94%).

LBP becomes **sole shareholder of LBP Consumer Finance**. **Ma French Bank launched.**

2018

On 30 August, the French Minister for the Economy and Finance announces the creation of a large public financial group to serve the public interest, thanks to the equity alliance between **La Poste Groupe** and **Caisse des Dépôts** and the takeover of **CNP Assurances** by **La Banque Postale**.

2014

**Acquisition of Siodemka** (Poland) and **merger with DPD Poland**.

Following a participatory process involving stakeholders, La Poste Groupe defines its **new strategic plan, "La Poste 2020: conquering the future"**. In April, the group is reorganised around five business lines (Services-Mail-Parcels, Geopost, La Banque Postale, Digital Services, La Poste Network).

2020

LBP becomes the **controlling shareholder of CNP Assurances** (62.1%) and **sole shareholder of LBP Assurance IARD**.

**Completion of the acquisition** of BRT (85%), Jadlog (98%) and Geis Parcel (100%).

On 4 March, **Caisse des Dépôts becomes the controlling shareholder of La Poste** (66% interest, with the remaining 34% held by the French State); at the same time, LBP becomes a leading bancassurer with a controlling interest (62.1%) in CNP Assurances.

2021

In February, the **new strategic plan "La Poste 2030, committed for you"** is launched, placing customer satisfaction at the heart of the group's strategy. Further development of growth drivers (parcels, express and bancassurance). The group enshrines its purpose (*raison d'être*) in La Poste's Articles of Association and, in June, becomes a mission-led company (*entreprise à mission*) as defined by France's PACTE law. Activities reorganized into four business lines (Services-Mail-Parcels, Geopost, La Banque Postale, Retail Customers & Digital Services).

**Acquisition of a non-controlling interest** in Aramex (24.9%), increase in the stake in Ninja Van (43.3%), takeover of Speedy AD (Bulgaria and Romania), acquisition of TIPSA (Spain) and CitySprint (United Kingdom). 100% acquisition of eShopWorld by Asendia.

**LBP increases its interest in CNP Assurances to 78.95%** and announces its intention to acquire all outstanding CNP Assurances shares. Completion of the acquisition of Aviva's life insurance business in Italy by CNP Assurances.

(1) & (2) See the glossary in Section 8.3 of this document.

### 1.1.2 Simplified organisational chart

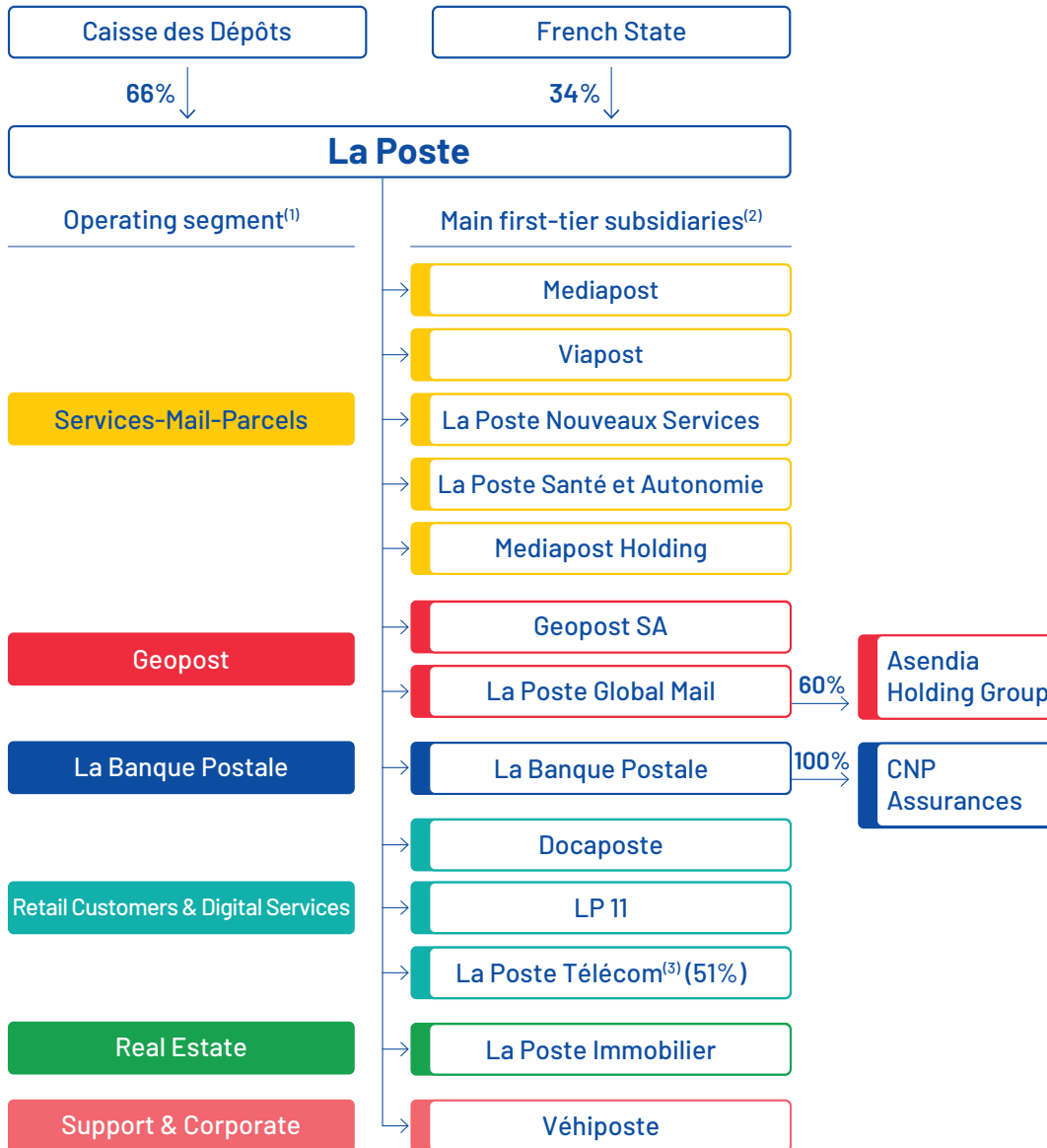
The group's organisation is structured around the operating segments described in Note 5 to the consolidated financial statements.

These operating segments comprise first-tier subsidiaries, which in turn own several subsidiaries, as described in Note 43 to the consolidated financial statements. The activities of the

group's operating segments are presented in Section 1.2 "Activities of the group" of this Universal Registration Document.

The group's simplified organisational chart at 31 December 2022 is presented below. The percentages mentioned for each entity correspond to the group's share in their capital.

#### Simplified organisational chart of La Poste Groupe



(1) See Note 43 to the consolidated financial statements for details on subsidiaries in each segment in the scope of consolidation.

(2) Main subsidiaries are wholly owned unless otherwise specified.

(3) Joint venture with SFR.

### 1.1.3 A mission-led company

In June 2021, La Poste was one of the first companies to become a mission-led company (*entreprise à mission*), as defined by France's PACTE law of 22 May 2019 on business growth and transformation.

As a company that has worked in the public interest for several centuries, La Poste fits naturally into this concept of a company committed to serving all. La Poste Groupe supports our changing society by bringing the benefits of social progress and technical innovation to everyone, everywhere, every day. It serves all stakeholders in French society, including the community, companies, non-profit organisations and local authorities.

The group's commitment to serving the public interest is in line with its public service missions to go further in supporting the major transitions that impact society, be they environmental, regional, demographic (including population ageing) or digital.

Its social commitment is at the heart of La Poste's strategic plan, "La Poste 2030, committed for you". It feeds into the employment and social ecosystem, driven by a determination to make an impact and bring all stakeholders on board these changes in different regions in France.

### A purpose driving La Poste and postal workers

La Poste's purpose (*raison d'être*) summarises the essence and objectives of its activities in the public interest. Developed with input from the various stakeholders in the group's activities, approved by the Board of Directors on 25 February 2021, and included in the Articles of Association, it is intended to be both an anchor and a compass for postal workers in their working lives, and a frame of reference for the company.

The purpose sets out the fundamental meaning of La Poste's contribution for all its stakeholders, which can be summarised as follows:



### LA POSTE'S MISSION STATEMENT

Since its founding in the 15<sup>th</sup> century, La Poste has always had the fundamental mission of connecting people across the country. Over the centuries, technologies have progressed, the services that La Poste provides have expanded, and the group's public service missions have themselves undergone changes. But its purpose has ultimately stayed the same: **servicing all, useful to everyone, La Poste is a people-oriented company with a local presence that develops exchanges and builds essential links by contributing to the common wealth of society as a whole.**

Whether it's mail, parcels, banking, insurance or home services, La Poste's solutions are designed for all of society, serving its customers in a spirit of civic equality and regional equity. From the creation of postal order cheques in 1919 to the exemplary expansion of the group's socially responsible investing (SRI) financial products offering today, as well as the development of green delivery in France and Europe and the distribution of responsible solutions for archiving digital documents and data, La Poste makes innovation and progress available to everyone.

Striving to serve all its stakeholders:

- La Poste makes life easier for its **customers** by providing many services they need in their daily lives, such as mail, parcels, banking transactions, e-health, home services and digital solutions. It supports them in the key stages of their journey, whether it be taking the driver licence theory test, making their first investment or looking after their parents from a distance;
- La Poste contributes to the development of **companies**. Several million economic players are "linked and connected" every day by postal carriers. The group finances their growth, facilitates their development in e-commerce, helps them forge relationships with their customers and gives them the tools to win new markets;
- La Poste ensures that all of France's different **regions** are connected through its physical and digital networks, up to the very last mile. In turn, they are then equipped to reach out to the rest of the world. Through its various ways of being present – nomadic or fixed; working alone or under a partnership – La Poste adapts to the local community and helps maintain public services in even the most isolated areas. Lastly, it is a major source of financing for local authorities and an active supporter for the development of emerging sectors such as the circular economy, crowdfunding and urban logistics;
- La Poste prioritises the development of **postal workers**: more than 80% of employees complete at least one training course each year. In addition, forward-looking skills management, encouraging mobility, initiatives to promote well-being at work, and the concern for equal opportunities and respect for diversity are driving forces in La Poste's development;
- La Poste builds trust-based relationships with its **suppliers and subcontractors** within the regions, of which 80% are start-ups and micro enterprises and SMEs. It supports them in their approach to quality and sustainable development, involves them in its innovative initiatives, and supports them in several incubators;
- La Poste furthers the strategy of its **shareholders** – Caisse des Dépôts and the French State – in terms of regional cohesion, infrastructure financing, the development of the health and autonomy sector, and the fight against urban congestion and pollution;
- La Poste has a responsibility towards **future generations**. It contributes to a lower-carbon economy by carrying out its own environmental transition and by helping its stakeholders do the same in their own way. For example, it offers green delivery and thermal housing renovation solutions for citizens and consumers, and energy management solutions for business-owned buildings.

Given the critical risks facing our society – the depletion of natural resources, the digital divide, social and territorial fragmentation, and population ageing – we all, collectively, have a major obligation to act.

### Social and environmental objectives enshrined in the Articles of Association

In line with its purpose, La Poste has set itself social and environmental objectives that it pursues in the course of its business, within the meaning of Article L. 210-10, paragraph 2<sup>o</sup> of the French Commercial Code (*Code de commerce*). These objectives, a natural extension of the Company's history, go hand-in-hand with the major environmental and societal transitions. Directly linked to the United Nations Sustainable Development Goals (SDGs), they correspond to the group's drive to continue having a positive impact on society alongside its development.

### Enhanced governance

La Poste has set up a Mission Committee (see Section 5.2.4 "Mission Committee") tasked with monitoring commitments made in its capacity as a mission-led company. Acting as a Mission Committee within the meaning of the PACTE law, it brings together qualified individuals representing La Poste's stakeholders. The Mission Committee's first report covered the year 2021 and is available on the group's investor website. It met three times in 2022, working on defining appropriate indicators to monitor the mission and the social and environmental objectives set out in the Articles of Association.



The performance indicators endorsed by the Mission Committee and progress to date are as follows:

Commitments	Indicators	2022	2021	
<b>Contributing to the development and cohesion of local areas</b>    	Annual loan originations with local authorities of which green and social loans	€4.4bn €1bn	€5.2bn €643m	
	Annual loan originations to the social housing, healthcare and non-profit sectors and the local economy of which sustainability loans	€4.9bn €293m	€3.9bn €106m	
	Percentage of the population in France located within 5 kilometres or 20 minutes by car from a La Poste retail outlet	97.0%	97.1%	
	Group employment footprint (direct, indirect and induced) (in FTE)	446,350	N/A	
<b>Fostering social inclusion</b>     	Number of young interns, work-study students and new hires (permanent or fixed-term contracts) taken on in the year	14,689	18,386	
	Percentage of employees with disabilities	8.77%	8.66%	
	Number of accessible banking beneficiaries able to receive social benefits	654,140	N/A	
	Number of beneficiaries of La Poste Groupe support services for the frail and elderly	230,263	217,531	
<b>Promoting ethical, inclusive and sustainable digital services</b>       	Number of people identified, supported, trained and equipped in the use of digital technology	473,734	236,085	
	Number of active Digiposte and Digital Identity users	9.6m	6.5m	
	Amount of materials saved by extending the life of IT equipment (in tonnes)	10,504	3,683	
<b>Working to accelerate the environmental transition for all</b>      	Greenhouse gas (GHG) emissions avoided (scopes 1, 2 and 3 plus subcontractors) through the reduction in the emissions intensity of the Parcels activity (in tCO <sub>2</sub> eq)	104,558	N/A	
	Reduction in air pollutant emissions (baseline: 2015)			
	- Nitrogen oxide	-62%	-58%	
	- Particles	-49%	-49%	
	Action taken to promote biodiversity – Global Biodiversity Score	N/A	N/A	

An independent third-party has been appointed to verify the achievement of the group's objectives as a mission-led company, in accordance with regulatory requirements.

On 23 February 2022, La Banque Postale also became a mission-led company within the meaning of the PACTE law, in line with La Poste Groupe's approach and the bank's purpose (*raison d'être*), presented in June 2021.

## 1.1.4 Strategic priorities

### 1.1.4.1 Challenges and opportunities

Throughout its history, La Poste has continuously reinvented itself to adapt to new trends and serve the public interest. It boasts strong assets and long-standing social and environmental commitments, backed up by mission-led company status since 2021. It has built a demanding multi-business model, demonstrating its capacity to achieve sustainable growth through innovation and diversification.

Building on these strengths, the “La Poste 2030, committed for you” strategic plan was designed to provide support for customers and wider society amid four major societal transitions, each representing both challenges and opportunities for the group.

### Environmental and energy transition



#### Challenges

Environmental disasters marked 2022 and sparked heightened collective awareness. The climate emergency and the global energy crisis highlight the need to step up the environmental and energy transition.

#### Our strengths

La Poste Groupe is committed to a sustainable world:

- the world's first postal operator to become carbon neutral, it already boasts one of the world's largest electric vehicle fleets;
- its non-financial rating ranks it among the leaders according to the main non-financial rating agencies (EcoVadis, Moody's ESG Solutions, CDP);
- La Banque Postale is the first bank in Europe and one of the first three financial institutions in the world to have its low-carbon pathway and alignment with the Paris Agreement recognised and scientifically validated by the Science Based Targets initiative (SBTi);
- in 2022, SBTi-certified pathways continued to be implemented for the group's main activities.

#### Our ambition

The environmental and energy transition is a priority of the group's strategic plan:

- in 2022, La Poste updated its 2030 emissions reduction pathway (42% reduction between 2020 and 2030<sup>(1)</sup>), extended the definition of 2030 targets to all activities and committed to reaching “net-zero” by 2040;

- the group is also stepping up the decarbonisation of its vehicle fleet with a view to doubling the number of electric vehicles by 2025 and positioning itself among the leaders in eco-friendly logistics in Europe;
- the group strengthened its commitment to resource conservation by rolling out a biodiversity policy in 2022.

### Digital transition



#### Challenges

The health crisis and successive lockdowns have significantly accelerated the pace of digital transformation:

- a large majority of customers now see digital technology as the standard way to contact an organisation;
- administrative procedures are increasingly moving online;
- working from home has become commonplace;
- the volume of digital data created or replicated globally has increased more than thirtyfold over the last decade, making cybersecurity a key concern in the world of business.

This increase in virtual interactions isolates people who do not have ready access to digital technology. In France alone, nearly 13 million people are at risk of becoming digitally illiterate.

#### Our strengths

Faced with the speed at which digital technology is permeating through society, La Poste Groupe is bringing into play its long-standing values – neutrality, universality and sustainability – to position itself as a leader in digital trust:

- Docaposte, the group's digital subsidiary, is an established force in digital trust. It is France's number one operator of electronic signatures as well as the leader in electronic voting and archiving services, and ranked among the top ten French software vendors in 2022;
- La Poste also boasts the only digital identity certified to the “substantial” level of assurance based on the standards of French cybersecurity agency ANSSI<sup>(2)</sup>. The digital identity offered by La Poste makes online procedures easier and provides protection against the risk of identity theft;
- La Poste also takes part in initiatives to promote digital inclusion and combat digital illiteracy, in line with its societal commitments as a mission-led company. In partnership with Banque des Territoires, La Poste has opened *Étape Numérique* spaces in post offices to offer digital workshops and training: 77 digital workshops were opened in 2022, and 91 digital advisors fielded.

(1) 42% reduction on scopes 1 and 2, 25% reduction on scope 3.

(2) Definition provided in the glossary in Section 8.3 of this document.

## Our ambition

In the emerging geopolitical environment, the group's aim is to forge a sovereign ecosystem, with a view to becoming a pillar of digital technology for people in Europe. Dicaposte aims to develop the benchmark of trusted cloud services in the European market for the public sector (State, local authorities), healthcare (hospitals, etc.) and finance (banks, insurers). To that end, Dicaposte formed an alliance with Banque des Territoires, Dassault Systèmes and Bouygues Telecom in October 2022 to launch the Numspot solution in 2023.

La Poste is also a driving force in the digital transformation of local retailers. It is continuing to digitise its offerings for businesses to simplify administrative procedures and document management, with the launch of the Digiposte Pro solution. By 2025, the challenge will be to make all of the group's products and services for the general public – individuals and businesses – accessible online.

Lastly, La Poste is continuing its initiatives to promote digital inclusion. In 2022, it provided assistance to more than 470,000 people suffering from digital illiteracy, and aims to double that number each year through to 2030.

## Demographic and social transition



### Challenges

France is poised to see an unprecedented acceleration in population ageing. By 2030, over-65s will account for more than a third of the French population.

This looming upheaval will destabilise the healthcare system, which has already been shaken by the health crises. One response will be to improve prevention, autonomy and home care services for the elderly.

### Our strengths

For years now, La Poste has been committed to the health and well-being of seniors. Since 2018, it has been delivering home meals by courier to elderly people living on their own, delivering over 3 million meals in 2022. Since 2016, La Poste has been working to help the elderly to maintain social ties through the Watch Over My Parents (*Veiller sur mes parents*) service, performed by postal carriers.

La Poste is also developing expertise in healthcare across all of its business lines:

- La Banque Postale is the leading provider of funds to public hospitals;
- Dicaposte is France's number one health data host;
- in 2022, La Poste launched the My Medicines at Home (*Mes médicaments chez moi*) application to enable postal carriers to deliver medicines, even in the most remote areas. The app was recently approved for use in France's personal e-health services portal;

- Chronopost has established a healthcare division specialising in logistics for temperature-controlled products (medicines, blood products, etc.);
- La Poste also strengthened its offerings designed to facilitate patient care with its 2022 acquisition of Happytal, the French leader in digital hospital pathways and services.

## Our ambition

Operating throughout France and with nearly 62,000 postal carriers in daily contact with the community, La Poste aims to team up with local players in the health and autonomy sectors, leveraging its ability to reach out to the population to promote prevention and public interest causes. It is accordingly positioning itself as a comprehensive operator along the entire patient pathway, building its growth on three pillars:

- services for healthcare providers;
- prevention and autonomy at home;
- home healthcare and simplified patient pathways.

## Regional transition



### Challenges

Today, 55% of the world's population lives in cities. This figure is set to reach 70% by 2050.

The health crisis has spurred the adoption of remote working, encouraging digital nomadism that has boosted growth for medium-sized cities by making them more attractive and more accessible. On the other side of the spectrum, areas located far from urban centres are feeling left behind in terms of economic development and are looking for solutions to overcome successive crises.

### Our strengths

La Poste Groupe works in the public interest to fulfil the public service missions entrusted to it, ranging from mail and press delivery to regional development and accessible banking.

The group offers a variety of retail outlets and an unrivalled regional footprint, which spanned over 35,600 postal service access points in 2022, including the network of post offices, retail outlets managed in partnership with local shops and town councils, and pick-up/drop-off points and lockers.

To help bring public services back to regional areas, especially rural ones, La Poste has built up a network of over 400 post offices bearing the *France Services* label, in partnership with Banque des Territoires and local authorities. In this way, La Poste supports regional development and helps maintain territorial cohesion. La Banque Postale, the bank of choice for local authorities, is another driving force.

### Our ambition

La Poste Groupe's ambition is to extend its regional footprint to facilitate development. The group plans to continue expanding its physical presence, with a target of 40,000 postal service access points in France by 2025, compared with 35,600 in 2022.

As an expert in the last mile, La Poste is stepping up the development of its urban logistics services, promoting optimised, carbon-free management of goods flows.

La Poste Immobilier, the group's real estate company, has also embarked on a programme to convert office buildings into serviced senior residences as part of the group's expansion into the health and autonomy sector. Already a controlling shareholder of Startway, La Poste Immobilier also strengthened its position in the co-working market with the acquisition of Multiburo in 2022.

### 1.1.4.2 Resolute ambition underpinned by three shifts

Our "La Poste 2030, committed for you" strategic plan, launched in February 2021, signals an acceleration of the group's transformation. The plan aims to make La Poste "the number one European platform for connections and exchanges, people-oriented and digital, green and community-minded" by 2030.

To achieve this ambition, the group's strategic plan is based on three main levers:

### Consolidating our historical activities and fulfilling our four public service missions, while adapting them to new needs



Mail volumes continue to fall with the digitisation of exchanges. The Mail business has accounted for less than 20% of the group's revenue since 2020, compared with 70% in 1990. User behaviours have changed considerably: the average household sent less than three priority letters in 2022, down from 45 in 2010.

In response to these changes in user behaviour, La Poste launched its new mail range on 1 January 2023, with the aim of better satisfying the full variety of needs (routine, one-off and exceptional mail). Deliveries six days a week have been maintained, but with a more environmentally friendly approach. Accordingly, air mail within France was discontinued in January 2023.

La Poste is also continuing to adjust its regional footprint in all its forms in line with customers. The signing of new agreements with partner retailers will make it possible to offer wider opening hours and bolster local businesses. Through the

400 post offices operated under the *France Services* banner, La Poste is helping to keep major public operators in rural areas and in priority urban neighbourhoods, or contributing to their return.

### Accelerating our current growth drivers



### Capture growth in Parcels and develop our range of e-commerce services

The Parcels business has experienced unprecedented growth on the back of health crises in recent years. Between 2019 and 2022, Parcel flows handled by the group increased by more than 50%, corresponding to 863 million additional parcels over the period. The group handled a total volume of 2.6 billion parcels in 2022, a slight decline of 3.0% year on year.

The trend in parcel volumes is attributable to substantial growth in e-commerce, which has become a standard feature for French consumers.

La Poste Groupe has strengthened its presence across the e-commerce value chain:

- upstream, with its marketing offerings (website creation, digital campaigns and direct marketing);
- when purchases are made, with La Banque Postale's payment solutions for small businesses and corporates;
- when parcels are delivered, to the home, in a post office, in lockers, or at a pick-up point, all with an associated tracking tool;
- downstream, with its marketing solutions for customer loyalty campaigns and data management.

In 2021, La Poste Groupe also acquired eShopWorld (ESW), the global leader in cross-border e-commerce, which it strengthened in 2022 with the acquisition of Scalefast, an end-to-end e-commerce solutions provider.

### Building our integrated bancassurance model

In 2022, a defining milestone was reached in the construction of a large public financial group following the success of the simplified tender offer launched by La Banque Postale, which became CNP Assurances' sole shareholder.

Thanks to the support of La Poste's shareholders, Caisse des Dépôts and the French State, La Banque Postale has scaled up to become a leading bancassurer, ranking eleventh in the eurozone based on its total assets and 64 million customers worldwide.

Future development will focus on three major areas:

- consolidating the retail banking base;
- accelerating the diversification of its model;
- preparing the future by developing an innovative, international partnership model.

## Laying the foundations for future growth



TRUSTED DIGITAL SERVICES



LOCAL HUMAN SERVICES

### Trusted digital services

La Poste aims to achieve European leadership in trusted digital services in support of digital sovereignty. It will take a new step forward with the launch of Numspot in 2023, as part of the alliance with Banque des Territoires, Dassault Systèmes and Bouygues Telecom.

La Poste is a key player in artificial intelligence (AI) consulting for large companies in France thanks to its 400 data and AI experts and its specialised subsidiaries (Openvalue, Softeam, Probayes). Its goal is to become a data-driven company by 2025, by making data central to its processes.

La Poste has also announced the launch of its Data and Artificial Intelligence School in 2023. The aim is to attract and train new talent for the jobs of the future that will help La Poste continue its digital transformation and maintain its leadership in the field of digital trust.

### Health & Autonomy

People-oriented services are the cornerstone of La Poste Groupe's strategy. For centuries, letters nurtured close ties with the community.

La Poste has been building on this expertise in recent years with the ambition of contributing to healthcare in France. This shift is in response to the challenges of the demographic transition, the increased prevalence of chronic diseases and, more generally, the transformation of the healthcare system.

To achieve its goal, it has prioritised human and digital health services, together with prevention, autonomy and home care solutions.

### 1.1.4.3 Seven strategic priorities guiding our actions

Central to the "La Poste 2030, committed for you" strategic plan are seven strategic priorities that structure the development of the group's business lines and entities.

### Serving customers with the highest level of quality, innovating and winning over new customers (corporate clients, young people, etc.)



CUSTOMERS

The strategic plan places service levels and customer satisfaction at the top of its priorities. The group's management indicators, key skills, management culture and organisation are all aligned with this goal.

La Poste Groupe has made commitments to its customers, such as improving the accessibility of its online offering.

As part of this process, La Poste has announced the launch of a digital stamp in 2023. To make life easier for people in France, La Poste Groupe is offering new services on the [www.laposte.fr](http://www.laposte.fr) website and its mobile app, such as parcel tracking, which is now multi-operator. In addition, all La Banque Postale advisors now offer customer appointments by videoconference.

Another aim is to modernise the group's image among 12- to 35-year-olds and to rejuvenate the customer base. The group already has many solutions for this market: Ma French Bank; *Pass Jeune* launched by La Banque Postale in 2022, which offers ten additional free non-banking services; over 900,000 driver licence theory tests taken through La Poste in 2022; and a strong commitment to youth employment and integration. La Poste continues to build momentum and increase its presence in this target market – and thereby boost its brand appeal – via both social media and the travelling Campus Tour initiative.

Another challenge is to provide better service to business customers by simplifying and streamlining the process and improving their reception through the renovation of more than 60 *Espace Pro* business areas.

Lastly, the group has made the customer experience a central plank of its development. It has set up a dedicated governance structure and monitors customer recommendations via Net Promoter Score indicators, which are improving across all business lines.

### Making our presence increasingly felt, thanks to the combined power of our physical, digital and human networks



PRESENCE

La Poste wishes to expand and diversify its distribution network with the aim of reaching 40,000 postal service access points in France by 2025, compared with 35,600 in 2022. To get there, it is expanding its partnerships with major retailers and with the tobacconist network, through a new agreement signed in 2022. Its network of pick-up/drop-off points and lockers continues to expand, allowing people to collect their parcels quickly and independently – now standard consumer behaviour in France.

In addition, La Poste plans to invest €800 million over four years to modernise the distribution network and strengthen the synergies between its physical network and its digital ecosystem. More than 600 post office renovations were carried out in 2022.

This plan reflects the far-reaching changes at work within La Poste Groupe in support of its goal of creating a powerful omnichannel distributor serving individuals, small businesses and small communities.

La Poste announced the roll-out of a new generation of post offices, offering both universal and personalised service. The first nine converted post offices opened in 2022. They will be followed by another 70 units by 2024.

## Accelerating our digital transformation, being a recognised provider of digital trust services and contributing to digital inclusion



DIGITAL

La Poste has made firm commitments to develop the digital skills of postal workers, aiming for all personnel to have received digital training by 2025. It has accordingly launched targeted and personalised training paths. Over 39% of postal workers had been trained by the end of 2022.

To step up the group's digital transformation, La Poste has launched more than 100 data- and AI-based projects in a number of areas including logistics efficiency, operational efficiency and customer experience. With the group's 400 data and AI experts and its specialised subsidiaries (Openvalue, Softeam, Probayes), data clearly plays a key role in the development process.

## Committing as a leading company in the environmental transformation to making it accessible to all and maintaining our leadership in impact finance



GREEN

With a resolute commitment to decarbonisation already dating back more than ten years, La Poste Groupe is intensifying its low-carbon strategy. In response to the energy crisis, the group is taking part in the national solidarity effort by reinforcing the exemplary behaviours already enshrined in its energy sobriety policy, and by joining the Ecowatt system in 2022.

La Poste, winner of the call for projects launched by the French Ministry for the Ecological Transition and Ademe<sup>(1)</sup> in November 2021, is running the Lower the Watts programme and aims to guide as many of the 700,000 most energy-intensive micro enterprises and SMEs as possible by 2025.

Geopost has also undertaken to provide green delivery in 350 European cities by 2025. The goal is to become a benchmark for sustainable delivery.

A committed corporate citizen, La Banque Postale has prepared an impact loan offering to support all its customers in the energy transition and maintain its leadership in impact finance. For individuals, it has been offering impact consumer financing since 2021, to promote new, more inclusive consumer behaviours aligned with social priorities. In 2022, it launched the *Prêt Avance Rénovation* loan to enable the most modest families to carry out energy renovation work, the cost of which will be reimbursed at the time of the property's sale. In addition, since 2019, it has been offering green loans to public and private players to finance responsible regional development, for projects with a significant environmental impact.

## As a mission-led company, putting the community at the heart of our commitments and being accountable for our responsibility to a just transition



COMMUNITY

After defining its purpose in consultation with its various stakeholders in February 2021, La Poste's status as a mission-led company was approved by the Extraordinary General Meeting on 8 June 2021. To ensure that the group's commitments towards society are fulfilled, La Poste has set up a Mission Committee chaired by an independent person since July 2022.

In keeping with its corporate citizenship values and its status as a mission-led company, La Banque Postale has announced a freeze of its banking fees in 2023 to help ease the impact of unprecedented inflation on the cost of living for its customers. It has also waived fees for instant money transfers in Europe for its 20 million retail customers in France.

La Banque Postale is also stepping up its commitment to its 1.7 million vulnerable customers, whom it supports on a day-to-day basis by making their local postal network and partner non-profits accessible. The *Simplicité* account formula, which had more than 260,000 customers in 2022, is to be offered at just €1 per month from 2023.

## Continuing to expand internationally to develop our networks



INTERNATIONAL

La Poste Groupe generates 44% of its operating revenue in international markets, operating in 63 countries on five continents.

International revenue has virtually tripled in five years, amounting to €15.6 billion in 2022. The group's aim is to bring it to approximately €24 billion by 2030. The challenge is to capture express parcels growth outside France, particularly in the Middle East, South-East Asia and Latin America. To that end, Geopost increased its stake in Aramex from 24.9% to 28% in 2022.

Geopost is also accelerating out-of-home delivery (pick-up/drop-off points and lockers), with a network of more than 83,000 Pickup points worldwide in 2022.

La Banque Postale, through its subsidiary CNP Assurances, is also continuing its international expansion. Brazil and Italy are its biggest markets outside France.

(1) French Environment and Energy Management Agency.

## Strengthening the pride and commitment of postal workers and rolling out a more agile organisation



In May 2021, La Poste and the trade unions signed the “La Poste, committed with postal workers” employee agreement. Together with postal workers, La Poste is committed to quality employment based on health, safety and well-being at work, skills development and career paths.

La Poste also signed an agreement on professional equality in 2022. It has set itself the goal of increasing the number of women in management, with a target of 40% female executives by 2025. Women accounted for 35.5% of its senior executives in 2022. The gender equality index was 94/100 in 2022, for the fifth consecutive year.

The leading employer of disabled people in France, La Poste has confirmed its commitment to the inclusion and well-being at work of disabled postal workers by signing its eighth agreement on the employment of disabled people.

### 1.1.4.4 An active innovation drive group-wide

#### Acculturating, training and building in-house innovation momentum

The group has implemented a number of mechanisms within its various business lines to help make postal workers a force for innovation, supporting internal projects from ideation to testing. They drive in-house innovation momentum, empowering everyone to develop tools and services and to exchange methods and best practices. In 2022, more than 1,000 ideas were submitted by employees to optimise processes or improve the customer and employee experience.

At the end of 2021, La Poste also launched a new intrapreneurship programme dubbed *Impulser 2030*. More than 180 employees took part in the first two rounds in 2022. *Impulser 2030* builds on strong HR support and considerable input from all business lines.

La Poste is also set to open its Data & Artificial Intelligence School in 2023, with the aim of attracting and training new talent for the jobs of the future, those that will contribute to La Poste’s ongoing digital transformation.

#### Developing partnerships and shaping new behaviours

Throughout its history, La Poste has continuously reinvented itself by adapting its services and developing new activities, thereby ensuring its long-term viability. Innovation is central to the group’s multi-business model.

As part of its strategic plan “La Poste 2030, committed for you”, La Poste has made innovation a major driver of its transformation to respond to the acceleration of changes in behaviours, technologies, increased competition, the environmental transition and the regional divide.

To encourage innovation within the group, La Poste has forged an innovation ecosystem within the group’s entities, with two main objectives.

In recent years, the group has supported the development of close to 350 start-ups through a range of mechanisms:

- French IoT, a start-up accelerator in positive-impact digital services, which has over 100 partners in France’s regional areas;
- Platform58, La Banque Postale’s incubator, which supports and hosts start-ups in the fields of banking, insurance and technology, as well as finance-related services.

More recently, the group has rounded out these initiatives with three corporate venture capital funds:

- La Poste Ventures, launched in 2021, which aims to support positive-impact services that generate value for customers and the group, with its five first investments made in 2022;
- 115K, a start-up and innovation fund launched by La Banque Postale in 2022, with a target endowment of €150 million. 115K has already invested in six start-ups since its inception;
- Open CNP, CNP Assurances’ €100 million corporate venture fund launched in 2016 and aimed at building tomorrow’s finance and insurance sectors, which has invested in 14 start-ups.

Open Innovation also includes external partnerships such as that between La Poste and the French National Institute for Digital Science and Technology (INRIA). Active since March 2021, the alliance aims to contribute to French digital sovereignty and accelerate innovation efforts for more environmentally friendly trusted digital technology.

## 1.1.5 Business model

Our ambition: be the No. 1 European platform for connections and exchanges, people-oriented and digital, green and community-minded, helping customers succeed in their projects and driving transformation in society as a whole.

### CHANGES IN SOCIETY

Digital transition   Environmental transition   Regional transition   Demographic transition

### MACROECONOMIC

Return of inflation (higher energy and raw material prices)

### OUR RESOURCES

#### Human capital

- 238,033 employees, including: 22.7% outside France close to 10,000 in IT businesses (data/AI)

#### Industrial and commercial capital

- Over 3,400 processing centres, distribution hubs and depots
- Nearly 91,700 vehicles, including 40% electric vehicles<sup>(1)</sup>
- More than 11,000 buildings France-wide, 90% of which powered by renewable electricity
- Digital infrastructure (hosting, data lakes)
- 11<sup>th</sup> largest European bank with La Banque Postale<sup>(2)</sup>

#### Social and relational capital

- 35,600 postal service access points in France
- More than 78,000 pick-up/drop-off points in Europe
- A responsible purchasing policy
- Digital identity certified by France's national cybersecurity agency, ANSSI

#### Financial capital

- Stable, long-term ownership structure (100% public capital)
- €17.6bn in equity

#### Intellectual capital

- Image of trust, proximity
- Brand portfolio
- Innovation (e.g., 3 venture capital funds: La Poste Ventures, 115K and Open CNP)

(1) Light commercial vehicles, Staby, e-bikes, trolleys and trucks.

(2) Source: Total 2021 assets reported by a panel of 23 euro zone banks.

### La Poste 2030, committed for you

**7 priorities serving one goal: be a company with profitable growth that has successfully transitioned to a sustainable business model.**



#### Customers

Serving our customers with the highest level of quality, innovate and win over new customers (businesses, young people, etc.).



#### Presence

Making our presence increasingly felt, thanks to the combined power of our physical, digital and human networks.



#### Digital

Accelerating our digital transformation, be a recognised provider of digital trust services and contribute to digital inclusion.



#### Green

Committing as a leading company in the environmental transformation to making it accessible to all and maintain our leadership in impact finance.



#### Community

As a mission-led company, putting the community at the heart of our commitments and be accountable for our responsibility to a just transition.



#### International

Continuing to expand internationally to capture growth and develop our networks.



#### Labour-management agreement & management culture

Strengthening the pride and commitment of postal workers and roll out a more agile organisation.

### OUR PURPOSE:

Serving all and useful to everyone, La Poste is a people-oriented company with a local presence that develops exchanges and builds essential links by contributing to the common wealth of society as a whole.



TRENDS

Rising interest rates

STRUCTURAL SHIFTS IN OUR BUSINESSES

Lower mail volumes

Lower post office footfall

Growth in parcels

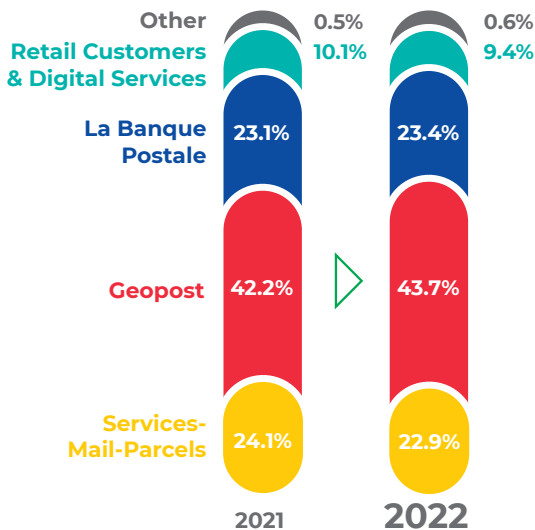
A multi-business model

OUR VALUE CREATION

€34.6bn

Operating revenue

€35.4bn



44% of operating revenue generated internationally

4 modernised public service missions



Universal postal service<sup>(3)</sup>



Press transport and delivery



Regional development



Accessible banking

(3) With the launch of the new mail range as of 1 January 2023, for example.

For the planet

- Carbon pathways of businesses in line with the Paris Agreement (1.5°C)
- Roll-out of low-carbon logistics
- Close to **107,000 tonnes** of material collected for recycling and reuse
- La Banque Postale: 1<sup>st</sup> European bank with a validated SBTi pathway

For regions

- 97%** of the population in France located within 5 km or 20 minutes by car from a retail outlet
- €4.4bn** in annual loan originations with local authorities
- 406,000** direct, indirect and induced jobs in regions

For our customers

- More than **17bn** items delivered in 2022
- 750m** visits per year to www.laposte.fr, one of the most visited websites in France
- 1.4m** customers benefiting from the accessible banking mission
- Digital parcel and mail tracking

For our employees

- Gender equality index of 94/100
- Digital, AI and data training
- High level of postal worker engagement measured in the annual survey

For our suppliers

- 80%** of our suppliers and subcontractors are micro enterprises, SMEs and mid-caps

For our shareholders and investors

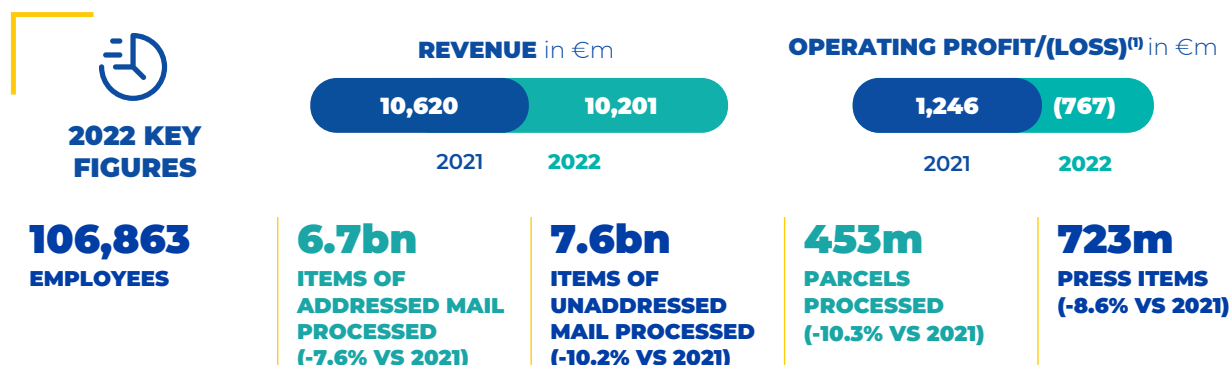
- CDP Climate Change A List, EcoVadis Platinum status and world No. 1 in the Moody's ESG Solutions ranking
- Credit ratings: S&P Global A+, Fitch Ratings A+

MISSION-LED COMPANY COMMITMENT carried out by two group entities:

- La Poste
- La Banque Postale.

## 1.2 BUSINESS OVERVIEW

### 1.2.1 SERVICES-MAIL-PARCELS



### 2022 SIGNIFICANT EVENTS

- With inflation and soaring energy and commodity costs weighing on demand, the economic slowdown, compounded by the war in Ukraine, took a particularly heavy toll on business among postal operators. The resumption of growth in the domestic parcel business (with a return to year-on-year growth in volumes in Europe in the third quarter), combined with a sustained effort to rein in costs, helped keep results stable excluding significant non-recurring items<sup>(1)</sup> compared with 2021. Continued global economic uncertainty left the door open to doubt until the year-end spike in activity, taking it 2% above the 2021 high.
- The July announcement of the new mail range was a response to changing and diversifying customer mail habits. It also aims to ensure the continuity of universal postal service and consolidate the future of letters. It came into force on 1 January 2023. International flows were down, particularly those from China. This impacted e-PAQ<sup>(2)</sup> volumes, reflecting changing consumer behaviour, partly influenced by the application of new European customs duties since last year.
- The advertising market is experiencing a significant drop in printed advertising volumes due to soaring paper prices and the *Oui Pub* ("yes to adverts" letter box labels) trial that began in September.
- The Log'issimo network, launched at the end of 2021, was gradually rolled out in 2022 as the first major national contracts were signed, confirming the successful commercial launch of these new logistics activities.
- The agreement signed with press organisations, the French State and Arcep in February, reforming conditions for distributing newspapers and magazines to subscribers, will consolidate and improve the business model of the public service mission carried out by La Poste by introducing, as of next year, a single, simplified postal scale for all forms of printed media, as well as a new system of direct aid to publishers to more evenly spread flows between courier delivery via dedicated paper routes and postal delivery via the standard mail circuit<sup>(3)</sup>.
- La Poste's acquisition of Happytal in September will help strengthen its Health & Autonomy services division. The deal reaffirms the group's ambition of becoming the partner of choice for health and autonomy professionals in France. It also helps patients returning home after hospital stays, by providing local human services such as the delivery of medicines and personalised meals.

(1) Adjusted for (i) the reversal of the impairment of Mail assets in 2021 (€900 million), (ii) the impairment of the same assets in 2022 due mainly to inflation (€940 million) and (iii) the impairment of Mediapost assets (€80 million), the business line's operating income was €253 million in 2022.

(2) Small import parcels.

(3) See definitions in the glossary in Section 8.3 of this document.

The Services-Mail-Parcels business line, which covers mail and press delivery, parcel delivery and local services, six days a week, is La Poste Groupe's historical business and France's leading local network. It has to cope with the "technological shock" of digitised communications, which has led to a structural decline in mail volumes, from 18 billion letters in 2008 to 6.7 billion in 2022 (including the retail customers activity).

By 2030, the Services-Mail-Parcels business line aims to be the number one operator of local human services and e-commerce services. This is a major strategic model change based on three priorities.

### Securing the future of the historical businesses

Since 1 January 2023, the group has been offering a new mail range based on a reimagined logistics and distribution model, resulting in more services and greater added value. The mail of tomorrow will be more reliable, digital and green, with stakeholders taking part in the construction of its range.

La Poste's aim is to remain the leader in business marketing by offering the best of printed and digital formats to fit seamlessly into its customers' media mix, and to invest in data to become one of France's top five suppliers of digital marketing solutions.

### Empowering e-commerce services

To become the number one operator of e-commerce services and deliver one billion parcels in 2030, La Poste will open new Colissimo platforms and improve the existing ones. It is accelerating its sorting and delivery flows towards the next-day delivery standard and is developing new Colissimo offerings that interact more with the customer receiving the parcel, adapted to its markets and increasingly responsible, providing green solutions for the local logistics needs of retail and general services. In addition to Colissimo, it last year launched Log'issimo, a solution for the collection, delivery, advanced logistics and local distribution of small goods (under 70 kilograms).

### Scaling up in new local services

Its strategy of diversifying into local services, which goes back more than six years, has proved successful. It has set itself further objectives with a view to becoming the leader in local human health and autonomy services by 2030. It is also convinced of the high potential of services related to energy efficient housing, the circular economy and familiarity with local regions. It aims to achieve €1 billion in revenue from new local human services by 2025.

To succeed in its transformation, the business line draws on a base of resources, including in particular:

- its commitment to the environment and CSR;
- postal worker commitment and team autonomy;
- accelerated digitisation and shared innovation; and
- the need for agility and competitiveness in all areas.

Thanks to its 61,814 postal carriers and parcel deliverers present across France six days a week to serve over 42.6 million letterboxes, La Poste performs two of the four public service missions entrusted to it by the French State (see Section 1.3.2 "Regulations applicable to the public service missions"):

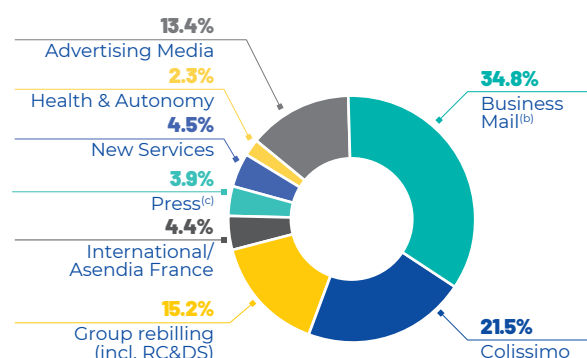
- the universal postal service;
- press transport and delivery.

Through these two public service missions, La Poste plays an essential role for the French economy. Despite the increasing digitisation of exchanges, postal items remain an important vector of communication and customer relationships for businesses.

## 1.2.1.1 Activities and market dynamics

The Services-Mail-Parcels business line is organised in various divisions, which operate in eight markets. Each division is responsible for its ongoing business development and the design of new value propositions, for supporting the business of both the parent company and of its subsidiaries.

### Business line revenue by division<sup>(a)</sup>



(a) Excluding Viapost external revenue.

(b) Including Mail services such as collection & deliver, Affranchigo and post office boxes.

(c) Including press within the scope of public and universal service, commercial press offerings and the contribution paid by the French State to La Poste.

The market dynamics of the Services-Mail-Parcels business line are characterised by:

- structural growth in parcels, driven by e-commerce, in France but also internationally, and by increased requirements in terms of delivery (deadlines, services);
- structural decline in mail and press volumes, but potential for increased value in the services on offer;
- attrition of addressed advertising mail and unaddressed printed advertising resulting from the reassessment of the business model of the historical distance selling sector, the transformation of the centralised model of large retailers and pressure from public authorities and society for a more rational use of paper reflecting environmental concerns. Against this backdrop, the government has begun testing a system requiring explicit consent – through a sticker known as *Oui Pub* ("yes to adverts") placed on letter boxes – for the receipt of unaddressed advertising;
- development of services for businesses and individuals driven by the surge in digital platforms;
- development of new local services with La Poste New Services and La Poste Health & Autonomy.

## Securing the future of the historical businesses



### UNIVERSAL POSTAL SERVICE

The universal postal service is one of the four public service missions entrusted to La Poste. It refers to the collection and delivery of Mail and Parcels as listed in the universal postal service catalogue.

The fall in Mail volumes has upset the financial balance of this public service mission (loss-making since 2018), a trend exacerbated by the health crisis. The French State and La Poste have now changed the scope of the universal postal service to rebalance its business model:

- maintenance of the obligation to collect and deliver six days a week;
- launch of the new mail range, in place since 1 January 2023, to adapt to new behaviours based on the following criteria: size of the item, price and level of service. Despite the digitisation of exchanges, mail remains a medium used by our main customers for many purposes and one that is chosen for its values (trust, guarantee of confidentiality and rewarding for recipients). The three-day *Lettre Verte* (green mail) is becoming the standard for ordinary mail. Faster solutions (two-day delivery) are still available for important, time-sensitive mail (*Lettre Services+* for small businesses and individuals, *Lettre Performance* for corporates). For urgent one-off items, *Lettre Prioritaire* priority mail is becoming the hybrid, more eco-friendly *e-Lettre Rouge* (red e-letter);
- an enhanced range with a high service level (95% expected on universal postal service products).

Lastly, the new mail range is leading to further optimisation of La Poste's industrial facilities and its organisations. Six-day-a-week delivery has been maintained, with three-day delivery at the core of the mail range.

### Business Mail

The Business Mail activity, with revenue of €3.4 billion in 2022, is the Services-Mail-Parcels business line's leading activity. It covers:

- mailing solutions (€2.6 billion);
- value-added services (€59 million), including tracked delivery;
- secure solutions (€620 million), including registered mail;
- mail-related services (€31 million), including postage for third parties and *Itinovia*, the mail forwarding offering for companies.

Until 31 December 2022, La Poste's offering was based on two levels of delivery service:

- fast mail, available in two forms (*Lettre Prioritaire* for next-day delivery and *Lettre Verte* for two-day delivery);
- *Ecopli* economy mail for four-day delivery.

In 2022, the two-day and four-day delivery offerings represented more than 96% of the mail volumes, confirming customers' preference for reliable and responsible mail, i.e., carbon neutral mail.

The launch of the new mail range on 1 January 2023 marks:

- the discontinuation of priority mail for corporates, with the service becoming a red e-letter for individuals and small businesses;
- increased delivery time for green mail, with three-day instead of two-day delivery;
- the discontinuation of *Ecopli* for retail customers.

### Decline in mail and press volumes, offset by the greater value to be derived from services

Business mail is a volume market, where services still account for only a small part of revenue.

The sending solutions market continues to be dominated by companies and key accounts. The main products provided by La Poste to businesses include *Lettre Verte* for bulk mail, *Ecopli* and registered mail. These ranges have all been updated and are now offered to large industrial senders, which account for the bulk of volumes, in the Premium Industrial Mail (PIM) management mail range. To make customers' lives easier, PIM was designed with integrated services and optional add-ons, with the aim of making mail not only simpler, by providing more flexible sending methods, but also more attractive and more economical, by significantly lowering costs for senders. It is built around a new technical system applying unique and specific smart data to each envelope, thereby giving items greater value and more services (tracking, plus tailoring of services to recipients, preparation and management of mail, notifications to customers, etc.). It aims in that way to slow the decline in mail volumes by adapting to the economic challenges and facilitation needs of businesses.

Since 1 January 2023, a new three-day delivery standard has become the backbone of the mail range. As a result, 96% of volumes are now delivered three days or more after posting. Postal operators across the board are adapting and transforming in the face of falling mail volumes, with varying degrees of intensity and speed from one country to another. Those that have seen a particularly fast digitisation of exchanges, such as Denmark, have had to step up the pace of change further. In general, operators are systematically aligning their processing and delivery procedures with a smaller volume of mail. For half of Europe's postal operators, the fastest mail offerings are now based on two- or three-day delivery.

## Press

The delivery of newspapers and magazines at affordable rates is one of the public service missions entrusted to La Poste (see Section 1.3.2 "Regulations applicable to the public service missions").

In addition to sales from news stands, press items are delivered either by post (postal delivery) or via a dedicated paper route to the reader's address (courier delivery)<sup>(1)</sup>. After news stand sales, postal delivery is the second most common method of distributing the press (virtually on a par with courier delivery). On 14 February 2022, a memorandum of understanding was signed between the French State, press industry organisations, France's electronic communications and postal regulation authority Arcep and La Poste to reform the transport and distribution of the press to subscribers. This agreement, which is subject to the approval of the European Commission, will take effect in 2023.

## Advertising Media

The Advertising Media business unit (BU) generates revenue of €1.3 billion, and has historically been driven by Addressed Advertising Mail (€633 million) and Printed Advertising (€279 million). It is also driven by digital marketing, which is enjoying rapid growth, particularly thanks to acquisitions in recent years (Cyber Cité, Time One, Saint Johns, etc.).

The Media BU's marketing solutions are complementary and offer customers a comprehensive range of products combining the best of both digital and physical (print). The Media BU's expert positioning is built on four pillars:

- home experience via La Poste Business Solutions: an offering of home experience marketing solutions for all types of BtoB customers. The Media BU's solutions enable it to reach consumers at home, where they are ready to embark on a purchasing experience<sup>(2)</sup>, to capture their attention with a medium that sparks emotion and to engage them in an innovative omnichannel journey of discovery and purchases. With these points in mind, the Media BU has now been rolling out its home-based communication campaign with the INH (Inside Home) concept for a year;
- local services, with Mediapost: an offering of local communication solutions spanning all formats – physical (printed advertising), data (geomarketing, etc.) and digital (SMS campaigns, social networks, etc.) – to bring its customers an omnichannel range. This expertise is primarily aimed at customers with local and multi-local support needs (supermarkets and hypermarkets, specialised superstores, networks, public sector, etc.). Mediapost also operates with a similar positioning internationally;
- data marketing and digital communication with its subsidiary Isoskèle: the main targets are companies with customised support needs;
- interactive and connected digital promotion: via its subsidiary Sogec, in the design and orchestration of promotional activation solutions for e-consumers (reply coupons, deferred refunds, etc.).

## Complementary to digital advertising, advertising mail remains an effective communication medium

The advertising market is undergoing a structural shift towards digitisation: in 2022, digital drivers were behind 90% of the market's overall growth.

Against this backdrop, print communication volumes (addressed or unaddressed advertising mail) are experiencing a natural decline compounded by the increase in the cost (and sometimes shortages) of paper and, for printed advertising, the start of the *Oui Pub* trial at the end of the summer. This trial, which stems from the Climate and Resilience Law of 22 August 2021, is being run by 14 volunteer local authorities for a period of three years. This represents less than 4% of the French population and 1.4 million letterboxes out of the 26 million available. It started on 1 September 2022 and will be followed by an assessment that the government will submit to Parliament at the end of 2024. The assessment report will cover the social, environmental, economic and societal impacts, and will include a study of the comparative ecological impacts of distributing print advertising and equivalent digital campaigns.

However, these media remain very effective in attracting consumers, so marketing professionals still include them in their strategies, especially when they can be meaningfully included in multi-channel campaigns. A number of sectors (charities such as the French Red Cross, Secours Catholique and the Ligue Nationale contre le Cancer) are making significant or even increasing use of these marketing solutions, including print (e-commerce, consumer goods).

This enabled the Media BU to almost stabilise its revenue in 2022 thanks to (organic and external) growth in digital marketing (€33 million), offsetting the trends in print (addressed and unaddressed mail).

Its aim is to help businesses of all sizes adapt to the transformation of the retail sector by drawing on the group's digital, human and responsible expertise to:

- reinvent print and the print experience. The aim in defending the Media BU's core business is to strengthen its vertical advantage by upgrading its offering and combining it with new technologies (augmented mail, voice commerce<sup>(3)</sup>, smart data for tracking advertising mail flows, smartalogues<sup>(4)</sup>, etc.);
- become the leading local omnichannel platform to move up the value chain. This pillar will enrich our core business by bringing in adjacent skills (supply of content, recommendation algorithm, etc.);
- become the trusted alternative in the post-cookie world by drawing on the ethical and responsible values of La Poste Groupe;
- quickly take positions on future solutions that will eventually capture advertisers' marketing investments (web 3.0, NFTs, etc.).

(1) See definitions in the glossary in Section 8.3 of this document.

(2) According to a study conducted by ILIGO, a firm dedicated to understanding consumer behaviour and measuring marketing levers, 86% of decisions concerning family projects are made at home.

(3) Voice commerce: business generated from voice commands on e-commerce applications. Voice commerce is sometimes referred to as v-commerce by analogy with e-commerce.

(4) Smartalogue: a smart catalogue featuring various innovations compared with standard paper catalogues. The term can refer to personalised paper catalogues, connected catalogues and augmented catalogues.

## Empowering e-commerce services and business line growth drivers

### Colissimo

With 453 million parcels delivered to customers of all types in 2022 and revenue of €2.1 billion, Colissimo, which represents the Parcels business of the Services-Mail-Parcels business line, is a valued partner in the development of e-commerce.

After growth of 39% between 2019 and 2021, driven by the impact of successive lockdowns, the market contracted by 10% in 2022. This downturn was identified at the end of 2021, with a swift return to pre-Covid levels. The challenging economic and geopolitical environment in the first half of 2022 weighed on growth in the e-commerce market, while inflation pushed up operating expenses. From January on, Colissimo adapted its organisation to cope with this quick return to normal by launching a plan to win new business and reduce costs.

These initiatives helped to preserve Colissimo's profitability while at the same time further improving service levels (95% on average since January 2022). Moreover, customer ratings are at an all-time high, with the recipient Net Promoter Score (NPS) up 7 points year on year to 59 (peaking at 64 in November).

### A more robust customer promise

Colissimo offers its customers – senders and recipients alike – responsible and effective delivery with the broadest range of services on the market. Delivery has been carbon neutral since 2012. Colissimo reduced CO<sub>2</sub> emissions on parcels by 32% between 2013 and 2021 through major investments in optimised delivery solutions and green transport. Colissimo covers all needs, from postage, collection and delivery to returns and customer service.

Colissimo's national range for customers is structured around three areas:

- home delivery, which remains the biggest source of demand, accounting for 80% of deliveries in the market. As the leader in this segment, Colissimo has been able to develop services and processes that enable it to successfully deliver over 95% of its parcels to the home (thanks mainly to recipient notifications, free and systematic second delivery attempts, the possibility of rescheduling a delivery in the event of absence, delivery to pick-up points, etc.);
- delivery to pick-up points, with the densest network in France: 35,600 pick-up points (retail outlets, pick-up/drop-off points in the Pickup retail network and automated lockers, as well as the *Espace Pro* business areas of the mail processing and distribution centres and Parcels branches);
- returns (to retailers) possible from post offices, pick-up/drop-off points of the Pickup retail network or directly from standard home mailboxes in mainland France.

Colissimo also supports its customers internationally:

The Monde de Colissimo range covers more than 235 destinations thanks to its postal agreements and a specific offering of deliveries to homes and pick-up points and returns to 30 European destinations (via Colissimo Europe, operated mainly by Geopost subsidiaries).

Colissimo is the Services-Mail-Parcels business line's strong and profitable growth driver. Its aim is to remain the number one delivery solution for sustainable and accessible

e-commerce. As part of the *Propulse 2025* transformation plan, an e-commerce and goods division is being set up to respond to changes in the e-commerce market and the needs of our customers.

The transformation of Colissimo and the international business involves work in five areas. Projects began early in 2021 and the first results are already visible:

- **a higher value-added offering** including:
  - faster flows taking delivery from a standard of 48-to-72 hours to 24-to-48 hours; 100 million Colissimo parcels were delivered within 24 hours in 2022, i.e., 30 million more than in 2021,
  - a more competitive out-of-home offering that allows customers to benefit from the power of the network of 7,000 post offices and retail pick-up/drop-off points,
  - the overhaul of the secure international export offering and the implementation of a new organisation that combines the business line's international expertise within Colissimo. For imports, the group offers a comprehensive response, with the development of more efficient industrial solutions based on the use of sorting robots for small parcels, and faster customs clearance;
- **reorganised export/import activities** within the Colissimo & International e-commerce division, combining the Colissimo export/import, e-PAQ and Mail activities. This new organisation promotes:
  - for exports, the development of services offered to e-commerce players, from small businesses to large platforms, and support for customers in the development of their activities in Europe and worldwide,
  - for imports, the greater appeal of France and the guarantee of covering all the needs of major customers (marketplaces, major brands, postal operators) through a range of entry-level to premium products and services including home delivery – still the core business – and out-of-home delivery;
- **the modernisation of our network of parcel sorting and distribution centres:** commissioning of six new parcel sorting hubs and 60 distribution centres throughout France, enabling Colissimo to cope with spikes in our customers' activities, notably at the end of the year with the delivery of over 100 million parcels and the number of parcels per day rising by 50% to 3.2 million. An investment decision covering an additional €450 million was made in 2021, bringing investment in Colissimo's distribution network to €900 million over ten years;
- **innovation and partnerships both central to Colissimo's transformation:** the market is undergoing rapid transformation, and to meet these challenges, Colissimo has forged strategic partnerships, particularly with digital players:
  - payment on delivery with solutions offered by partner Django,
  - reusable packaging with French manufacturer Hipli,
  - enhanced IT and desktop publishing solutions for e-tailers with TDI, One Stock and Ship & Co;
- **a commitment to social and societal responsibility:** thanks to investments in occupational health and safety to improve working conditions and to a management system that is part of the business line's excellence programme, accident rates have been falling steadily at Colissimo for the past three years (27% reduction in 2022).

## New Services

With revenue of €443 million in 2022, the New Services division contributes to the development of the Services-Mail-Parcels business line in two areas: **e-commerce services and local services**, broken down into four strategic business areas:

- local logistics and transport to provide distributors, retailers and e-tailers with local green solutions built around its expertise in first- and last-mile logistics, particularly with the Log'issimo brand;
- circular economy to provide solutions, mainly logistical, for recycling office waste, reusing e-commerce packaging and extending product life, by reconditioning equipment at the end of its life cycle for instance; a programme covering electric bikes got underway in 2022;
- regional efficiency to strengthen decision-making support and local action plans thanks to solutions based on regional data combining digital services and human presence;
- energy efficiency to support public policies in the building sector and the development of active mobility.

### Log'issimo local logistics services

With 120,000 services provided daily to companies and local authorities in 2022 and revenue of €226 million (including collection and delivery), the local logistics business of the Services-Mail-Parcels business line is pushing ahead with its market plan. It leverages a collection and delivery network boasting unrivalled geographical coverage and strong competitiveness in the first and last mile by pooling wherever possible the services to be provided within its logistics circuits.

These local logistics solutions are in line with the group's ambition to propose services for e-tailers or new parcel collection and shipping services, as well as the need for local services (reduction and pooling of flows, reduction of distances travelled, etc.), and the emergence of local needs caused by new consumption patterns (pedestrian order pick-up points, rapid restocking, home services, particularly for seniors, etc.).

To support its business development, the Services-Mail-Parcels business line continued to roll out the Log'issimo range of solutions this year. It is structured around the following offerings:

- Log'issimo Retail, with collection services, local storage and supply of urgent goods and spare parts to the network of stores. This service offers local same-day delivery within a set timeframe or next-day delivery throughout France;
- Log'issimo Fresh, which offers courier meal delivery services to seniors on behalf of communal social action centres and local authorities to facilitate home care, and company meal delivery services by ensuring the daily restocking of connected refrigerators to offer employees a variety of high-quality meals. To date, more than 3 million meals have been delivered to seniors' homes or to companies. This impressive figure is the result of partnerships with more than 100 players (local authorities, hospitals, etc.) that have placed their trust in La Poste and made it the French BtoB leader in meal delivery for elderly people. The offering is also expanding into the restocking of pedestrian order pick-up points to meet the challenges of reforming the food supermarkets sector with refrigerated deliveries;

- Log'issimo Facilities, which meets the needs of outsourcing logistics to send or deliver documents, parcels or mail to general services;
- Log'issimo Sur-Mesure, whose role is to carry out complex logistics operations in areas such as digital learning equipment, point-of-sale advertising on behalf of companies, and major operations (taking and preparing of orders, storage and shipping of goods).

In operational terms, more than 76 Log'issimo branches will be opened throughout France over the coming two years, by optimising the existing resources of Services-Mail-Parcels sites (postal carriers, collectors, vehicles, floor space, etc.).

More specifically in e-commerce, the services offered by Log'issimo also support the group's development by positioning it as a specialist in the first mile to carry out on-demand collection services on behalf of Colissimo and Geopost.

With Log'issimo, the Services-Mail-Parcels business line is confirming its leading position in local logistics services in France, offering its customers responsible and carbon-neutral solutions since 2012.

The development of the **circular economy** is based on its three assets:

- the Log'issimo network, which is extremely efficient in decentralised collection (it is the collection operator for Recygo);
- Recygo, a joint venture with Suez, which has developed a traceability system for recovered products, capacity to transform recovered tonnages into CO<sub>2</sub> savings and to integrate new flows (such as the recycling of surgical masks in companies);
- Nouvelle Attitude, a social enterprise that has developed expertise in the recycling of paper and office waste and is starting to roll it out in the reconditioning of electric bikes (Recyclo project).

In 2022, the Services-Mail-Parcels business line focused these assets on the collection of new flows in companies and at postal sites in order to meet the:

- sorted waste requirements of new channels and/or eco-organisations;
- expectations of retailers wishing to move into second-hand goods, which are highly sought after by customers that have adopted more virtuous behaviour and which generate footfall in their stores.

The business line's other area of development in the circular economy involves encouraging the reuse of e-commerce packaging by offering simple solutions for consumers, such as depositing empty packaging in postboxes. This diversification, underway since late 2021, requires e-tailers and consumers alike to adopt these solutions, meaning awareness must be raised around these new practices. Work to that end was carried out in 2022, ahead of the launch of the range in 2023.

**Regional efficiency** comprises address-based services enriched with data for local authorities seeking to optimise the accessibility and attractiveness of their region, or companies looking to improve their marketing efficiency by using postal carriers. For better familiarity with the regions, assistance with street naming and numbering aims to improve the quality of addresses, which is key information for optimising the deployment of local offerings and the delivery of online retail orders. The Services-Mail-Parcels business line also offers local authorities solutions for auditing roads and measuring air quality (using sensors installed on the vehicles used by postal carriers on their rounds). To strengthen its positioning and master the technological building blocks in this value chain, the division has merged Global Map Solutions, a geodata processing and visualisation software company, with Geoptis.

**Energy efficiency** brings together services supporting local authorities and companies in the renovation of housing and other buildings (residential, commercial and industrial) and encouraging the use of electric bikes on behalf of local authorities or companies. La Poste operates mainly in the energy renovation market through its subsidiary *Économie d'Énergie* (EDE), a leader in the intermediation market between financial providers (public and private) and households. In a difficult environment (fall in the price of energy savings certificates in the first two quarters of 2022), EDE provided funding to renovate 240,000 private homes in an amount equivalent to €320 million in energy savings certificate premiums and to more than 30 social housing providers in the equivalent of just over €10 million in energy savings certificate premiums (and market share of about 10%). This year, it extended the offering to micro enterprises and SMEs with its Lower the Watts energy-saving awareness and support programme. Unveiled at the end of 2022, it will be rolled out over four years starting in 2023. La Poste is also continuing its partnership with Transdev, Vélogik and Cyclez within the Fluow group, which has launched a long-term e-bike<sup>(1)</sup> rental service for residents in the Greater Paris region, and is expanding the service to other parts of France.

### Social, environmental and legislative conditions generating local demand

Public awareness of environmental challenges was greater than ever this year, sparked by phenomena including heat waves and fires. Public authorities, administrations, local authorities, companies and households have no choice but to take action to adapt to the climate emergency, societal changes and lifestyle changes prompted by the health crisis (population ageing, digitisation, working from home).

Energy renovation, the circular economy and logistics are all subject to stringent regulations including the implementation of low-emission zones, the banning of waste and the adoption of single-use packaging, the creation of new channels and an increase in the obligations imposed on eco-organisations. These new channels back up the direction taken by the Services-Mail-Parcels business line by generating a need for new solutions to accelerate the environmental transition and meet the challenges of local logistics, well beyond the densest urban areas. Government agencies and local authorities are also looking for intermediaries to roll out public policies for the environmental and energy transitions, while preserving the attractiveness of each region.

The combination of these trends and the development of digital tools creates significant opportunities for local human

services. Thanks to its positioning, its regional coverage, its familiarity with France's regions, its resources and its relationship of trust with the community, elected officials and companies, La Poste is able to provide some of these services and meet the expectations of its customers:

- the courier meal delivery service for seniors has been met with growing interest because local authorities see it as a means of combatting isolation among the elderly (in 2022, the cities of Paris and Blois decided to entrust these services to La Poste);
- home deliveries and returns are being improved by technological innovations (smart objects, artificial intelligence);
- in the area of short supply chain logistics between producers/retailers and consumers (supply with Log'issimo, recycling with Recygo), knowledge of the regions is enhanced through the collection of local data (roads, air quality, buildings, energy, local flows of goods or people with Geoptis and Proxi Data);
- in the staff canteen market, the surge in working from home has resulted in a shift towards "smart fridge" solutions, which are more suitable for medium-sized sites;
- e-education is getting a boost from the provision of educational tablets to high school students;
- energy renovation is seeing regulations and public retrofit subsidies create a very favourable climate for services putting owners in contact with finance companies and builders.

Similarly, France's anti-waste and circular economy law is creating new opportunities that La Poste is harnessing through the gradual roll-out of new offerings and services.

### E-commerce & omnichannel services

The creation of the E-commerce & Omnichannel Services BU fits into this growth strategy and is a means of diversifying the business line's activities. Its purpose is to position La Poste as the local player of choice when it comes to supporting the digital and responsible transformation of French hybrid retail (physical and digital) throughout its development, including international expansion. To achieve this, the BU is poised to create and market a digital solutions platform for the business line's 4,000 middle-market retailer and e-tailer customers.

Within its scope of action and to cover a target group including independent retailers and micro enterprises, the E-commerce & Omnichannel Services BU houses the *Ma Ville Mon Shopping* marketplace, an e-commerce website created in 2015 that has been a group subsidiary since 2018. The marketplace's goal is to promote shopping in independent stores and to participate actively in the environmental and digital transformation of regional areas. *Ma Ville Mon Shopping* is a network of experts that help independent retailers go digital. It offers a diversified catalogue of products to consumers seeking to buy quality regional and original goods.

In 2022, the *Ma Ville Mon Shopping* platform hosted over 22,000 retailers offering more than 260,000 products (food, wine and spirits, clothing, home deco, beauty products, etc.). The website's numerous updates have enabled it to expand its ultra-local model, giving it nationwide status. It now provides retailers with the means to market their products and their know-how to consumers all over France. The marketing strategy of winning new customers has generated growth to more than 200 parcels per day, and the aim is to increase business volumes tenfold between 2022 and 2025.

(1) See definitions in the glossary in Section 8.3 of this document.



*Ma Ville Mon Shopping* has also supported municipal and local authorities by offering promotional codes to local residents to promote third-party sellers, attract new customers and build customer loyalty. A highly tailored offering has been developed for local authorities, including the option of creating markets. The Halles d'Albi market has now joined the marketplace, offering its customers the chance to place orders and have their purchases delivered.

### Online retail: a growth market

Forecasts suggest that 196,000 e-commerce sites in the target business market will generate revenue of €10 million by 2025. It is estimated that 540,000 merchants are not yet digitally equipped, and that business volumes in general public marketplaces offering local products could total €1.7 billion.

### Health & Autonomy

By creating its Health & Autonomy BU in 2016, La Poste demonstrated its goal of helping to take care of the health of French people in response to the challenges of the demographic transition, the increase in the prevalence of chronic diseases and, more generally, the transformation of the healthcare system. To that end, it has prioritised human and digital health services, together with prevention and quality of life. These new activities are being developed either through external or organic growth, building on the legacy assets of the Services-Mail-Parcels business line, as illustrated by the new roles played by postal carriers.

La Poste Health & Autonomy houses acquisitions made in human and digital services in the healthcare sector, notably through its development in the markets for home health and patient pathway services:

- a controlling stake in Asten Santé, which assists more than 100,000 patients prescribed home rest after hospitalisation or suffering from chronic diseases and requiring respiratory assistance, drips, nutrition and insulin therapy. New activities such as non-invasive ventilation (NIV) monitoring have been developed and have grown for the benefit of patients suffering from Covid-19;
- the Diadom subsidiary, which performs follow-up for 15,000 patients and delivers consumables and medical equipment for urology, neuro-urology and stomatology;
- a controlling stake in Nouveal e-santé, a subsidiary specialising in remote monitoring and digitisation of the medical pathway, from the time a patient is admitted to hospital to the time they are discharged home. Nouveal e-santé is also developing remote medical monitoring of chronic pathologies, particularly in oncology. Since its launch, Nouveal e-santé has accompanied more than 4.5 million patients along their care pathway, including 2.5 million during the Covid-19 crisis (March 2020 to March 2022);
- a non-controlling stake in e-health start-up Newcard. An expert in remote heart and kidney failure monitoring, Newcard is seeking to extend remote monitoring to other chronic diseases (respiratory failure, diabetes, neurological disorders, etc.). With its home monitoring and measurement system, Newcard's goal is to improve the efficiency of patient care and reduce hospitalisations through early detection of signs that a patient's condition is worsening;
- the *La Plateforme Médicale* subsidiary, which provides remote support for patients with acute or chronic pathologies through a specialised nursing team. This service complements care provided by healthcare professionals (hospitals or doctors) thanks to remote medical monitoring solutions;
- Happytal, acquired in 2022, a specialist in patient hospital experience. Its solutions simplify admissions management and automate requests for reimbursements from health insurance companies. Happytal worked with 130 hospitals in 2022. Ultimately, Happytal aims to position itself as an end-to-end operator capable of coordinating and providing all the administrative, comfort and medical services needed for the care and personalised support of patients along their care pathway.

It has also launched a home-delivery platform operated as My Medicines at Home (*Mes médicaments chez moi*) for patients who are unable to get to a pharmacy. La Poste has partnered with over 2,400 pharmacies, making it the leader in the field. The service is accessible to all via the *Mon Espace Santé* personal e-health service portal.

La Poste Health & Autonomy also encompasses developments and acquisitions in prevention and quality of life in the home services for individuals, workplace well-being services and preventive health services markets:

- it is one of the foremost operators in the field of human services in France through its three franchise networks: Axéo Services, which specialises in home maintenance services, Help Confort, which specialises in home improvement work, and *Âge d'Or Services*, which specialises in home support for people losing their independence. La Poste offers its services through 420 franchised branches throughout France;
- Ardoiz, the digital tablet with simplified ergonomics and adapted to seniors, created by the start-up Tikeasy, can be installed at home by postal carriers for immediate use. It was designed alongside senior citizens to cover their interests and maintain a social interaction with those around them. Its aim is to help close the digital divide;
- its corporate concierge services division, comprising *Bien-être à la Carte* and *Iskills*, is also, by virtue of those two companies' combined revenues, a well-being at work leader in France. The two companies are to merge in order to cement their growth and continue building an innovative range of human and digital services aligned with the new expectations of companies and employees;
- leveraging its historical resources – postal carriers and logistics – it aims to support local preventive health policies and to develop services promoting autonomy and “ageing well at home”. It is developing prevention measures alongside healthcare professionals and experts in ageing to more effectively reverse early signs of vulnerability and promote the autonomy of people who opt for this lifestyle, which represents a societal as well as an economic challenge. In addition to measures to detect frailty among the elderly community, carried out by postal carriers (on behalf of pension and occupational health insurance funds, social security agencies and regional health agencies), La Poste participates in the World Health Organization's (WHO) ICOPE<sup>(1)</sup> programme. In France, this programme is led by Toulouse Geriatrics Centre, a WHO collaborating centre that has modelled a comprehensive approach for preventing and supporting age-related loss of autonomy. Building on its experience, and to promote the collective interest in prevention, La Poste has the means to relay, with the help of postal carriers, many other campaigns, such as awareness about influenza vaccination and the detection of colon cancer.

(1) *Integrated Care for Older People*.

The Health & Autonomy division generated revenue of €224 million in 2022 (versus €203 million in 2021).

### A market shaped by demographic change and public health policies

The health and autonomy markets are driven by two underlying trends:

- the shift in demographic trends continues with an increasingly ageing population: the number of seniors aged over 75 is set to increase by more than 50% between 2020 and 2035. This demographic transition is intensifying many existing needs and giving rise to others in terms of preventing the loss of autonomy and support for fragile people. These needs are concentrated around the home to preserve autonomy and quality of life;
- as a result of the ageing population, the prevalence of chronic diseases is increasing: 19 million French people suffer from long-term illnesses. These chronic diseases such as diabetes, neurodegenerative conditions or respiratory pathologies may be treated at home.



### EXCELLENCE

Operational excellence is central to the Services-Mail-Parcels business line's transformation. This management system reflects the need to boost team commitment to performance by creating a dynamic of continuous improvement. The system of excellence aims to improve performance and cooperation through team development and process optimisation.

It continuously seeks a balanced performance between the attention paid to La Poste's customers (quality, customer satisfaction), postal workers (occupational health and safety) and the value created for the company (fair cost). It applies to all business lines, both operational and functional, so as to guarantee smooth running across all parts of the organisation.

The system of excellence is geared towards addressing three priority challenges:

- autonomous and efficient teams to develop performance management at the team level and thereby promote accountability, recognition and results;
- efficient offerings, processes and tools for customers and postal workers, involving users in each development phase (design, development, improvement, etc.);
- teams capable of solving the problems they encounter themselves and improving their performance thanks to training courses adapted to each job.

Customer satisfaction, in an increasingly competitive and demanding environment, relies on agility and autonomy of teams to respond proactively to the personalised needs of customers and satisfy them with a high level of quality.

Customer satisfaction, measured by the Net Promoter Score (NPS) for the main flows, is what guides the management of each establishment.

Compliance with deadlines is also measured for many flows, particularly those that are part of universal postal service. The health crisis remained a factor into 2022, with its consequences on conditions for providing services (social distancing, health measures). However, La Poste has taken steps to ensure that its service meets its customers' expectations, and its success in that area is reflected in the increases in its NPS over the year to averages of 38 for Mail (up 14 points compared with 2021), and 59 for Parcels (up 9 points compared with 2021). Results for *Lettre Verte*, the flagship mail product, are consistent with the objectives set by the French State (two-day delivery for 95.2% of items).

This market trend is also enjoying traction from public policies aimed at supporting and financing the transformation of the healthcare system, prevention and assistance with autonomy.

### 1.2.1.2 Main transformation areas for the business line

#### Customer satisfaction as a priority

In line with the group's strategy, the Services-Mail-Parcels business line makes customer satisfaction a fundamental driver of its efforts to be perceived as a service provider of excellence.

As a reminder, the Retail Customers & Digital Services business line was created to take charge of the customer experience for individuals and small businesses, and the development of the corresponding activities; the Services-Mail-Parcels business line retains responsibility for the operational processing of all mail flows and the Colissimo activity at group level.

The "greening" of the vehicle fleet (largely electric) enabled La Poste to cope with the difficulties caused by the fuel shortage in the autumn.

In addition, the overhaul of the handling of questions and complaints was continued with the possibility for customers to contact their post office or postal carrier directly, in addition to the dedicated telephone number (3631) and the *laposte.fr* website. Complaints concerning delivery are now systematically dealt with by the operational team concerned, which contacts each claimant.



## COMMITMENTS

The performance of the Services-Mail-Parcels business line is the result of the commitment of postal workers, which stems from their well-being and fulfilment at work. That is why the business line's human resources team is focusing above all on the safety of its employees, their well-being at work and their work-life balance, and on encouraging diversity in all areas. The business line's employees also benefit from regular and quality social dialogue at all levels, from skills development to talent identification and support. Lastly, the human resources team is working alongside managers and postal workers to facilitate the business line's transformation.

The Services-Mail-Parcels quality management system is built on three pillars:

### Ensuring product and process reliability upstream

- Well-designed offerings, processes and information systems
- Quality and quantity of resources of all kinds needed to provide the services offered

### Delivering operational excellence on a daily basis

- Managerial action guaranteeing the proper performance of tasks through the adoption of standards of excellence

### Enhancing the customer experience

- A smooth and efficient end-to-end customer experience for all La Poste customers

## Industrial, logistics and IT roadmap

The Services-Mail-Parcels business line has to deal with the digitisation of exchanges, which is leading to a structural decline in mail volumes, with letters down from 18 billion in 2008 to 6.7 billion in 2022. At the same time, parcel volumes continue to grow in line with the expansion of e-commerce: in 2022, 453 million Colissimo items were delivered, compared with 275 million in 2015 (including the Retail Customers activities).

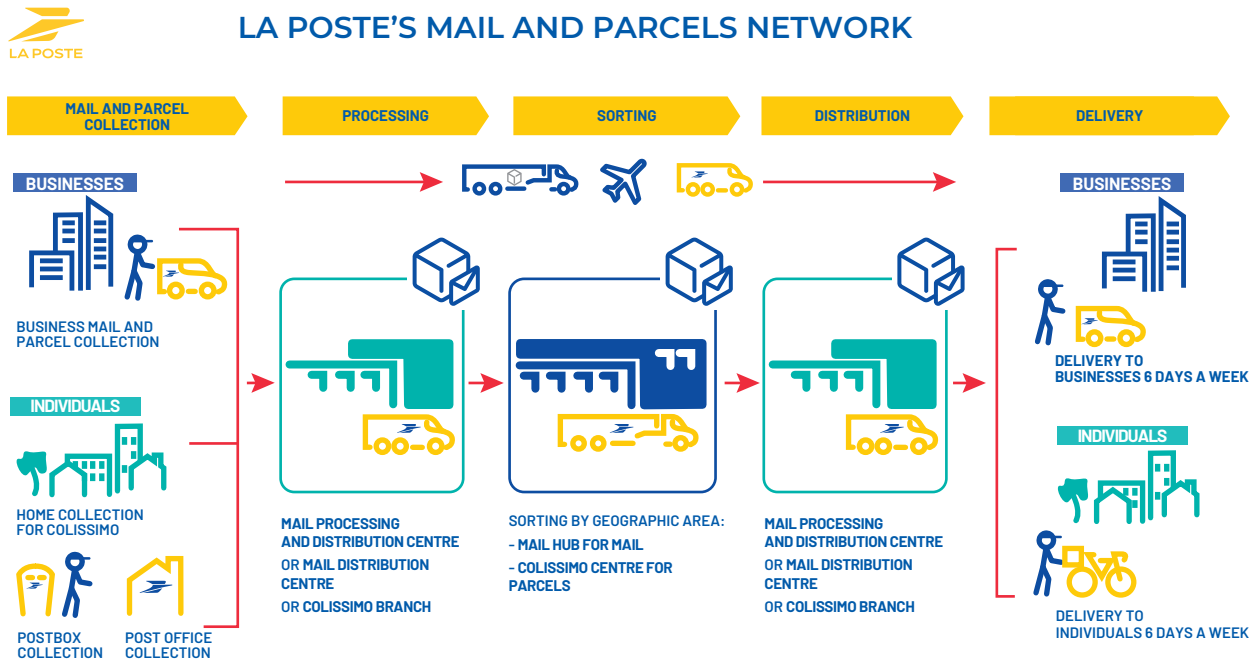
In light of these shifts, the business line's industrial, logistics and IT roadmap must be adapted to ensure the competitiveness and quality of the services provided. The first phase of this plan led to the investment of €450 million between 2017 and 2021 to strengthen and optimise parcel processing capacities and made it possible to handle over 453 million parcels in 2022 (including the Retail Customers activities). In 2021, the accelerated growth in the parcel market triggered the second phase of the investment plan, representing a maximum of €450 million between 2023 and 2026.

The roadmap also aims to modernise the Mail activity and set up a branch network to support the development of the local logistics activity operated under the Logissimo brand while adjusting its industrial capacity. As a result of these

optimisation efforts, industrial capacities have been pooled for Mail, Parcels, Chronopost and, where necessary, Logissimo. Convergence infrastructure has been created, including multi-stream mail processing and distribution centres bringing together the main activities of the business line. This new infrastructure goes hand in hand with an optimisation of transport to reduce costs, greenhouse gas emissions and delivery times. More than 1,000 "swap bodies" (removable containers transported on trailers that can be stored on the quayside or in car parks), loaded in bulk (as opposed to being loaded on a pallet), increase the number of parcels transported by each road link (a typical volume is two swap bodies of 50 cubic metres).

In terms of IT, a comprehensive infrastructure and application renovation plan is under way to build standardised bases that will facilitate mail flows, the delivery of parcels and services. Like for parcels, each mail item will be identified by a unique digital tag using smart data. Registered or tracked mail will be IT processed in the same way as parcels, thereby pooling common systems. Artificial intelligence is widely used for reading addresses, detecting undeliverable items (people who have changed address without requesting a forwarding service, for example) and collecting the data required for customs clearance.

The shipping of postal items, mail, parcels, press and printed advertising follows a standardised process:



This requires a wide logistics and industrial network that is partly owned and partly subcontracted.

Collection	Transport	Processing	Delivery
<ul style="list-style-type: none"> <li>122,879 postboxes</li> <li>111,400 collection and delivery customers</li> <li>5,500 delivery and collection postal carriers</li> </ul>	<ul style="list-style-type: none"> <li>266 trucks</li> <li>8,090 road routes on average (own fleet)</li> <li>4 aircraft and 2 extensions in Corsica serving 3 airports in southern France, 2 airports in Corsica and the Roissy hub</li> <li>29,128 internal combustion delivery vehicles</li> <li>30 internal combustion motorcycles</li> <li>7,169 electric cars</li> <li>1,085 Quadeo electric quads</li> <li>16,761 electric bikes</li> <li>8,522 Staby electric trikes</li> </ul>	<ul style="list-style-type: none"> <li>1,825 mail distribution centres<sup>(1)</sup></li> <li>212 mail processing and distribution centres<sup>(1)</sup></li> <li>26 mail hubs<sup>(1)</sup></li> <li>19 Colissimo and parcel hubs<sup>(1)</sup></li> <li>1 international hub in Roissy</li> <li>2 city hubs for local storage and logistics</li> <li>about 10 Log'issimo branches</li> </ul>	<ul style="list-style-type: none"> <li>59,889 postal carriers*</li> <li>1,925 parcel delivery people*</li> <li>42,015 daily rounds excluding dedicated parcel rounds</li> <li>42.6 million letterboxes served 6 days a week</li> <li>16,500 Pickup points in France</li> <li>More than 568 million kilometres covered every year by postal carriers</li> <li>60 parcel branches (parcel branches and urban logistics areas)<sup>(1)</sup></li> <li>467 micro-hubs to reduce distance between centres and mail rounds</li> <li>1.56 million packages distributed per day on average</li> </ul>

\* Individuals.

The business line is gradually adapting its organisation to changes in its business, characterised in particular by a structural decline in mail volumes and growth in parcels. It has equipped itself with industrial facilities that can support the growth of e-commerce and improve service levels:

- creation of 86 multi-flow processing and distribution centres for mail, parcels, e-PAQ, press, printed advertising and Chronopost in late 2022, nine of which are automated;
- use of sites to create city hubs for local micro storage and for preparing orders for suppliers of various distribution networks with two early adopter sites in Paris.

This industrial roadmap is based on industrial and economic excellence organised around three major programmes:

1. The scale-up of industrial facilities to adapt to e-commerce growth, with the modernisation and/or construction of new parcel centres, the management of small international goods flows and the emergence and development of local logistics (establishment of Log'issimo branches in the main logistics centres in France).

(1) See definitions in the glossary in Section 8.3 of this document.

2. The adaptation of the mail processing and distribution centre network to new activities and services (modernisation of the first and last mile):
  - automated pre-distribution sorting work upstream of mail hubs;
  - "ready-to-deliver" mail bags;
  - local micro-hubs in new spaces closer to the starting point of postal carriers' delivery rounds.
3. Digitisation of the supply chain and customer journey (marking of all mail, use of artificial intelligence to read addresses and sort items, scanning, information system for new services, etc.).



## CSR

In light of the climate emergency, pursuing an ambitious greenhouse gas (GHG) emissions reduction pathway has become essential. The Services-Mail-Parcels business line has accordingly laid down a pathway to reducing its CO<sub>2</sub> emissions in line with the goal of limiting global warming to 1.5°C by 2030, and is committed to reaching "net-zero" by 2040. To achieve these objectives, it prioritises:

- new industrial roadmaps that pool the kilometres travelled each day;
- optimisation of logistics and loading (30% increase in payload thanks to swap bodies) to reduce the number of trailers required; use of a low-carbon energy mix (biogas, biofuel, electricity and green hydrogen) resulting in one of the smallest carbon footprints per parcel in the sector (408 grams of CO<sub>2</sub> per Colissimo parcel delivered in France in 2021);
- roll-out of a large fleets of electric vehicles (33,500 vehicles, including e-bikes<sup>(1)</sup>), to carry out more than half of the rounds in green mode;
- green delivery in 44 urban areas<sup>(2)</sup> by 2025, in particular through the acquisition of 8,000 additional electric vehicles and the roll-out of one of Europe's most extensive fleets of cargo bikes;
- training of 80,000 postal workers in eco-driving since 2008;
- improvement of the energy performance of buildings, use of renewable energies and development of self-consumption projects;
- development of eco-designed, reusable packaging.

The business line also systematically factors in the analysis of the CSR impacts of its offerings and strategic projects. It acts as a responsible employer by implementing ambitious action plans in support of the professional development and employability of its employees, promotions, diversity and professional equality. It thus has a significant lead on the market in terms of how well it serves its stakeholders, giving it a competitive advantage and a dual driver for capturing new opportunities to:

- enhance the value of its offerings: mail, parcels, media and new local services;
- diversify by positioning itself in markets supporting the four major transitions: environmental, demographic, digital and regional.

### 1.2.1.3 Strategy and outlook

Customer satisfaction remains central to the Services-Mail-Parcels business line's strategy, with improvements to the reliability of core products and processes (service levels, data-based management, etc.), the development of a culture of operational excellence and the enrichment of the customer experience (postal carrier calls and appointments, dispatch of mail and parcels from letterboxes, etc.).

It is based on the three development pillars of the Services-Mail-Parcels business line: securing the historical businesses, empowering e-commerce services and scaling up in new local services.

2022 confirmed the strength of these three pillars. The universal postal service mission was reaffirmed by the payment to La Poste of annual compensation of €520 million (of which €20 million conditional on service levels). The new mail range announced in July 2022 will secure the future of universal postal service with a more reliable, digitised offering focused on three-day delivery, which is more environmentally friendly and affordably priced.

To respond to underlying trends in the e-commerce market (changes in the competitive landscape, acceleration of low-cost delivery to pick-up points and increase in same- or next-day delivery), **Colissimo**, the growth driver of the Services-Mail-Parcels business line, is pursuing its goal of becoming the leading delivery solution for sustainable and accessible e-commerce, in accordance with the five-point transformation plan described above.

In **New Services**, the Services-Mail-Parcels business line also aims to scale up in growing markets:

- moving from home meal delivery for seniors to meal delivery to companies;
- extending e-bike-based green mobility to active mobility services;
- building on business waste recycling activities for the paper and cardboard industries to become a circular economy operator serving eco-organisations, brands and other players in the reuse industries.

The E-commerce & Omnichannel Services BU is preparing a digital platform bringing together packaged solutions for middle-market companies to meet the challenges of the business line and its customers.

(1) See definitions in the glossary in Section 8.3 of this document.

(2) The 22 cities and urban areas with more than 150,000 inhabitants in France covered by the introduction of low emissions zones.

The Advertising Media BU aims to help companies of all sizes adapt to the transformation of retailing by helping them build local relationships with regional roots, drawing on the digital, human and responsible expertise of La Poste Groupe.




With **La Poste Health & Autonomy**, it also plans to pursue high goals in terms of growth and profitability through the organic growth of its subsidiaries and a proactive external growth policy. This will be visible chiefly in the fields of:

- human and digital health services;
- prevention and quality of life.





## STRATEGIC FOCUSES

### SECURING THE FUTURE OF OUR HISTORICAL BUSINESSES

-  **Building the future of Mail**  
new Mail range: practical, reliable, digital green and profitable
-  **Delivering on our public service missions and keeping up regional initiatives**  
more modern universal postal service, optimised mail rounds
-  **Remaining the leader in business marketing**  
Top 5 in France for digital marketing, new print/digital solutions

### EMPOWERING E-COMMERCE SERVICES

-  **Accelerating in e-commerce and local logistics services**  
two-fold increase in Colissimo and Asendia France business
-  **Tripling revenue from new local logistics services**  
new rural and urban logistics services and dynamic e-commerce

### SCALING UP IN NEW LOCAL SERVICES

-  **Being the partner of choice for health and autonomy players**  
to improve healthcare journey for all
-  **Becoming a leader in:**
  - home energy efficiency
  - circular economy
  - local areas knowledge

## KEY ENABLERS

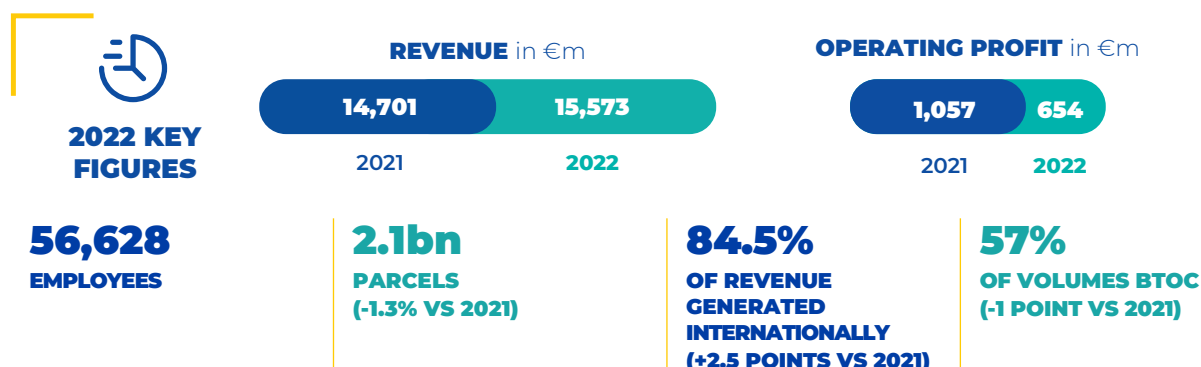
**Increasing postal worker engagement and team autonomy**

**Staying ahead of the game on environmental and CSR issues**

**Accelerating digitisation and spreading innovation**

**Being agile and competitive in all areas**

## 1.2.2 GEOPOST



### 2022 SIGNIFICANT EVENTS

After two years of the health crisis taking volumes to record heights and enduringly impacting online shoppers' behaviour and consumption patterns, 2022 was a more contrasted year:

- the outbreak of the conflict in Ukraine in February 2022 changed the geopolitical landscape and triggered Geopost's decision to leave the Russian market in May 2022 and to prepare a transfer of ownership of DPD Russia;
- market conditions were more challenging, with mounting inflation, slowing consumption and rising energy costs.

Revenue continued to grow overall in 2022, despite a slight decline in volumes year on year, demonstrating Geopost's ability to adapt to challenging market conditions and maintain robust growth. Geopost continued to roll out its "Together & Beyond" strategy through several significant achievements:

- the acceleration of its sustainability strategy, with the definition of its 2040 "net-zero" pathway, approved by the Science Based Targets initiative<sup>(1)</sup> in February 2023, and membership of the EV100+ initiative<sup>(2)</sup> on road transport. At the same time, Geopost pressed ahead with the gradual transformation of its vehicle fleets. By the end of 2022, it had 8,458 low-emission vehicles on the roads in 251 cities across Europe, 97 of which are already served exclusively by low-emission vehicles;
- growth in specific and strategic market segments, such as food delivery, with the acquisition of pourdebon.com<sup>(3)</sup>, the development of temperature-controlled delivery solutions and the expansion of Chronofresh in France; and also in the healthcare sector, with Chronopost's investment in its Chronopost Healthcare division;
- reinforcement of new urban services: Geopost completed the acquisition of CitySprint, the United Kingdom's leading same-day delivery network, with CitySprint in turn announcing the acquisition of two major regional players, EcoSpeed and Astral. In France, in December 2022, Geopost acquired 95% of C Chez Vous<sup>(4)</sup>, a company specialising in the delivery of heavy and bulky products (over 30 kg);
- development of the out-of-home delivery network, with the continued roll-out of new solutions: the Pickup network ended 2022 with 71,000 pick-up points and 12,000 lockers in 30 countries;
- accelerated positioning in the e-commerce value chain with the acquisition of Scalefast<sup>(5)</sup> by eShopWorld, a subsidiary of Asendia<sup>(6)</sup>;
- continued international expansion, with the increase in the stake in Aramex<sup>(7)</sup> from 24.9% to 28%.

(1) The Science Based Targets initiative (SBTi) is an international body that helps companies set ambitious emission reduction targets informed by the latest climate science.

(2) EV100+ is an initiative of international non-profit Climate Group designed to generate a strong demand signal from business and help spark a revolution in zero-emission road transport by truck and other heavy goods vehicles.

(3) Marketplace allowing consumers to order fresh products as if they were at a market, directly from farmers and producers throughout France.

(4) Subsidiary of C-Logistics dedicated to the transport of bulky items in France.

(5) Los Angeles-based provider of end-to-end e-commerce solutions.

(6) Specialist in cross-border e-commerce; a joint venture between La Poste and Swiss Post.

(7) International parcel delivery network covering the Middle East, Africa and Oceania.

Since its founding in 1999, Geopost, a wholly owned subsidiary of La Poste Groupe, has implemented an external growth strategy based on targeted acquisitions of respected domestic operators, mainly in Europe (see Section 1.1.1 “Key milestones in the group’s history”). In 24 years, Geopost has become a key player in the European parcel delivery market thanks to strong positions in most countries<sup>(1)</sup>:

- No. 1 in France<sup>(2)</sup>, Spain, Ireland, Slovakia, Italy, Lithuania and Latvia;
- No. 2 in Germany, United Kingdom, Poland, Austria, Czech Republic, Portugal, Bulgaria and Estonia;
- No. 3 in Switzerland, Croatia and Slovenia.

### 1.2.2.1 Geopost’s market

Geopost operates in the lightweight parcel delivery market, which is generally referred to as the Courier, Express and Parcel (CEP) market.

Lightweight packages, generally defined as weighing less than 31.5 kg<sup>(3)</sup>, can, unlike freight, be handled by one individual without special equipment (one man, one van rule). However, transporting lightweight parcels requires specific infrastructure (sorting centres and small vehicle fleets) and is based on delivery rounds. This market differs from other transport markets that do not require sorting operations (the delivery and cargo transport markets). The lightweight parcels market is based on providing a service on behalf of an ordering customer<sup>(4)</sup> and a destination customer.

Geopost processes 8.3 million parcels worldwide every day<sup>(5)</sup>.

### Continued market segmentation

The CEP market is traditionally segmented according to several criteria:

- **delivery time**, which generally subdivides the market into two segments:
  - standard or deferred parcels, without guaranteed delivery times, which ranges from 24 to 72 hours,
  - express parcels, with guaranteed delivery times that generally correspond to next-day delivery in the domestic market and next-day to two-day delivery in the international market.

Geopost’s core business is next-day parcel delivery to domestic customers with a Premium offering, in particular through the Predict interactive notification service, which is also offered for intra-European road traffic (next-day to three-day delivery depending on the origin and destination concerned);

- **geographic coverage**:
  - domestic markets (national delivery),
  - an international market, sub-divided between shipments within the European Union and shipments outside the European Union (also called intercontinental delivery).

Geopost is specialised in domestic and intra-European delivery and is expanding in the intercontinental market;

- **the nature of the sender and recipient**, which subdivides the market according to the type of parcel flow:
  - business to business (BtoB),
  - business to consumer (BtoC),
  - consumer to consumer (CtoC),
  - consumer to business (CtoB).

Geopost covers all customer needs in the various segments.

### Market players driving specialisation

The market is served by various types of operators, each of which has an operating model based on their particular structure and type of network:

- **global players** or integrators (UPS, DHL Express, Fedex/TNT), which cover the entire parcel delivery chain. They manage all functions, from airline to customs broker, freight agent and often also road courier;
- **major regional players**, including Geopost, capable of serving a large number of countries in a unified manner. In this segment, Geopost is the leading pan-European operator in terms of both revenue and number of countries covered by subsidiaries<sup>(1)</sup>. These road shippers do not have their own air fleet and rely on commercial flights (in the baggage compartment of the aeroplane) or on integrated operators for their express delivery services;
- **domestic players** which include:
  - some domestic postal operators that have extensive domestic distribution networks and that are major players in BtoC markets,
  - local players: partner networks, shippers and SMEs, mainly positioned in the domestic small parcel transport market (or even the regional market), mostly in BtoB, and which are generally absent from international delivery.

Global players have invested in the standard parcel market for a few years in the European CEP market to establish a foothold in the BtoC market. This market was initially dominated by postal operators as well as regional and local players.

However, estimates now suggest that this segment is dominated by postal operators, whose market share was thought to be above 34.5% by value and 41% by volume<sup>(1)</sup> in 2021, although the distinction between postal operator and non-postal operator is becoming blurred.

In Europe, Geopost is currently the leading operator in the CEP market with an estimated market share of 13.6% in revenue in 2021 (an increase of 0.2 points compared to 2020). Geopost is also the leader in the intra-European road transport export market<sup>(1)</sup>.

### Market trends

In 2021, the European CEP market was valued at €79.8 billion, representing 15.9 billion parcels. The market has enjoyed estimated growth of 12.5% by value and 11.7% by volume compared with 2020<sup>(1)</sup>.

(1) Source: annual internal survey.

(2) In France, Geopost’s subsidiaries operating under the Chronopost and DPD France brands are number two in the market, behind Colissimo. La Poste Groupe (Colissimo + Chronopost + DPD France) is number one in France.

(3) Or 70 pounds.

(4) Known as “the loader”.

(5) Calculation based on five delivery days per week.



## Growth of e-commerce boosting both domestic and cross-border volumes

### Domestic volumes

The development of e-commerce is contributing to an increasing share of BtoC (estimated at slightly more than 64% of European CEP market volumes in 2021<sup>(1)</sup>). The BtoC segment drove the overall growth of the European CEP market, with increases of 15.7% by volume and 16.9% by value in 2021. This trend is underpinned by the growth of European e-commerce, estimated at 23.5% in 2021<sup>(1)</sup>.

In the first half of 2022, growth in e-commerce – a driver of domestic volumes – was much more moderate than over the previous two years. In Europe, growth in e-commerce sales was estimated at 5.5% in 2022, meaning a decline in domestic volumes.

### Cross-border volumes

The cross-border business corresponds to parcel import and/or export operations.

In 2021, 60% of regular European e-buyers had already made purchases on a foreign site<sup>(1)</sup>. As a result, it is estimated that 60% of French internet users have already made foreign purchases on the internet. The countries with the most mature domestic e-commerce sites (including the United Kingdom, Germany, France and Poland) have the lowest rates, but these still remain around 50%. Among countries that have a smaller domestic offering, the percentage of e-shoppers who have already made purchases on foreign sites stands at 60% in Italy, 62% in Spain, 78% in Belgium, 82% in Portugal and 87% in Switzerland.

Modelled on the growth of e-commerce within the European Union, the European CEP market has been driven by growth in intra-European volumes. Europeans often buy goods from neighbouring countries.

However, cross-border trade to and from the United Kingdom saw a marked decline in 2021, linked to the new post-Brexit regulations. Indeed, 8% of regular British e-shoppers say they have stopped buying goods from sites overseas. A further 7% were added to that contingent in 2022<sup>(1)</sup>. The reasons behind the stop in purchases for British e-shoppers include increased shipping costs, the end of the VAT exemption on low-value goods and longer delivery times.

Lastly, in 2021, for purchases outside Europe, regular e-shoppers made their purchases primarily on American (30%) and Chinese (54%) sites, despite a significant drop in purchases from China (down 6 points compared with 2019). Conversely, in China, 80% of all e-shoppers have already purchased products from European sites, and 63% have purchased products from other Asian countries.

## A geographically concentrated market under consolidation

The European CEP market is highly consolidated: Italy, France and Germany account for 61% of the European express parcel market by volume. Those three countries and the United Kingdom together account for 73% of the market.

In 2021, the total market continued to grow in Western Europe, the Netherlands (up 14.1%) and Ireland (up 49.7%), as well as in Eastern Europe (Lithuania: up 34.7%; Latvia: up 32.6%; Estonia: up 22.1%; Poland: up 21.0%<sup>(1)</sup>).

The three largest postal operators (DHL Express in Germany, Colissimo and Geopost in France, and GLS and ParcelForce in the United Kingdom) hold approximately 48.3% of the European market in volume<sup>(2)</sup>. Compared to the US market, however, it remains relatively unconsolidated. Consolidation can therefore be expected to continue.

## Economic context and competitive environment weigh on market prices

The parcel industry entered a post-pandemic phase in 2022. The fast/express parcel business had already been facing strong pricing pressure for several years, in the BtoB and BtoC segments alike, and two factors contributed to putting even greater pressure on prices in 2021:

- parcel operators' increasing capacities, which are growing apace with the market;
- large customers' high bargaining power due to the consolidation of the e-commerce market around a handful of large e-tailers.

Furthermore, the costs linked to delivery to individuals are higher than the costs linked to delivery to businesses, which causes additional pressure on margins, compounded by increasing difficulty in recruiting drivers.

On top of these factors is the positioning of the delivery offering compared to the overall e-commerce offering: delivery tends to be considered as a commodity whose value is not recognised or hardly acknowledged by e-shoppers. These factors create a paradox where XtoC deliveries are more expensive and more demanding in terms of service, while end-customers often expect to be offered the service for free.

In 2022, the invasion of Ukraine had a major impact on the market, causing further disruption to global supply chains, putting added pressure on commodity prices and causing uncertainty to swell. In Europe, the outlook is one of slower growth and higher inflation, especially for 2022. Real GDP growth in the European Union and the eurozone is now expected to be 2.7% in 2022 and 2.3% in 2023, down from 4.0% and 2.8% (2.7% in the eurozone). Rising energy prices had the biggest impact on the global and European economies. Prices for energy commodities had already risen considerably before the invasion of Ukraine, from the lows reached during the pandemic. Gas and electricity have been trading at all-time high prices, particularly in Europe, since last autumn.

(1) Source: Geopost e-shopper survey for 2021, conducted by GfK and Geopost, in 21 countries and with 23,394 respondents.

(2) CEP Market (Courier, Express and Parcel): market for the transport of parcels weighing less than 31.5 kilograms, which must be carried out through a network (including collection, sorting, transport and delivery operations). The parcels generally benefit from a tracking system (Track & Trace).

Events in Europe have sparked fresh uncertainties in the markets, negatively impacting the e-commerce market in the process. The war in Ukraine, sanctions, energy supply disruptions and rising inflation have impacted both consumers and businesses, pushing discretionary spending down and the cost of doing business up.

As a result, earnings estimates for the first half of 2022 showed the CEP market to have fallen by 1.8% by value and 6.5% by volume compared with the first half of 2021. 2022 was characterised by two opposing trends:

- in the face of declining volumes, parcel operators' capacities, which increased greatly during the pandemic, spurred competition in the race for volume;

- transport operators passed very steep increases in energy prices on in their prices.

Geopost's objective is to combine growth in volumes with maintaining profitability through an adapted pricing policy, taking into account the rise in costs.

Lastly, competitive pressure remains fierce in Geopost's markets. The increasing in-sourcing of logistics and transport in certain marketplaces, the emergence of new players and the diversification of incumbent logistics and transport players in certain business segments are among the contributing factors.



## REBALANCING BETWEEN THE BTOB AND BTOC MARKETS

### BtoB and BtoC

In 2021, the BtoC market once again drove overall growth in the European CEP market, as consumers continued to shop online more frequently than before the pandemic (15.7% growth in volumes). In 2021, the European XtoC market, which refers to delivery to the end customer from either a business (BtoC) or a consumer (CtoC), increased its share of volumes to 68.2% (from 66.1% in 2020).

The BtoB segment enjoyed estimated growth of 8.5% by value and 4.9% by volume in 2021.

In 2022, it resumed growth in most European countries, in the absence of lockdowns. And in the first half of 2022, it recorded growth of 5.4% by value, with volumes stable overall.

At the same time, in line with the decline in e-commerce sales, the BtoC segment saw declines of 9.3% by volume and 7.8% by value in the first half.

### CtoC

The CtoC segment meanwhile experienced faster growth thanks to a surge in peer-to-peer marketplace sales. Growth in the CtoC segment continued in 2021 (increases of 9.2% by volume and 6.2% by value). The segment maintained its positive momentum in 2022, as it offers an economically attractive alternative amidst heightened price sensitivity, and it also meets the expectations of more responsible consumption.

### 1.2.2.2 A network-based organisation

Geopost's organisation means it is able to offer international shippers and recipients a consistent and comprehensive offering of BtoB and BtoC delivery services across Europe and the entire world.

#### An interconnected multi-domestic network

##### In Europe

Geopost's network offers comprehensive and competitive coverage in all European countries. It is based on reliable domestic networks, has a thorough understanding of specific local characteristics and is totally interconnected within a high-performing international network.

Geopost is present on the European market:

- through wholly owned or controlled subsidiaries in 26 countries: under the DPD brand in Ireland, the United Kingdom, France, Belgium, Luxembourg, the Netherlands, Germany, Switzerland,

the Czech Republic, Slovenia, Croatia, Poland, Slovakia, Hungary, Estonia, Latvia, Lithuania, Portugal and Romania; under the Chronopost brand in France; under the Seur and TIPSA brands in Spain; under the BRT brand in Italy; and under the Speedy brand in Bulgaria;

- through capital and industrial partnerships: on the Austrian market thanks to a 26% stake in DPD Austria;
- through commercial partnerships with leading companies: PostNord in the Nordic countries (Denmark, Sweden, Norway and Finland); Lagermax in South-East Europe.

As a result, Geopost in Europe is active across the continent. Thanks to its locations in these major markets, it now has the most extensive parcel delivery network on the continent.

In 2022, France, Germany and the United Kingdom accounted for 44% of its revenue. Geopost generates 84.5% of its revenue outside France.

## Outside Europe

Outside Europe, Geopost has expanded its presence in dynamic markets:

- directly, through wholly owned or controlled subsidiaries: in Belarus and Kazakhstan with 100% stakes; in South Africa with a 75% stake in DPD Laser; in Brazil with a 98% stake in Jadlog; in Mauritius with a 75% stake in Chronopost Mauritius; in Asia with a 65% stake in Lenton (see Section 6.1, Note 43 to the 2022 consolidated financial statements);
- through capital and industrial partnerships: in India with a 43% stake in DTDC; in Turkey with a 25% stake in Yurtiçi Kargo; in South-East Asia with a non-controlling equity investment in Ninja Van (42.4%); in French-speaking Africa: Morocco (34%) and Burkina Faso (40%) under the Chronopost brand; in Egypt with a 11% stake in Bosta; in the Middle East, Africa and Australia with a 28% stake in Aramex;
- lastly, Geopost is positioned on the international transport market for specialised pharmaceutical products through its subsidiary Biocair (100%).

Geopost has also built an air network, mainly through partnership agreements with airline companies<sup>(1)</sup>, equity investments in international operators<sup>(2)</sup>, equity investments in companies offering domestic services<sup>(3)</sup> and partnership agreements with other regional operators throughout the world. For example, Geopost has owned 35% of Sodexi (joint venture with Air France Cargo) since 2012, a company that carries out Air France Cargo airport express operations.

This air network, which operates from Chronopost's Roissy-Charles de Gaulle hub (France), delivers parcels to 230 destinations worldwide.

## Asendia: cross-border e-commerce

Since 2012, La Poste has implemented a strategic alliance with Swiss Post to develop cross-border e-commerce activities, which has led to the creation of a joint venture called Asendia.

Following La Poste Groupe's announcement of its new strategic plan for 2030, and in agreement with the joint shareholder, Geopost has been responsible for the operational management of Asendia since 1 July 2021. The objective is to promote value creation and synergies between the entities, while respecting the shareholders' agreement.

This segment of cross-border e-commerce is particularly promising, with average annual growth expected to exceed 15% per year and volume of transactions to exceed €800 billion by 2025.

In this segment, Asendia offers two types of services:

- logistics services for cross-border shipments of small goods, parcels and mail from 18 countries and three major geographic areas (Europe, North America and Asia-Pacific), with a business model that is not highly capital intensive. The model involves purchasing transport and distribution solutions and offering customers a seamless service by injecting volumes into the distribution network (usually postal) of the destination countries;

- technological services operated by its subsidiary eShopWorld allowing brands to manage cross-border transactions with a customer experience equivalent to domestic transactions.

In 2022, Asendia generated revenue of €2,510 million, representing growth of 15.3%.

## Customs developments in the European Union and the impacts of Brexit

The United Kingdom's exit from the European Union's single market on 1 January 2021 has resulted in the reintroduction of customs formalities for all goods traded between the two areas.

To manage Brexit, Geopost has adapted its network, notably by developing its customs clearance capacities in dedicated import/export consolidation points (gateways) and has been able to retain some of its volumes, even though new customs constraints have discouraged many customers from exporting – and have even prompted some of them to reorganise their logistics flows. However, the European Union's VAT/e-commerce package, and especially the impossibility of clearing low-value goods at any point of entry for customers not registered with the IOSS<sup>(4)</sup>, has impacted the ability of the network to meet all demand.

In 2022, to adapt its customs clearance network to these emerging challenges, Geopost established a customs department with the aim of strengthening its customs strategy and streamlining its customs services. Geopost is particularly attentive to regulatory developments afoot in Europe, which could have a significant impact on its business between the European Union and the United Kingdom.

## A growth model based on a hybrid BtoB-BtoC network

Geopost operates essentially in a market where volume growth is a key defining factor for success. The CEP market grew by an average of 12.9% per annum between 2017 and 2021 (from 10.5 to 15.9 billion parcels), with 11.7% growth in volumes from 2020 to 2021. While BtoB volumes were up 8.5% in 2021, BtoC volumes increased by 16.9%.<sup>(5)</sup>

In this context, flow pooling is a key factor for performance. The challenge is twofold:

- being able to handle constantly growing volumes from the market and meeting customers' needs, especially key accounts;
- reducing unit costs during industrial processing (sorting and dispatch) and delivery phases (optimised rounds) and ensuring competitive products and services.

Geopost was one of the first BtoB operators in the market to make the strategic choice to expand into BtoC more than ten years ago. By pooling together BtoB and BtoC flow processing within its network, it was able to tap into the market's growth while improving its competitiveness. Geopost's growth potential therefore relies on its ability to increase its market share in both BtoB and BtoC flows.

(1) Including Air France-KLM, Cathay Pacific and American Airlines.

(2) Like SoDExI (subsidiary owned 65% by Air France SA and 35% by Geopost).

(3) Such as DTDC in India and DPD Laser in South Africa.

(4) Import One-Stop Shop, an electronic portal allowing businesses to complete VAT formalities on distance sales of imported goods.

(5) Source: annual internal survey.

In 2021, market growth was confirmed and the BtoC market share was once again consolidated. Geopost benefited from strong growth in both revenue and volumes. As a result, the BtoC share represented 58% of its business volume in 2021.

Market dynamics were different in 2022. In the first half, the share of BtoC volumes in the total European CEP market edged down for the first time since the start of the pandemic, mirroring lower e-commerce sales. In the six months to the end of June 2022, BtoC volumes represented 55% of volumes in Europe, compared with 59% in 2021.

### Operational excellence for enhanced customer service

High-quality shipping and delivery solutions guarantee customer satisfaction and loyalty.

Geopost invests substantial targeted capital expenditure in order to drive growth, deliver high-quality service and optimise its regional coverage, allowing it to strengthen and modernise its production capacity. In recent years, investments have been made in particular to open and expand hubs in France and Europe, regularly renew delivery scanners and improve IT processes and data monitoring.

In 2022, to further strengthen its production capacity, Geopost opened 29 new hubs and depots in Europe<sup>(1)</sup>, including a new hub in Belgium and depots in France (eight for Chronopost and three specifically for Chronofresh), Croatia, Hungary, Lithuania, Slovenia and Spain.

These investments made it possible to absorb the growth in volumes and the management of peak activity at the end of the year, which is characteristic of the retail delivery market. At the end of 2022, despite the difficult economic climate, Geopost maintained peak activity very similar to that seen in 2021: on 28 November 2022, it recorded its highest-ever daily volume, with 12 million parcels processed in Europe following Black Friday orders, an increase of 60% on standard daily volumes. For the total peak period, from 15 November 2022 to 15 January 2023, Geopost processed 375 million parcels in Europe.

#### 1.2.2.3 Comprehensive and innovative delivery offering

Through its main trademarks, Geopost offers a comprehensive and innovative range of BtoB, BtoC and CtoC services, in terms of:

- delivery times (domestic, European and intercontinental):
  - fast standard delivery, usually providing next-day delivery, albeit without a guarantee,
  - express premium delivery (guaranteed next-day delivery, before 1 pm; date and time specified – and a refund if not delivered on time);
- customised solutions and value-added service. These customised offerings are adapted locally to better meet customers' needs (parcel tracking, cash on delivery, online proof of delivery, insurance, collection requests, etc.). Available for domestic delivery, some of its products and services are also offered for import/export flows in order to facilitate international e-commerce trade;

- carbon footprint. Geopost aims to reduce emissions from its transport activities as much as possible while offsetting the remaining emissions. In 2021, Geopost offset 100% of its transport and energy consumption emissions and reduced its CO<sub>2</sub> emissions per parcel by 22% (compared to 2013).

### Home delivery

In 2022, 78% of regular e-shoppers<sup>(2)</sup> in Europe preferred home delivery (door-to-door) which is Geopost's core business. However, consumers are increasingly considering alternative delivery places: pick-up points, at work, in a shop or in a parcels locker. Of all delivery options, lockers enjoyed the strongest growth, for the first time becoming as popular as pick-up/drop-off points in 2022.

With this in mind, Geopost offers a "Return my parcel"<sup>(3)</sup> service to make it easier for customers to return items by dropping them off at pick-up points or booking a home pick-up whenever they wish. With this service, customers can also track where their parcel is at a given time. This simple way to return items brings peace of mind and streamlines online shoppers' overall experience.

### Delivery to pick-up points

The challenges raised by home delivery, with pressure on prices and the need to offer more flexibility and options in terms of delivery methods, make having a network of pick-up/drop-off points a real asset for increasing BtoC market share.

Lockers are gaining ground among e-shoppers in Europe, where they are used by 20% of regular e-shoppers. Pick-up/drop-off points are equally popular as lockers Europe-wide. They are particularly popular in France (56%), the Czech Republic (49%), Slovakia (42%), Belgium (29%) and Hungary (28%).

Leveraging Pickup Services, a subsidiary specialising in the development of out-of-home delivery solutions such as retail pick-up/drop-off points (tobacconists, news stands, bookstores, stationery shops, etc.) or pick-up/drop-off points in larger stores (supermarkets, store networks, franchise networks), Geopost has rolled out this model throughout Europe to offer shippers a consistent network with the same service level requirements.

With a view to creating more pick-up solutions for individual customers (BtoC and CtoC), Geopost has set up a network of 1,000 automated Pickup Station lockers in high-traffic areas in France. Most lockers are accessible 24 hours a day and 7 days per week. In addition to the lockers installed in SNCF train stations and post offices, the Pickup Station lockers located in supermarkets and hypermarkets are becoming increasingly popular. New lockers are also being rolled out in metro stations and RER stations in the Greater Paris region (Île-de-France), to simplify the daily life of passengers.

(1) Including sites open temporarily for the peak period.

(2) Source: Geopost e-shopper survey for 2021, conducted by GfK and Geopost, in 21 countries and with 23,394 respondents.

(3) Return procedures aligned with local practices.

Today, Geopost has one of the most extensive networks of pick-up/drop-off points in the market. Its network comprises more than 83,000 Pickup points (pick-up/drop-off points) in 30 countries around the world, including over 16,500 Pickup points in France, 9,261 in Germany, 6,773 in the United Kingdom, 6,379 in Italy (Fermopoint), 12,143 in Poland, 3,726 in Spain and 8,652 in Nordic countries (Denmark, Finland, Norway and Sweden) via the strategic partnership with PostNord. Automated lockers are booming in Europe, with nearly 12,000 lockers deployed to date.

The aim is to ensure that 95% of Europeans are located no more than 15 minutes away from a Pickup point.

## Interactivity with the consignee

In 2010, Geopost made the decision to prioritise innovation to help overcome the challenge of delivering to individuals and ensure that first-time delivery attempts are successful.

Geopost uses new technologies to ensure that deliveries are organised in an optimal manner via a rounds optimisation software that calculates and organises the delivery order on a daily basis. On the basis of this scheduling and the resulting delivery schedule predictability, Geopost has developed notification systems not only to notify consignees but also to interact with them:

- **the Predict service:** Geopost has created this unique interactive delivery service for home delivery within a one-hour window, announced the same morning (by email or text message). Consignees may also go online or use their smartphone to change their delivery to another date or to another location (a new address, with a neighbour or to a specific Pickup point). Thanks to Predict, now rolled out across all European subsidiaries and available in 21 countries<sup>(1)</sup>, Geopost is the first operator to offer its customers a one-hour delivery window throughout Europe;
- **the myDPD portal:** to give recipients the opportunity to customise the service even further, Geopost is continuing work to develop the recipient portal, accessible via an app and the web. Launched in 2016 in the United Kingdom and Ireland, it has since been rolled out across Europe, including Germany, Belgium, the Netherlands, the Baltic States, Croatia, Portugal, Slovenia, Switzerland in 2021, and Italy in 2022. In 2023, myDPD should also be available in France (DPD France) and the Czech Republic. The interface informs consignees in real time about their delivery, displaying live tracking on a map of the precise route of their parcels. Recipients can interact at any time to redirect a parcel to a pick-up point or a neighbour, or to modify the delivery date. This portal will be enhanced with additional services to make life even easier for users;
- **simplified returns management for e-merchants:** the "Return my parcel" portal used in several countries allows consumers to order a return by drop-off at a Pickup point, or by collection at home, from e-merchants that authorise prepaid returns. With this service, customers can also track where their parcel is at a given time. This simple way to return items brings peace of mind and streamlines the e-shopper's overall experience.

## 1.2.2.4 Strategy and outlook

As part of La Poste Groupe's 2030 strategic plan, Geopost has mapped out "Together & Beyond", its transformation pathway going out to 2025, geared towards making it the international leader in sustainable delivery and a driver for the acceleration of e-commerce.

The pathway is based on three pillars:

- strengthening positions acquired in the core business;
- accelerating initiatives in strategic segments;
- conquering new horizons.

### Developing positions acquired in the core business

#### Consolidating positions in the BtoB market

Between 2017 and 2021, the European BtoB market grew at an average rate of around 3.8% per annum by value.

In 2021, BtoB sales picked up again in most European countries, with lockdowns imposed on industry and business generally less severe. The BtoB market grew by 8.5% by value and 4.9% by volume, well above the annual growth rates of previous years.

In the first half of 2022, BtoB volumes were less affected by the prevailing macro-economic environment than BtoC volumes. The BtoB CEP market is expected to grow by 5.4% by value and decrease by 0.4% by volume. The faster growth by value terms partly reflects the varying impact of charges applied by delivery operators to cope with rising operating costs.

Its intra-European road network means Geopost is able to offer its customers comprehensive solutions, including a range of last mile services across the European continent. Despite increased competition, Geopost intends to maintain this leading position through a strategy of risk management, measured price increases and cost controls.

Geopost's BtoB strategy aims to provide equal support to:

- the segments that are still growing, such as the BtoB marketplaces and healthcare;
- the recovery of the segments most affected by the crisis such as high tech and industry;
- the transformation of certain segments by offering a BtoB/BtoC one-stop-shop model.

#### Strengthening the development of intra-European cross-border flows

At the same time, in the European cross-border market for parcels delivered by road, Geopost aims to pursue its strategy of achieving stronger growth than in the broader market so as to consolidate its leading position.

This ambition is driven by continuous improvement in operational performance through a premium door-to-door offering, combined with strong development of an out-of-home service based on a densification of its network of pick-up/drop-off points and lockers with the doubling of retail outlets by 2025.

Thanks to a comprehensive delivery offering, Geopost aims to consolidate its position as a preferred partner for both pan-European and multi-domestic customers and European SMEs for their BtoB, BtoC and CtoC delivery needs.

(1) Predict is available in the following 21 countries: Austria, Belgium, Croatia, the Czech Republic, Estonia, France (Chronopost and DPD France), Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Switzerland, and the United Kingdom.

## Accelerating initiatives in strategic segments

### Supporting the expansion of delivery to individuals (XtoC)

To achieve this ambition, Geopost intends to:

- pursue its policy of innovation in premium services;
- continuously enhance the customer experience and increase its commercial impact through personalised services, a competitive approach and individualised management of the customer relationship (from the point of view of both the shipper and the recipient);
- offer the densest out-of-home network (parcel shops and lockers) in Europe.

In the out-of-home delivery segment, Geopost plans to continue to develop its Pickup network with a view to offering the best coverage in Europe by 2025, with 100,000 Pickup retail outlets.

### Developing offerings in the Food and Health segments

Among those consumer habits that have been deeply marked by two years of health crisis, the development of food e-commerce today embodies a real shift in society as new consumer expectations and preferences emerge in favour of local purchasing and short supply chains. The launch of Chronofresh by Chronopost France in 2015, followed by the launch of DPD Fresh in Belgium in 2020, are a perfect illustration of this underlying trend.

The food market is undergoing profound changes. Producers and the food industry are rethinking their distribution channels. The market has high expectations for innovative, competitive and economically viable solutions in the express delivery model. To this end, Geopost's ambition is to position itself as the leading operator in temperature-controlled delivery solutions in Europe.

In 2022, Geopost carried out various initiatives designed to strengthen its positioning in this segment, including the acquisition in July of *pourdebon.com*, a marketplace allowing consumers to order fresh produce directly from farmers and producers throughout France, and DPD Netherlands' acquisition of *Cool Runnings*, an expert in temperature-controlled chilled and frozen food transport. At the same time, Chronopost is developing its Chronopost Healthcare business unit, investing €20 million to strengthen its logistics capacity for the transport of temperature-controlled medical products.

### Be the European leader in responsible urban logistics

Urban logistics refers to all flows entering, circulating within, or leaving a city. Urban logistics are a priority for Geopost, which has already been carbon neutral since 2012.

The current urban logistics market demonstrates the growing importance of transparent, flexible and convenient delivery for customers of all profiles. Urban space and needs are becoming more complex, leading to the emergence of new logistics and delivery requirements from retail and mass market players.

Geopost has a compelling urban logistics offering featuring high-potential innovative services in dense urban areas: same-day delivery, evening time slots, home delivery from "urban hubs" or stores, and out-of-home delivery. Geopost aims to become a leader in responsible urban logistics with an offering that dovetails perfectly with its value proposition by targeting urban areas with more than 2 to 3 million inhabitants, very high population density and big challenges in terms of traffic flows.

To that end, Geopost is focusing on three major areas of development:

- introduction of low-emission last-mile delivery fleets, with the aim of extending such deliveries to 350 cities with more than 50,000 inhabitants in Europe by 2025;
- route optimisation to reduce the distances between depots, hubs and the end consumer. The aim is to continue opening urban depots in European cities, bringing their number to 250 by 2025;
- development of out-of-home delivery solutions, with the aim of offering a dense network of 100,000 Pickup points (pick-up/drop-off points and lockers) in Europe by 2025.

### The urgent transport market

Geopost customers and subsidiaries can opt for same-day delivery in many European countries<sup>(1)</sup>, and even two-hour delivery in Germany (DPD Now) and Spain (SEUR Now).

Urgent urban delivery by courier has been growing strongly since 2015 with the emergence of many new players. Since March 2017, Geopost has owned 100% of Stuart, a last-mile delivery platform for retailers and e-tailers. Stuart expanded its geographical footprint in the latter part of 2022, closing the year with operations in six European countries (France, United Kingdom, Spain, Portugal, Poland and Italy).

In 2022, through its subsidiary DPD UK, Geopost completed the acquisition of CitySprint, the United Kingdom's leading same-day delivery network, while CitySprint in turn announced the acquisition of EcoSpeed and Astral, two same-day courier companies. In Spain, the SEUR Now urgent delivery offering is now available in 10 cities (including Madrid, Barcelona, Bilbao, Valencia, Malaga and Seville), and over 1 million parcels were delivered by an almost entirely low-emission fleet. SEUR Now's fleet is equipped almost exclusively with zero- or low-emission vehicles. SEUR has taken other measures in this area, such as delivery with low-emission vehicles in 64 Spanish cities with more than 50,000 inhabitants by 2025.

### Urby

Created in 2018, Urby aims to offer solutions that make cities more breathable and more peaceful for their inhabitants. A subsidiary of La Poste Groupe (60%) and Banque des Territoires (40%), Urby is present in 23 cities in France and offers urban delivery and goods collection services (all formats), storage and collection of business waste (cardboard, plastic, wood, etc.).

To this end, the Urby concept relies on two types of structures: pooling centres located on the outskirts of cities, and urban logistics areas (ULAs)<sup>(2)</sup> in the heart of the city. The pooling centres allow carriers, couriers, brands and communities to free themselves of the first and last mile. For these players, Urby collects and stores goods and organises deliveries in dense urban areas with 220 low-emission vehicles (investment of €20 million), from electric vehicles to natural gas vehicles (NGV or organic NGV), cargo bikes, B100 and more. The ULAs offer solutions for local storage, order preparation, restocking between stores, and pick-up and delivery of products by appointment for retailers, tradespeople and large retailers.

(1) Spain, Portugal, France, United Kingdom, Hungary, Poland, Estonia, Lithuania, Latvia, Belgium and Luxembourg.

(2) See definitions in the glossary in Section 8.3 of this document.

With 300 employees and rapid development underway, Urby plans to continue marketing new offerings including XL pick-up/drop-off points, storage solutions and more deliveries of heavy or bulky goods.

### Urby locations in France



### Conquering new horizons

#### A federating model

Over the last 20 years, numerous partnerships have shaped Geopost and contributed to its success. The company now aims to continue its development on this model by pooling energies so as to ensure that local knowledge and expertise are always put first.

### Strengthening positions outside Europe

Outside Europe, Geopost aims to expand its positions by applying the method that was behind its success in Europe: acquiring domestic delivery leaders, providing them with its expertise to implement innovative growth-driving services, and building up international flows.

For example, in Brazil, following the takeover of Jadlog in 2016, a network of almost 4,500 Pickup points is gradually being set up, making it the leading network of pick-up/drop-off points in Latin America at the end of 2021. In 2021, Jadlog rose to the forefront of delivery to individuals in Brazil (80% of its revenue versus 20% in 2016) and delivered a total of 39 million parcels (versus 7 million five years earlier).

### Conquering new markets and developing intercontinental flows

The global CEP market continues to grow faster outside Europe, particularly in Asia, the Indian subcontinent, the Middle East, South America and Africa. Geopost's long-standing strategic partnerships and its positions in the freight forwarding sector, together with the development of partnerships in Asia, are aimed at promoting flows between Asia and Europe, particularly e-commerce flows, and ensuring delivery to European consumers via its unified Geopost network. By acquiring a majority stake in Lenton in Asia in 2019, Geopost hopes to develop flows to and from China by deploying the DPD brand in China.

With this in mind, in 2021 Lenton acquired Your Cargo Contact (YCC), a Dutch company specialising in customs clearance and international logistics. With the acquisition of a 24.9% stake in Aramex in October 2021, increased to 28% in 2022, Geopost aims to continue developing synergies with an operator boasting a powerful international network in the Middle East, Asia, Africa and Oceania, rounding out Geopost's extensive footprint in European delivery markets.



### ACCELERATING GROWTH IN E-COMMERCE

Since 2021, Geopost's international strategy has also included the operational management of Asendia, a joint venture between Swiss Post<sup>(1)</sup> and La Poste. Asendia, a specialist in cross-border e-commerce, whose shareholders' agreement was renewed in 2022, aims to make cross-border e-commerce easy and reliable, anywhere in the world. The merger is aimed at developing synergies between the two entities.

Against this backdrop, Asendia and its subsidiary eShopWorld (ESW) plan to grow:

- among major players in global e-commerce in Europe and worldwide;
- in goods shipments from 30 countries;
- among major brands for their international sales; and
- among e-merchants wishing to tap international markets.

In 2022, ESW acquired Scalefast, a Los Angeles-based provider of global e-commerce solutions.

(1) Asendia is 60% owned by La Poste and 40% owned by Swiss Post.

### Becoming the international benchmark in sustainable delivery

Geopost has long been committed to a sustainable development policy, most notably through its commitment to carbon neutrality, which began in 2012. By 2025, Geopost aims to be the market benchmark in this area and has set itself the goal of reducing its CO<sub>2</sub> emissions and pollution, particularly in urban areas.

#### 2040 “net-zero” pathway validated by the SBTi

Since 2012, Geopost has taken significant steps to improve the environmental performance of its network:

- carbon neutral since 2012, Geopost offsets all of its residual transport- and building-related emissions through certified renewable energy projects in Brazil, India and China;
- by 2025, Geopost is on track to make deliveries in 350 cities in Europe (reaching 110 million Europeans) in low-emission mode (15,000 low-emission delivery vehicles, 6,700 recharging points and 250 urban depots). In 2022, DPD UK, DPD Germany and SEUR continued to roll out their low-emission delivery fleets and revised up their targets.

By the end of 2022, 8,458 low-emission vehicles were on the roads in 251 cities, and Geopost had opened 154 additional micro-depots. This is reflected in an 83% reduction in carbon emissions and a 95% reduction in air pollutants in the target

cities compared with 2020. In addition, in view of the impact of air quality on human health, Geopost partnered with Pollutrack at the end of 2022, to monitor air quality in 27 European cities. 1,565 mobile and 229 fixed sensors have been fitted in cities including Lisbon, Paris, Dublin, Madrid and Prague.

In July 2022, Geopost took the next step by submitting its 2040 “net-zero” ambition to the Science Based Targets initiative. Its aim is to contribute to capping the increase in global temperatures to 1.5°C by accelerating its plan to reduce greenhouse gas (GHG) emissions. To achieve that aim, Geopost is committed to radically reducing its scopes 1, 2 and 3 GHG emissions:

- by 43% by 2030 compared with 2020;
- by 90% by 2040 compared with 2020;
- eliminating all residual emissions (approximately 10%) through appropriate offset projects from 2040 onwards.

This 2040 “net-zero” pathway, which covers 20 of Geopost’s largest subsidiaries<sup>(1)</sup>, was officially validated by the SBTi in February 2023.

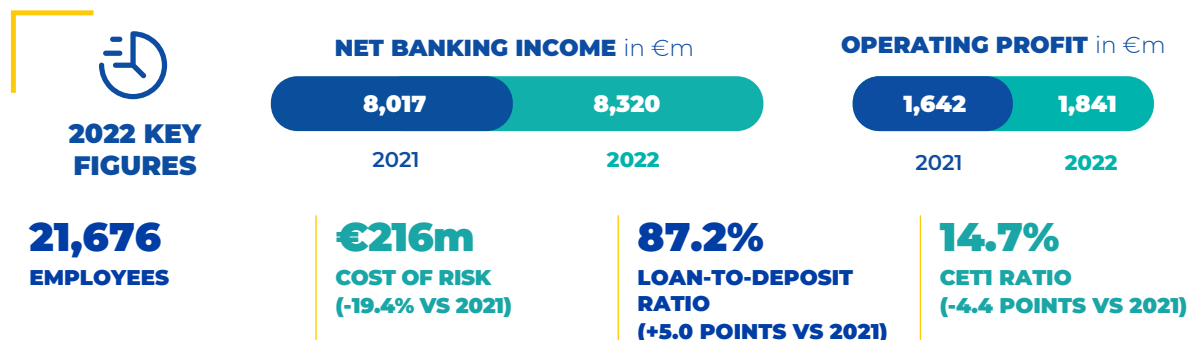
Lastly, in September 2022, the company also announced that it was joining the Climate Group’s EV100+ initiative<sup>(2)</sup>, and accordingly undertook to renew its fleet of vehicles with payloads of over 7.5 tonnes by 2040.

(1) BRT (Italy), Chronopost (France), DPD Germany, DPD Belgium, DPD Croatia, DPD Estonia, DPD France, DPD Hungary, DPD Ireland, DPD Latvia, DPD Lithuania, DPD Netherlands, DPD Poland, DPD Portugal, DPD Czech Republic, DPD United Kingdom, DPD Slovakia, DPD Slovenia, DPD Switzerland, SEUR (Spain). These subsidiaries account for 90% of Geopost’s revenue.

(2) EV100+ is an initiative of international non-profit Climate Group designed to generate a strong demand signal from business and help spark a revolution in zero-emission road transport by truck and other heavy goods vehicles.



### 1.2.3 LA BANQUE POSTALE<sup>(1)</sup>



#### 2022 SIGNIFICANT EVENTS

##### Creation of the integrated bancassurance model

- CNP Assurances integration completed, with La Banque Postale becoming the sole shareholder at the end of the first half of 2022. At the close of the simplified tender offer launched on 2 May 2022 for CNP Assurances shares, La Banque Postale held 97.79% of CNP Assurances' capital, allowing implementation of a squeeze-out procedure. CNP Assurances' shares were delisted on 20 June 2022.
- Acquisition by CNP Assurances of 85% of residential property fund Lamartine.
- Completion of CNP Assurances' purchase of Swiss Life France's stake in Assuristance, the holding company of Filassistance International, which is the legal protection insurance and assistance company for CNP Assurances/La Banque Postale, now the sole shareholder.

##### Business diversification

- Operational launch of the Corporate and Investment Banking business line in January 2022: a key driver of growth and business model diversification for La Banque Postale in the corporate and institutional investor markets.
- Creation of the private banking unit with Louvre Banque Privée's (formerly BPE) centre of expertise at its core, making it possible to provide personalised service and an offering adapted to the needs of private banking customers.
- Creation of the "115K" early stage investment fund dedicated to fintech, insurtech and cybersecurity, with a budget of €150 million.
- In late February 2023, LBP AM began exclusive negotiations with Primonial to acquire 100% of Financière de l'Échiquier and thereby strengthen its asset management business.

##### International multi-partner development

- In Brazil, acquisition by CNP Assurances of all Caixa Seguridade and Icatu's interests in five companies that distribute death/disability and health insurance, savings and other products.
- In Europe, development of CNP Assurances' business model in Italy by restructuring the shareholding of its subsidiaries (particularly through the acquisition of UniCredit's 49% stake in CNP Vita Assicura S.p.A, increasing CNP Assurances' interest to 100%.

##### Sustainability commitments and initiatives

- Becoming a mission-led company after adopting its company purpose (*raison d'être*) in June 2021, and reaffirming La Banque Postale's commitment to a "just transition" by embedding several environmental and social impact objectives in its governance system.
- Accelerated implementation of the decarbonisation pathway towards carbon neutral portfolios for LBP AM. It has set the ambitious target of aligning 80% of its total assets with a low-carbon target compatible with the Paris Agreement by 2030, and aligning 100% of its assets by 2040.

(1) The information found in Section 1.2.3 "La Banque Postale" of this document is taken from the introduction and Chapter 1 of the 2022 Universal Registration Document of La Banque Postale, which may be consulted for further information. It is available online at <https://www.labanquepostale.com/en/investors/regulatory-information/universal-registration-document.html>

La Banque Postale, a French limited company (*société anonyme*) with an Executive Board and a Supervisory Board, is organised around four business lines:

- Bancassurance France, comprising La Banque Postale's Retail Banking business, Ma French Bank and the domestic Life and Non-Life insurance businesses;
- International Bancassurance, consisting of CNP Assurances' international bancassurance businesses, notably in Brazil, Italy and Ireland;
- Corporate and Investment Banking (CIB), comprising the corporate, local public sector, financial institutions and institutional customer segments, as well as the specialised financing and capital markets businesses;
- Wealth and Asset Management, comprising the private banking arm Louvre Banque Privée (formerly BPE) and the asset management businesses of La Banque Postale Asset Management (LBP AM) and Tocqueville Finance.

La Banque Postale has carved out a unique position in the French market by basing its growth on a multi-partner business model that leverages La Poste Groupe's values of trust, inclusiveness and local service. In keeping with these principles, La Banque Postale's commercial strategy focuses on simple and affordable products suited to the needs of its customers.

The relationship between La Poste and La Banque Postale is very close, both at the level of their governance and management structures and in their business relations. The Chairman of La Banque Postale's Executive Board is also Executive Vice President of La Poste and a member of its Executive Committee, while the Chairman of La Poste is also the Chairman of the Supervisory Board of La Banque Postale.

### Operational relations with La Poste Groupe

Wholly owned by La Poste, La Banque Postale is both a customer (of Services-Mail-Parcels and Retail Customers & Digital Services) and a supplier (as its principal bank) of its shareholder. La Poste is also a service provider, supplying staff to La Banque Postale who act "in the name of and on behalf of" La Banque Postale.

Relations between La Banque Postale and La Poste are conducted within the framework of service agreements as provided for by Article 16 of law no. 2005-516 of 20 May 2005 concerning the regulation of post office business activities, cited above. This arrangement is organised around a master agreement that establishes the general principles and assigns responsibilities between La Poste and La Banque Postale, and 15 implementing agreements covering the following five areas:

- information technology and telecommunications;
- employee support and hosting;
- counters, ATMs and commercial distribution;
- controls, risks, compliance, anti-money laundering and anti-terrorism financing procedures;
- support functions.

La Poste staff used by La Banque Postale implement the Bank's policies in its name and on its behalf. These La Poste employees act on the Bank's behalf pursuant to authorisations that comply with the rules specified in La Banque Postale's banking licence. They primarily perform back- and middle-office tasks, sell La Banque Postale's banking, financial and insurance products and provide IT support.

Counter services are provided by the network of post offices in La Poste's Retail Customers & Digital Services business line. These services are governed by agreements concerning the type of transactions, their unit price, the way they are carried out and quantitative and qualitative service criteria.

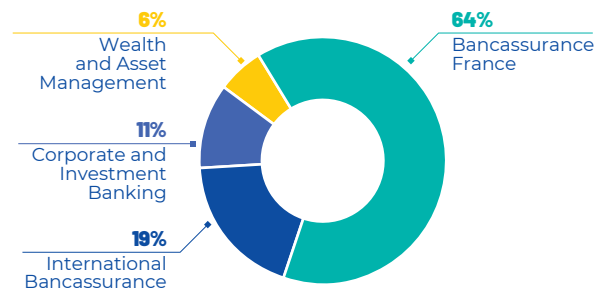
### Organisation of La Banque Postale

La Banque Postale therefore has:

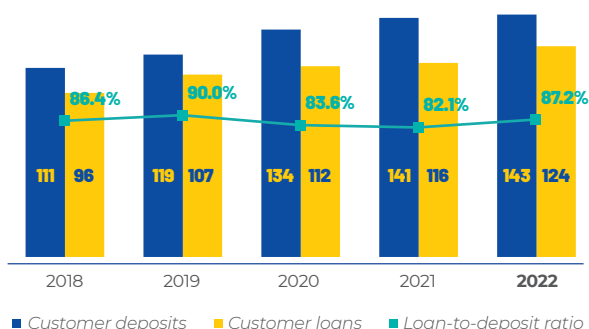
- its own resources, those of its subsidiaries and of its strategic holdings;
- resources provided by La Poste Groupe, notably its network of post offices, banking advisors and customer account managers.

### 1.2.3.1 Activities of La Banque Postale

#### Business line contributions to attributable net profit



### Outstanding customer deposits<sup>(a)</sup> & loans (in €bn) and loan-to-deposit ratio (as a %)



(a) Customer deposits exclude savings centralised at Caisse des Dépôts.

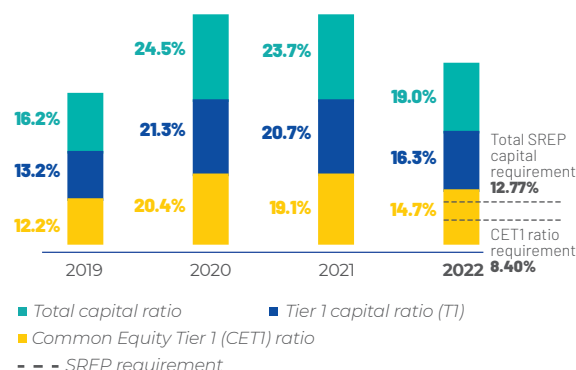
### Bancassurance France

Retail Banking, La Banque Postale’s legacy business, offers banking products and services for retail<sup>(1)</sup> and business<sup>(2)</sup> customers. It offers customers a comprehensive range of banking and insurance products and services aligned with the principles of responsible finance. As the sole shareholder of CNP Assurances since end-December 2022<sup>(3)</sup>, La Banque Postale’s bancassurance model has been reaffirmed, with an insurance offering comprising life insurance, personal insurance, property & casualty insurance and liability insurance. La Banque Postale diversified its offers and services in 2022, with:

- consumer credit: launch of Django, a fintech (wholly-owned subsidiary of LBP Consumer Finance) specialising in

### Capital ratios

La Banque Postale’s consolidated capital ratios above the ECB’s Supervisory Review and Evaluation Process (SREP) requirements.



- deferred and split payment solutions for traditional merchants and e-merchants to offer to their retail customers;
- services dedicated to young people: launch of the Pass Jeune, a digital platform offering free non-banking services for 18- to 29-year olds;
- life insurance: La Banque Postale enhanced its *Cachemire 2* life insurance offer<sup>(4)</sup> with a new “all-in-one” broadly affordable solution, with investor-director management and a robust over 80%-SRI discretionary management formula.



### 2022 KEY FIGURES

**70%**

OF BUSINESS LINE NBI

**64%**

OF BUSINESS LINE ATTRIBUTABLE NET PROFIT

**€484bn**

IN MANAGED SAVINGS

**€75bn**

IN OUTSTANDING LOANS

**10M**

ACTIVE RETAIL CUSTOMERS <sup>(5)</sup>

### Retail Banking France

La Banque Postale offers a complete range of products and services to retail and business customers, including deposit accounts, payment methods, savings solutions, home loans, consumer finance and insurance.

It renewed and expanded its offering for young people by incorporating non-banking support services into the *Pass Jeune* digital platform, launched in May 2022. Three years after its launch, Ma French Bank had 600,000 customers (up 41% in one year). It is continuing to build its franchise in the youth market, with the launch of the WeStart account for 12- to 17-year olds, and among premium customers, with new high-end formulas.

Ma French Bank is a mobile bank and its products are also distributed by selected post offices. The results obtained to date by Ma French Bank reflect La Banque Postale’s ambition of making mobile banking available to everyone throughout the country and meeting the needs of young customers seeking a simple and appealing solution.

La Banque Postale’s fast pace of digitisation has also led to the deployment of ambitious programmes for fully online home loan and account application processes.

(1) The Wealth Management business is presented under “Wealth and Asset Management”; banking services for corporates, social economy players and the local public sector are presented under “Corporate and Investment Banking”.  
 (2) With revenue of €3 million or less.  
 (3) At the close of the simplified tender offer launched in May, La Banque Postale held 97.79% of CNP Assurances’ capital, allowing implementation of a squeeze-out procedure. CNP Assurances’ shares were delisted in June 2022.  
 (4) *Cachemire 2* is La Banque Postale’s benchmark unit-linked life insurance contract underwritten by CNP Assurances.  
 (5) Scope: La Banque Postale SA and Ma French Bank, excluding wealth management and “Core Clientele” individual customers, i.e., equipped committed and non-committed customers. (A committed customer is a customer whose revenue is paid into their account with La Banque Postale. An equipped customer holds contracts in several product families.)

### The policy for financially vulnerable customers, a hallmark of La Banque Postale's community commitment

La Banque Postale supports financially vulnerable customers at all times. It holds the largest proportion of this customer base, serving 1.7 million financially vulnerable people out of the 3.8 million such individuals in France as of end-2020, according to the count by Observatoire de l'Inclusion Bancaire. The fees charged to these customers for banking incidents are capped at €25 per month. Since 1 November 2020, when decree no. 2020-889 dated 20 July 2020 came into effect, La Banque Postale has updated its definition of financial vulnerability (criteria published on its corporate website). It has also taken action to detect banking incidents more rapidly and has set a cap on the related fees<sup>(1)</sup>.

Promotional campaigns in support of the *Simplicité* low cost account formula (available for just €2.30 per month) have helped to drive a further increase in the number of contracts held by financially vulnerable customers. As of end-December 2022, there were over 292,700 *Simplicité* account holders, representing an increase of 45% over one year. These customers benefit from a lower cap on banking incident fees (€20 per month and €200 per year) in the same way as customers who receive basic banking services under the Right to an Account scheme. The digitally-led inclusive banking plan includes a comprehensive support system for financially vulnerable customers, providing them with a variety of services such as online banking training sessions and a remote banking and budgeting support service via *L'Appui* (see Section 4.3 "An ambitious social commitment policy").

In September 2021 the *Atout Simplicité* customer relationship programme was launched, offering a bundle of products and services adapted to financially vulnerable customers. The programme meets four essential needs at the lowest possible cost:

- the ability for the customer to manage their budget on a day-to-day basis;
- the need for protection, which is met by La Banque Postale's basic auto insurance and comprehensive homeowner insurance policies offering accessible and socially responsible guarantees. A different form of protection is provided by the educational tutorials on insurance clauses and guarantees, which are designed to warn customers about the risk of not taking out insurance and provide guidance on the appropriate level of cover based on their situation. The tutorials are organised in partnership with La Banque Postale Assurances and Cresus;
- the need for appropriate financing solutions for customers who are unable to obtain a loan by the traditional route – which is met by La Banque Postale's competitive online banking offerings and the digital solutions available on the La Poste Mobile app, supported by the innovative social partnership with Créa-Sol (a micro-finance institution), for example.

Since February 2022, La Banque Postale has also offered the Budget Grande Vitesse application, in partnership with Cresus. The app helps customers better manage their daily budget and also determine their eligibility for social assistance. As an extension of its actions to promote digital apps as a gateway to banking inclusion, La Banque Postale has renewed its partnerships with four players: the social start-up WeTechCare, the PIMMS and FACE networks and Konexio, a social start-up specialised in the digital inclusion

of migrant populations and people living in poverty who are digitally illiterate (see Section 4.3 "An ambitious social commitment policy").

### The accessible banking mission

This mission guarantees universal and non-discriminatory access to free basic and essential banking services for people who are excluded from traditional banking services and have specific needs. La Banque Postale's *Livret A* passbook savings account is the key product underpinning this mission, as it is available to everyone, easy to set up and use and reassuringly safe. The mission entails specific obligations for La Banque Postale (see Section 1.3.2 "Regulations applicable to the public service missions").

### Insurance activities in France

La Banque Postale offers insurance products that support its customers at every stage of their lives. Its insurance services are provided by CNP Assurances<sup>(2)</sup> and La Banque Postale's non-life insurance subsidiaries.

### A major player in life insurance and supplementary pensions

In France, the life insurance and endowment market is still concentrated. It is dominated by the bancassurers, with traditional and mutual insurers lagging behind. In 2021, the top five players, which include CNP Assurances, together held over 52% of the market. CNP Assurances is the second largest player with 11% of the market (stable vs 2020).

In the premium savings market, CNP Assurances develops innovative offerings for its many different distribution partners, including private banking institutions, high street banks, family offices, wealth management firms, brokers and independent financial advisors.

CNP Assurances is also present in the supplementary pensions market through Arial CNP Assurances, its joint subsidiary with AG2R La Mondiale. Arial CNP Assurances is France's only mono-line supplementary pensions provider. As of end-2021, it managed the pension obligations of more than 18,000 companies, representing some 1 million insureds and technical reserves of €18.7 billion. As a group pensions specialist, it assists companies with their employee benefits strategy and the funding of very long-term commitments. Arial CNP Assurances develops, distributes and manages all types of plans (PER pension savings plans, defined benefit plans, "Article 82" group life insurance plans, outsourced benefit obligation management).

### Leader in term creditor insurance

In France, CNP Assurances is the leader in the increasingly fragmented term creditor insurance market<sup>(3)</sup>. Its 204 partner financial institutions, including brokers, social economy lenders and mutual banks, offer both group insurance and individual insurance solutions. CNP Assurances provides wide ranging cover of death, temporary and permanent disability, unemployment and loss of income risks, backed by support and assistance services, to ensure that borrowers are fully protected. Digital underwriting and claim settlement processes give policyholders multi-channel access and simplify their operations. CNP Assurances is at the forefront of efforts to address the issue of inclusion and insurability of borrowers who represent an aggravated health risk, notably through its actions as a member of the AERAS Commission<sup>(4)</sup>.

(1) Notably for customers who experience five incidents in a given month or an average of five incidents per month over a three-month period and whose estimated monthly income is less than the French gross minimum wage.

(2) Wholly owned at end-December 2022.

(3) Term creditor insurance provider ranking, based on 2021 premium income, Argus de l'Assurance, September 2022.

(4) The AERAS convention helps people representing an aggravated health risk to obtain insurance and credit.

### A long history in the personal risk segment

In group death/disability insurance, CNP Assurances was one of the first insurance companies in France to address the problem of financing long-term care. It is the number five provider of group long-term care insurance (unchanged since 2020). It is number one in individual long-term care insurance, with a 23% market share, including LBP Prévoyance<sup>(1)</sup>. CNP Assurances offers a selection of compulsory and voluntary participation products allowing insureds to anticipate their future needs in terms of financial and other support in the event of a loss of autonomy. MFPrévoyance, which has been wholly owned by CNP Assurances since 2021, specialises in insuring public sector employees. It is developing its business in order to tap the opportunities created by the reform of the supplementary social protection system for civil servants.

La Banque Postale Prévoyance, a wholly-owned subsidiary of La Banque Postale, operates in the individual personal risk and group death and disability markets. It has a full range of personal risk insurance products covering all needs in terms of protection from the risks of daily life and offering a broad range of services to supplement the financial benefits. The entire offering is sold through La Banque Postale's distribution channels. In group death and disability insurance, La Banque Postale Prévoyance co-insures and reinsures term creditor insurance risks. In 2022, La Banque Postale Prévoyance had premium income of €453 million (excluding CNP Assurances). La Banque Postale Prévoyance had some 2.2 million policies in its portfolio as of 31 December 2022.

### A player in individual and group health insurance

La Banque Postale is present in the following markets:

- group health insurance through CNP Assurances, which offers supplementary health insurance plans to local authorities, companies, mutual insurers and employee benefits institutions;
- health insurance through La Banque Postale Assurance Santé<sup>(2)</sup>, which specialises in supplementary health insurance and serious health event insurance distributed by La Banque Postale's networks.

### International Bancassurance

By becoming the sole shareholder of CNP Assurances<sup>(3)</sup>, La Banque Postale has acquired a significant international presence, with 18% of its business line net banking income generated outside France. In line with the 2030 strategic plan, La Banque Postale's objective is to increase this contribution,

In 2022, La Banque Postale Assurance Santé had premium income of €91 million (excluding CNP Assurances). As of 31 December 2022, it had some 170,000 contracts in its portfolio.

### A growing position in property & casualty insurance

La Banque Postale Assurances IARD, wholly owned by La Banque Postale since the 2020, offers a range of individual property & casualty insurance products (auto insurance, comprehensive homeowner insurance, legal protection insurance, accident insurance, mobile device insurance, etc.) through La Banque Postale's multi-channel distribution system.

La Banque Postale Assurances IARD operates in a very competitive and low-growth market. In 2022, it had some 2.2 million policies in its portfolio and reported premium income of €585 million.

### Service and assistance-led differentiation

La Banque Postale and CNP Assurances pay close attention to the personal assistance services included in CNP Assurances' offers, both for partners and for insureds, that are provided through dedicated subsidiaries.

Filassistance International, a member of the Assurance sub-group, has developed an array of personal assistance services delivered through a network of 10,000 service providers who draw on the best that digital technologies and one-to-one interactions have to offer. More than eight million policyholders have access to the assistance. Lyfe is CNP Assurances' digital platform providing advice and assistance on health, well-being and healthy ageing issues. It expands the social protection offered to the members and employees of its mutual insurance partners, brokers and companies. Its offering (prevention, help for carers, 24/7 teleconsultation, etc.) helps insureds to obtain the care they need and to prepare for retirement.

by accelerating the development of CNP Assurances' multi-partner model of designing and developing life insurance, savings/pensions and term creditor insurance products. It has deployed this model in markets outside France, in Europe and South America.



### 2022 KEY FIGURES

**18%**  
OF BUSINESS LINE NBI

**19%**  
OF BUSINESS LINE  
ATTRIBUTABLE NET  
PROFIT

**€16.8bn**  
IN PREMIUM INCOME

**18**  
HOST COUNTRIES  
OUTSIDE FRANCE

(1) Death/disability and health insurance policies in 2021, France Assureurs, principal and sole risk covered, September 2022.

(2) 51%-owned by La Banque Postale, 35% by Mutuelle Générale and 14% by Malakoff Médéric.

(3) At the close of the simplified tender offer launched in May for CNP Assurances shares, La Banque Postale held 97.79% of CNP Assurances' capital, allowing implementation of a squeeze-out procedure. CNP Assurances' shares were delisted in June 2022.

### In Europe

Active in 16 European countries<sup>(1)</sup>, CNP Assurances is the fifth largest European insurer<sup>(2)</sup>.

#### Italy: CNP Assurances' second largest market in Europe

The long-term partnership between CNP Assurances and UniCredit through their joint subsidiary CNP UniCredit Vita runs until 2024 and covers distribution of a full range of personal insurance products. In 2022, CNP Assurances acted to further strengthen the partnership by continuing to streamline the ownership of its Italian joint ventures, with the sale of 6.5% of the shares in CNP UniCredit Vita S.p.A. to UniCredit and the buyout of UniCredit's interest in CNP Vita Assicura S.p.A.

These transactions helped to lift CNP Assurances' status as a life insurer in Italy, where it now offers a comprehensive and innovative array of savings and protection products, with some of the best performing funds in the Italian market. The products are sold through diversified distribution channels that include both bancassurance partners and networks of independent wealth managers. As of the end of October 2022, CNP Assurances' market share<sup>(3)</sup> in Italy had risen by 6 points to 8.5%. In terms of premium income, the Italian subsidiaries represented 47% of international activity.

#### With Santander Consumer Finance in 12 European countries

In 2014, CNP Assurances signed an exclusive long-term distribution agreement with Santander Consumer Finance and acquired a 51% stake in its life and non-life insurance subsidiaries. CNP Santander Insurance operates in 12 European countries (Germany, Poland, Italy, Spain, Austria, Portugal, Norway, Sweden, Denmark, Finland, Belgium and the Netherlands) and offers insurance products designed to protect

customers against adverse life events (death, disability and unemployment). Santander Consumer Finance operates through a multi-channel distribution network and direct-to-customer distribution channels.

### Open model distribution to drive growth

#### In Brazil

CNP Assurances' main distribution partner in Brazil is Caixa Econômica Federal (CEF), the country's second-biggest state-owned bank. Caixa Econômica Federal plays a major social and economic role, with a deep network of branches serving the local population throughout the country.

Particularly active in its markets, the subsidiary was Brazil's third largest insurer<sup>(4)</sup> as of end-November 2022, with 10.4% of the market, the third largest pension provider with 20.9% of the market and the fourth largest term creditor insurance provider for consumer loans with 11.1% of the market. It is also the seventh largest personal risk insurer with 5.4% of the market. CNP Seguros Holding continues to lead the homebuyer segment of the term creditor insurance market with a 44.3% share at the end of November 2022.

In a highly concentrated market, CNP Assurances' market share was 11.6% at end-November 2022 (compared with 13.5% in November 2021).

In September 2022, CNP Assurances announced that it would continue its international multi-partner expansion by acquiring five additional entities in Brazil, enabling it to distribute personal risk-health insurance, dental insurance, savings and *consórcio* products.

These acquisitions, to be completed between December 2022 and February 2023, will strengthen CNP Assurances' presence in Brazil, thanks to its long-term partnerships and open distribution model.

## Corporate and Investment Banking

The creation of the Corporate and Investment Bank (CIB) at the beginning of 2022 represented a structural milestone that included a customer-focused governance structure based on product expertise, specialised financing and transaction banking, in particular. CIB continues to pursue its objective of targeted and profitable growth while nourishing its community roots, which are at the heart of its development priorities. For example, the creation of a Sustainable Banking Hub, staffed

with expert bankers, will step up the CIB's CSR commitments through product offerings and client support aligned with the just transition. CIB is also strengthening its Originate-to-Distribute model and deepening its presence by employing specialist corporate bankers familiar with the regions. It will also provide dedicated coverage to financial institutions, which will enable it to capitalise on all of the strengths of the La Banque Postale, including CNP Assurances and LBP AM.



### 2022 KEY FIGURES

**10%**  
OF BUSINESS  
LINE NBI

**11%**  
OF BUSINESS LINE  
ATTRIBUTABLE NET  
PROFIT

**8,500**  
CORPORATE AND  
LOCAL PUBLIC SECTOR  
CUSTOMERS

**€43.8bn**  
IN TOTAL  
OUTSTANDING  
LOANS

**75**  
BOND ISSUES  
WITH CIB  
PARTICIPATION

(1) Excluding France: Austria, Belgium, Cyprus, Denmark, Finland, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain and Sweden.

(2) Source: Bloomberg, end-June 2022, size ranking based on technical reserves reported in each company's annual consolidated financial statements.

(3) Source: ANIA (national association of insurance companies) for market data in Italy: new business market share - December 2022.

(4) Insurance market data by class taken from the databases of Brazil's insurance supervisor, SUSEP, <https://www2.susep.gov.br/safe/menuestatistica/pims.html>.

## CIB: committed to sustainability

La Banque Postale has placed sustainability at the heart of its company purpose and business model as a mission-led company. This also applies to the CIB, whose development incorporates this mission to help customers adapt to climate change while promoting an ethical and inclusive transition. By financing essential services, the CIB is committed to acting sustainably to reduce regional divides and to revitalise regions; to support the energy transition, biodiversity and green mobility; and it is the partner of choice for players in the healthcare, social protection and social housing sectors. In terms of offers, the trading desks give customers access to high-performing ESG investments. The CIB is a pioneer in green loans, which have been very successful. And the creation in early 2022 of the Sustainable Banking Hub will enable it to provide customers with tailor-made support in drafting ESG frameworks, issuing ESG bonds and, more broadly, providing CSR advice via expert bankers who are also responsible for the green, social and impact loan offers.

## A diversified customer base

### The local public sector

The CIB is the leading provider of bank finance to local authorities and public hospitals. It works in partnership with SFIL/CAFFIL<sup>(1)</sup> through the Originate-to-Distribute mechanism, with CAFFIL carrying on its balance sheet the medium- and long-term loans transferred to it by La Banque Postale.

Because local authorities play a leading role in the energy transition, the CIB has developed a responsible offer of bank financing (green loans) and bonds (green/sustainable bonds) to fund environmental projects. Since October 2022, it has enhanced its offering with social loans aimed at projects with a positive impact on society (such as education, healthcare and regional cohesion), available from €300,000. It continued its enthusiastic support for the healthcare sector in 2022 as part of the Ségur plan.

As the banker of eight in ten social housing providers<sup>(2)</sup>, representing 90% of France's social housing stock (5.3 million social housing placements<sup>(3)</sup>), La Banque Postale is a major player in the social housing market. It offers a full range of products and services, from cash and deposit management (rent collection solutions, *Livret A*, etc.) to short- and long-term banking and bond financing solutions.

With its strong local roots, it is also a leading banking partner of the mixed economy and the social and solidarity economy (see Section 4.3 "An ambitious social commitment policy").

### Corporates

CIB currently counts 11,900 SMEs/mid-caps among its customers and it also serves 53% of the companies in the CAC 40 index and 45% of SBF 120 companies.

La Banque Postale is a socially responsible bank, fully committed to the just transition, and offering a full range of banking and financial solutions tailored to support productive investment as well as environmental, social and technological innovation. It is

therefore continuing to develop a range of responsible bank financing solutions, including green, social and impact loans. And its Sustainable Banking Hub team also supports customers' social and environmental projects by providing ESG advice and frameworks or by issuing sustainable bonds.

La Banque Postale's ambition is to use all of its business lines to support its business customers, both in cash management, where it holds strong positions in cash and electronic payments, and in financing offers. CIB also provides its business customers with its expertise in interest rate and currency hedging and investment transactions through its trading desks.

### Financial institutions

The CIB has set up a dedicated team to partner its financial institution customers, including banks, lenders and payment companies, insurance companies, mutual insurers, pension funds, asset managers and funds. La Banque Postale has a long-standing presence in this customer segment and has made it a major focus of its growth strategy for the coming years.

## An innovative offering tailored to each customer's needs

La Banque Postale's expertise in serving customers in the corporate sector, the social economy, the local public sector and the financial institutions sector is provided by a team of originators and arrangers organised by business line.

### Transaction banking

The creation of the new CIB also led to the creation of a new Transaction Banking Department, bringing together technical sales staff and product experts to further strengthen the working relationship with all CIB customers. An ambitious programme has been launched to capitalise on La Banque Postale's historical expertise while rounding out its range of solutions and digitising its processes.

### Traditional financing

With its range of short-term facilities and medium- and long-term loans, CIB addresses all the financing needs of its customers, from short-term cash requirements to the financing of long-term projects (with loans of up to 20 years).

### Structuring/syndication

With Debt Capital Markets (DCM), La Banque Postale has developed activities and expertise in bond origination and/or private placements for its business, local public sector, bank and financial institution customers. It also offers dedicated teams that provide tailor-made support for thematic bond issues. These teams are also responsible for new products developed for CIB customers, as well as the green loan and impact loan offers.

The Structuring/Syndication activities also include the Whole Loan Securitisation unit (financing services involving mobilising portfolios of granular receivables, and, since the beginning of 2022, securitisation vehicles for own account).

(1) SFIL: Caisse des Dépôts local finance subsidiary; CAFFIL: local credit institution wholly owned by SFIL.

(2) Source: social housing data and statistics | Ministères Écologie Énergie Territoires ([www.ecologie.gouv.fr](http://www.ecologie.gouv.fr)) – end-September 2022.

(3) Source: Ministère de la Transition Écologique et de la Cohésion des Territoires – 1 January 2022.

### Specialised financing

The specialised financing offer comprises a range of complex financing solutions, including:

- structured finance, from the origination, structuring and execution of corporate debt or debt for LBO financing, to the organisation of financing to cover investment funds' transactions and investment in private corporate debt;
- finance for assets and projects whose value or nature justifies a tailor-made solution (industrial assets, public and infrastructure projects or investments covered by a total or partial government export credit guarantee);

- real estate financing (real estate lease financing, mortgage loans, real estate development loans);
- leasing offer, including equipment and finance leasing for public or private business customers and green equipment leasing (based on European Taxonomy criteria). This offer is rounded out by factoring, transfers of ownership of rental chains to lessors and the financing of software;
- factoring, which encompasses factoring and reverse factoring offers and is based on key areas of expertise including cash flow financing and services associated with trade receivables management.

### Wealth and Asset Management

This business line comprises the private banking arm (Louvre Banque Privée) and the asset management businesses (La Banque Postale Asset Management and Tocqueville Finance). Highlights of 2022 included:

- the sale of La Banque Postale's 40% stake in AEW Europe and LBP AM's 45% stake in Ostrum AM to Natixis Investment Managers (Natixis IM), a subsidiary of the BPCE group. At the

same time, the industrial asset management partnerships between LBP AM and Natixis IM were extended until the end of 2030;

- the acquisition of Malakoff Humanis' 5% interest in LBP AM, increasing the overall stake. Malakoff Humanis remains one of the group's preferred partners.



### 2022 KEY FIGURES

**3%**  
OF BUSINESS  
LINE NBI

**6%**  
OF BUSINESS LINE  
ATTRIBUTABLE  
NET PROFIT

**€71bn**  
IN ASSETS UNDER  
MANAGEMENT <sup>(1)</sup>

**65,600**  
WEALTH MANAGEMENT  
CUSTOMERS  
IN PRIVATE BANKING

### Private banking

La Banque Postale has continued to diversify with the creation of its private banking arm around BPE, renamed Louvre Banque Privée. The aim of this operation was to leverage the group's recognised private banking expertise and uniquely deep regional network. Since 1 July 2022, this new model has been supporting the deployment of a range of products and services tailored to the needs of all of La Banque Postale's private banking customers, both at Louvre Banque Privée and in the La Banque Postale network.

The products and services offered are based on its five areas of expertise: asset engineering, wealth management, socially responsible discretionary management, financing solutions and real estate investment. True to its community values, Louvre Banque Privée offers its customers socially responsible products, such as discretionary management with a 100% SRI label since 2021, Euro Medium Term Notes (EMTNs) with ESG underlyings and green bonds.

### Asset management

The third-party asset management subsidiaries provide the expertise that enables La Banque Postale to offer its customers – retail customers, businesses and institutions – a full range of savings and investment products covering traditional financial markets as well as more diversified asset classes. The business includes the activities of La Banque Postale Asset Management (LBP AM).

### La Banque Postale Asset Management and Tocqueville Finance's conviction-based management

LBP AM, an SRI expert, offers its customers the opportunity to become sustainable finance players by helping them diversify their assets through a comprehensive range of products and services tailored to their objectives. LBP AM's high value-added offer – the result of a thorough analysis, both financial and non-financial, using its own innovative methodology – is based on four investment areas:

- Equity, managed by Tocqueville Finance, a long-standing player in European multi-cap equity management, covering the entire economic cycle. The desk brings together Growth, Small & Mid-cap, Value and Thematic-oriented expertise;
- Property & Private Assets, a debt-focused desk proposing socially responsible investment (SRI) strategies for assets and the real economy in Europe (infrastructure, property and corporate sectors);
- Multi-assets Management & Absolute Return, which builds on expertise in crafting made-to-measure solutions (convertibles, absolute return fixed-income funds, multi-assets and diversified asset management);
- Quantitative Investment Management, including an exhaustive Smart Beta range for investing in systematic management strategies based on robust, internally developed, SRI-certified models.

(1) Louvre Banque Privée, LBP AM and Tocqueville Finance.



With a solid shareholder base (75% from La Banque Postale and 25% from Aegon Asset Management) LBP AM, together with its subsidiary Tocqueville Finance, manages almost €56 billion of assets as at 31 December 2022. After obtaining the French SRI label for almost 100% of its eligible funds, LBP AM is now committed to developing financial products with a positive impact, such as infrastructure debt funds that positively impact the climate; climate- and biodiversity-themed equity strategies; as well as social impact funds.

### 1.2.3.2 Successful execution of the strategic plan

In the first two years of implementation of the strategic plan, steps were taken to refocus the business model, with significant results achieved straight away. La Banque Postale has asserted its community leadership internationally and achieved key milestones in customer experience and digitisation. The diversification strategy has been accelerated, with the acquisition of 100% of CNP Assurances in June 2022, and the launch of the Corporate and Investment Banking business and Louvre Banque Privée. The past two years have also enabled La Banque Postale to increasingly place co-workers at the centre of the business transformation project, strengthen its risk management and compliance infrastructure and modernise its brand platform.

## La Banque Postale's strategic priorities

### Three targets

- **Customers:** position La Banque Postale as a leader in customer experience quality;
- **Community:** reaffirm community ambitions to support the just transition;
- **Co-workers:** place the co-worker experience at the centre of our strategic project.

### Three levers

- **Consolidation and digitisation of retail banking:** digitisation and operational performance;
- **Diversification** by leveraging our growth drivers and tapping international markets;
- **Differentiation** of the solutions offer to meet customers' needs at each stage in their lives.

## Outlook

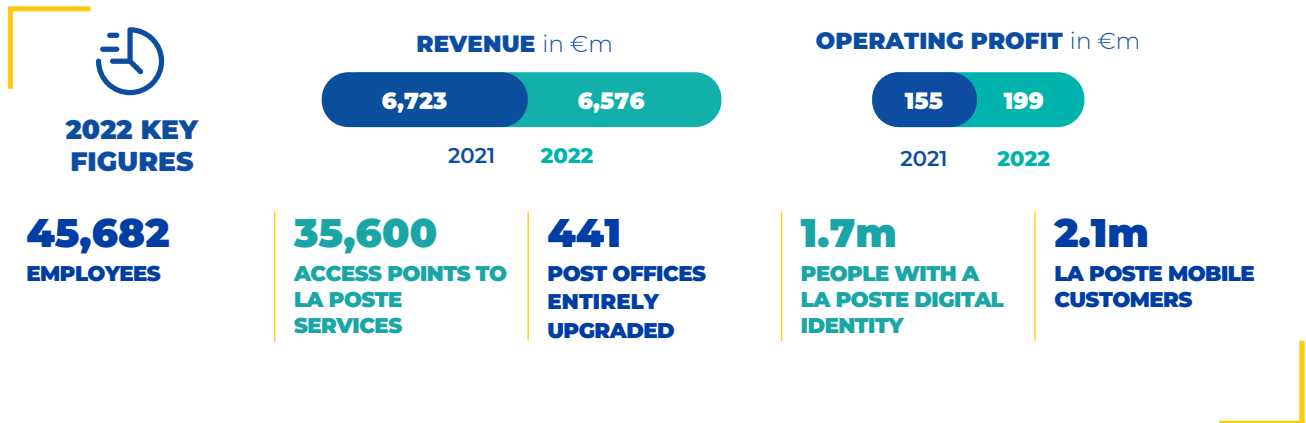
After seamlessly executing its strategic plan over the last two years, La Banque Postale intends to achieve a new milestone in its transformation in 2023, in a still difficult financial environment. Three accelerators will be used to drive change in the business model and affirm the group's position as a leader in impact finance:

- **sustainable finance, independence and regional development:** spread the impact culture throughout all levels of the organisation, as the cornerstone of the business model;
- **customer and operational performance:** make its model more digital, efficient and agile for its customers and employees;
- **innovation and business model refocusing:** propose new offerings, new distribution channels and new, more open, service models.

To become France's favourite bancassurer and to be on the podium of customer satisfaction by 2025, La Banque Postale has set the following objectives:

- be a leader in retail banking in France through a synergy-rich and high value-added bancassurance model, relying on the proximity and accessibility of the post office network, benchmark digital and multi-channel experience and a younger customer base interested in buying several different products;
- accelerate the development of its growth drivers in the areas of international bancassurance, Corporate and Investment Banking and asset and wealth management;
- develop new, more open BtoC, BtoB and BtoBtoC models that are holistically customer-centric.

## 1.2.4 RETAIL CUSTOMERS & DIGITAL SERVICES



- 2022 SIGNIFICANT EVENTS**
- Early in 2022, the business line's management unveiled its strategic plan, which commits it to meeting three challenges, namely customer experience, development and presence.
  - €800 million is to be invested over four years, breaking down as €300 million for IT and digital services and €500 million on real estate. Full modernisation of 441 post offices in 2022. Roll-out of a new generation of post offices, offering a universal yet customised service. By the end of 2022, 9 post offices converted to the new model had opened.
  - To respond to changing customer behaviours, reduce its carbon footprint and sustain the universal postal service: renewal of the mail range. Since 1 January 2023, a simplified range has been available to customers:
    - Lettre Verte* (green mail), for their regular correspondence, with three-day delivery;
    - Lettre Services+*, for items requiring tracking notifications, with two-day delivery;
    - e-Lettre Rouge*, for their urgent correspondence: mail written online, printed by La Poste and delivered the next day by a postal carrier (product available in post offices and on [www.laposte.fr](http://www.laposte.fr)).
  - Signing by the business line and four trade unions of a second employee agreement for the 2022-2024 period: recruitment of 2,400 new employees, including 1,800 customer service representatives and 600 banking advisors. In 2022, 985 customer service representatives had already been recruited.
  - A new partnership agreement was signed between La Poste and the *Confédération des Buralistes*, the industry association representing France's 23,500 tobacconists, to strengthen La Poste's regional network and the accessibility of its services.
  - Signing of an alliance between Docaposte, Banque des Territoires, Dassault Systèmes and Bouygues Telecom combining their respective expertise in a wholly French industrial consortium to create Numspot, a company dedicated to the development of a comprehensive range of European sovereign and trusted cloud services.
  - At the end of 2022, 1.7 million French people had a La Poste Digital Identity.

The Retail Customers & Digital Services business line houses the main players in direct contact with "retail" customers in La Poste Groupe, namely the physical network, the [www.laposte.fr](http://www.laposte.fr) digital multi-business distribution platform and the customer relationship centres.

Bringing together nearly 46,000 postal workers, its role is to:

- develop the market for individual customers, small businesses and local authorities for La Poste Groupe;
- coordinate the regional presence of all La Poste retail outlets and service access points throughout France;
- pursue La Poste Groupe's digital transformation and the development of digital as a growth driver, notably through its subsidiary Docaposte.

In addition to its key role in distributing and marketing La Poste Groupe's product and services, the Retail Customers & Digital Services business line is key for the proper execution of the regional development and accessible banking public service missions. It also contributes to the universal postal service mission.

Its strategy and organisation emphasise customer experience, development and presence.

### 1.2.4.1 Customer experience and “equal attention” approach

#### Know your customers better so as to serve them better

In an approach compliant with personal data protection requirements, customer knowledge is being enhanced with geolocation data, refined qualification and other features. At the end of December 2022, La Poste had 30.5 million customer accounts, including 27.2 million individuals and 3.3 million businesses. This data makes it possible to accelerate the transformation of relationship, service and sales aspects with customers.

#### A “quality plan” to enhance the customer experience

The action plan in 2022 was focused on improving customer satisfaction in post offices’ commercial areas through several initiatives, including:

- the introduction of a “customer experience agreement”, an operational performance management framework measured by means of on-the-spot surveys of customer satisfaction with their experience in post offices;
- the gradual resolution of dysfunctions that irritate customers or employees. In 2022, the business line undertook to recruit 2,400 employees throughout France over a three-year period in order to improve customer reception in post offices. The business line also paid close attention to unannounced closures – a major source of irritation for customers. Closer management can help avoid certain post office closures through a warning and anticipation system;
- the development of new digital or “phygital” paths and services to make things easier for customers, through features including videoconferencing for all La Banque Postale advisors, widespread use of electronic signatures to finalise subscriptions, simplified delivery of parcels on presentation of the La Poste Digital Identity and new functions on the La Poste app.

The first customer satisfaction readings were very encouraging. In 2022, the business line focused on the Google rating, which improved significantly from an average of 2.2 stars out of 5 in late 2021 to 2.8 out of 5 in late 2022, with monthly scores up since May. In 2023, the business line will focus on the Net Promoter Score (NPS), satisfaction as one of the pillars of development.

#### “Equal attention” as a founding principle

Because the customer experience is closely linked to the quality of the relationship with postal workers, the Retail Customers & Digital Services business line supports each employee in his or her career development and aims to offer a high-quality working environment in terms of relationships, organisation and equipment.

#### A second employee agreement

Signed on 17 May 2022 following negotiations with the trade unions, this second business line agreement entitled “Reciprocal customer service commitments in post offices” sets out the following principle: a commitment to customer satisfaction among postal workers and a commitment to postal workers from the business line, enabling all employees to feel good about their work, the working environment and the tools at their disposal.

The agreement is based on five key points:

- creation of a variable compensation tied to the “customer experience”;
- continuation of the major IT investment plan;
- major external recruitment drive for customer service representatives and bank advisors;
- training for post office teams and promotions for customer service representatives;
- action plan to combat rude customer behaviour.

#### An ambitious action plan against disrespectful behaviour

Faced with repeatedly aggressive and rude behaviour in everyday life, the business line has drawn up an ambitious action plan based on five priorities:

- zero tolerance for customers exhibiting rude behaviour: from now on, when a postal worker is threatened or subjected to violence, La Poste will file a complaint in the company’s name whenever the legal conditions are met, action made possible by a change in the law in August 2021;
- prevention of everyday rude behaviour, for example by simplifying certain procedures that could incite these behaviours and introducing new trainings to help prevent them;
- targeted actions for the 200 most highly exposed post offices, which now have their own budget dedicated to prevention and support for postal workers;
- increased support for postal workers subject to rude and aggressive customer behaviour, including support from a criminal lawyer (complete coverage of the case from the moment the assault is reported until the outcome of the legal proceedings), simpler and easier procedures for compensation, etc.;
- major awareness-raising campaign: launched in September in the press and all post offices. The campaign took the form of a mission statement committing to polite behaviour, respect and attentiveness within post offices.

#### Digital transformation for the benefit of customers and postal workers

Digital technology is a major development focus of the Retail Customers & Digital Services business line’s strategy. It contributes to improving the customer experience and respecting the principle of “equal attention” (i.e., paying equal attention to the employee experience and the customer experience).

The business line has accordingly undertaken to invest €300 million in digital technology over five years. In addition to renewing post office IT equipment, this investment will strengthen the omnichannel nature and synergies between the post office network and the digital ecosystem, based on the [www.laposte.fr](http://www.laposte.fr) website and La Poste’s mobile app.

In 2022, this investment enabled the roll-out of *Espace Co 3.0*, a new workstation for customer service representatives to ensure better customer handling (simpler, faster, more efficient); the new workstation will be gradually rolled out at La Poste’s Local Agency partners during the first half of 2023.

This investment also serves to improve the customer experience through the adoption of new ways of handling customers and interacting with them: for La Banque Postale, for example, with appointments by videoconference, electronic signatures to finalise in-office and remote subscriptions to banking services, or, thanks to the La Poste Digital Identity, the possibility of collecting a parcel without any form of identification, simply using the La Poste Digital Identity, which can be accessed from a smartphone.

Other projects initiated in 2022 will soon be up and running, such as the roll-out of larger, more user-friendly touch screens to facilitate the day-to-day work of customer service representatives, the provision of an individual Smartéo, featuring activation by biometric recognition, which can be used in the various post offices in the area, and the chance for customers to make appointments with a customer service representative using the locator on [www.laposte.fr](http://www.laposte.fr), the La Poste app and the post office's Google page.

The aim is to offer a simple and seamless customer experience, regardless of the entry point, and to provide customer-facing postal workers with more intuitive and effective tools.

### 1.2.4.2 Development as a strategy

A new banking and postal distribution model has been drawn up and launched. The underlying approach is to offer service bundles, key moments in life and the optimised use of commercial time. The new model aims to ensure greater development of banking and postal services alike, through a system of commercial excellence.

### Transformation of the business line's distribution model

The Retail Customers & Digital Services business line markets its offerings to individuals, small businesses and small communities through all physical and digital channels in an omnichannel approach to make its customers' lives easier. Its network makes the Retail Customers & Digital Services business line a powerful omnichannel distributor, with presence closely aligned with the needs and habits of people throughout France. Most of La Poste's solutions are also available on the [www.laposte.fr](http://www.laposte.fr) website and on the app. La Poste now also offers its shipping solutions on major CtoC platforms for buying and selling second-hand items, such as Vinted and LeBonCoin.

In banking distribution, La Banque Postale and the Retail Customers & Digital Services business line have overhauled customer care in a differentiated approach for the various customer segments. The new distribution model promotes the immediate handling of customer requests, while at the same time allowing bank advisors to benefit from greater availability to proactively develop contacts with the customers in their portfolio. Post office staff now have powerful tools to round out in-person support, including remote support by phone and videoconferencing.

### A growing digital ecosystem

The digital ecosystem ([www.laposte.fr](http://www.laposte.fr) and the La Poste app) has enjoyed faster growth since 2016, driven by the growing popularity of digital technology among consumers and thanks to work carried out to identify the needs of French people so as to provide a better response and improve their online experience. La Poste's visibility on search engines has now been improved, as La Poste now appears on the first page of internet search results for 126,000 keywords, a 100% increase since 2016.

Improved visibility has in turn boosted awareness of the group's offerings (59% of French people now spontaneously cite at least one of La Poste's digital retail services, a gain of 15 points since 2016) and is contributing to business development. The online mail range, for instance, was up 22% in 2022 compared with 2021, thanks notably to the online registered letter.

In 2022, [www.laposte.fr](http://www.laposte.fr) continued to enrich its ecosystem with a new version of the La Poste app (simplified user experience, exclusive new features such as multi-carrier tracking and an augmented reality tool for measuring items to be shipped) and the strengthening of digital customer relationship tools, including the La Poste Assistant, a smart chatbot that responds to customer requests on the website.

2022 was also marked by the improved digital visibility of La Poste's retail outlets on Google My Business, which attracts 2.6 billion visits per year; it has also become more visible on the locator, with 150,000 access points to La Poste's services now listed (information on opening hours, real time footfall, availability of services in each post office). New functionalities are gradually being added to the existing system, such as the ability to make appointments with a post office advisor online, not to mention the launch of a test allowing customers to order special-issue stamps in a post office and have them delivered to their home.

### Transformation and strengthening of the business line's offerings

The business line is updating its mail, parcel and service offerings to match its customers' expectations and lifestyles. To do so, it has developed an approach aimed at providing support at key moments in its customers' lives, providing them with answers and solutions that meet their needs and make their lives easier. For example, it has developed packages of services for seniors and is expanding its portfolio of services by offering tuition for the written boating licence test in the same way as it already does for driving licences. The business line has redesigned certain services, such as mail forwarding, which is now available in fully digital mode.

In the small business market, it is strengthening its momentum to support business start-ups and helping retailers digitise their business (with Digiposte's Pro offering) or manage their back office.

La Poste has also revisited its mail range in order to respond to changing customer behaviours, reduce its carbon footprint and sustain the universal postal service. A simplified range has accordingly been available to customers since 1 January 2023.

Some customers of e-commerce sites choose to receive their goods at a pick-up point or in a locker rather than at home. Out-of-home parcel flows of this nature are enjoying very fast growth.

In 2022, the business line therefore conducted experiments alongside operators from La Poste Groupe, Colissimo and Pickup with a view to capturing a share of the customer flows that elude post offices. These tests had various objectives, including to verify the appeal of post offices as pick-up points and to assess the potential for business development stemming from additional flows. Positive findings, particularly in terms of customer satisfaction, backed up La Poste's decision to roll the system out nationwide in 2023.

In 2022, the Retail Customers & Digital Services business line played a major role in marketing new offerings designed by La Banque Postale. Bank advisors in post offices, who distribute the entire La Banque Postale range for retail customers, thereby contributed to the development of the new death cover, as well as the brand new Consumer compartment of the *Cachemire 2 Series 2* life insurance policy and the Student Loan. For home loans, the system based on the *Maisons de l'Habitat* allowed the business line to win market share in an uncertain environment and promoted the roll-out of measures related to the Lemoine law on borrowers' insurance. The Retail Customers & Digital Services business line was also a driving force behind the new *Prêt Avance Rénovation* loans, launched by La Banque Postale in February 2022 to promote the energy renovation of the homes of low-income households.

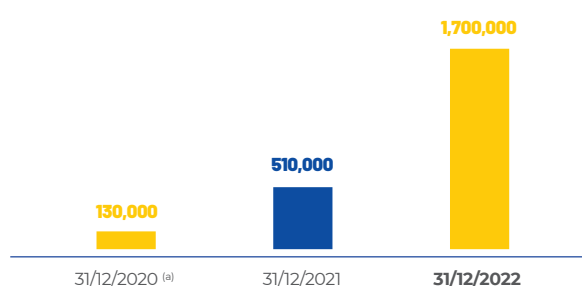
## Developing new opportunities for growth

### Digital activities

La Poste has developed an ecosystem of innovations and digital trust infrastructures that is unrivalled in scale, including:

- La Poste's Digital Identity service, operated by Docaposte, offers online proof of identity to secure and simplify BtoBtoC<sup>(1)</sup> exchanges for business and government customers. The first and only digital identity certified in France as compliant with the substantial guarantee level of the French National Cybersecurity Agency (ANSSI), it offers access to more than 1,400 public and private services;
- a vast programme to provide access to French people was launched in 2021 in all post offices. By the end of December 2022, more than 1.7 million French people had already signed up. By 2025, the aim is to reach 20% of the French population.

### Number of La Poste digital identities



(a) Number of La Poste Digital Identity holders who have updated their credentials in line with EU requirements introduced in 2020.  
Some 300,000 people currently hold a La Poste Digital Identity, updated or not.

Since October 2022, the La Poste Digital Identity has been the sole identification solution selected to secure customers' personal training accounts.

The digital, intelligent and secure Digiposte letterbox collects, classifies and shares important documents, giving legal value and a secured date to native digital documents. In 2022, Digiposte registered 9.4 million Digiposte accounts (an increase of 2 million compared with 2021).

@laposte.net email addresses respect users' privacy, guaranteeing that no information is resold. In 2022, laposte.net had 2.4 million active mailboxes.

Digital education is a strategic priority for Docaposte. To serve local authorities and the educational community, Docaposte is pursuing the aim of co-constructing a new-generation digital educational space, based on new consumer behaviours, integrating a portal of complementary services and facilitating the management of public youth policies.

### Digital trust

Docaposte, La Poste Groupe's digital subsidiary, is positioning itself in this market by leveraging La Poste's historical values of neutrality, universality and sustainability. With revenue of €339 million in this sector in 2022 (compared with €286 million in 2021), Docaposte has become a standard setter in digital trust and security in France, particularly in four strategic markets, namely the public sector, banking-finance-insurance, health, and small and medium-sized businesses. The services it provides to the French State, local authorities, companies and people makes it one of France's leading providers of secure, sovereign and recognised technological solutions compliant with regulatory requirements in France (ANSSI) and Europe (eIDAS), including electronic signatures, electronic invoicing and digital archiving.

In October 2022, Docaposte sustained this momentum by partnering with Banque des Territoires, Dassault Systèmes and Bouygues Telecom in a wholly French industrial consortium to create Numspot, a company dedicated to developing a comprehensive range of European sovereign and trusted cloud services, with Docaposte as the lead partner.

Docaposte is the only service provider to have obtained the Electronic Identification, Authentication and Trust Services (eIDAS) certification for all its trusted solutions open to qualification. It is also increasingly integrated into digital trust ecosystems: within Gaia-X as a founding member, with INRIA and ANSSI for digital sovereignty and everyday digital trust, and through the Agoria Santé initiative to improve the analysis of health data (i.e., patient data collected outside the experimental setting). These requirements for digital trust are illustrated by the Tech & Trust marker by Docaposte, which brings together internal guidelines, labels and certifications obtained, as well as ethical, social and environmental rules.

Docaposte has a data/AI division employing nearly 400 data scientists, enabling it to consolidate its expertise and develop solutions for its four strategic markets. This division, launched in 2022 and strengthened by the arrival of Open Value and Probayes, promotes the pooling of its experts' know-how and experience integrating machine learning, deep learning, natural language processing (NLP) and computer vision, the four areas of artificial intelligence in which Docaposte is active.

(1) BtoBtoC stands for "Business to Business to Consumer" and refers to a field of activity where a product or service is first sold to a business before being sold on to a consumer.

The result is that Docaposte is now positioned as a major player in data and AI in France, boasting one of the most comprehensive offerings in the market – spanning the entire value chain of AI projects from the design and architecture of the overall solution to the transformation of data to adapt it to AI algorithms and the creation of user interfaces.

Docaposte's goal is to work towards a useful, responsible and chosen digital environment. CSR is a constant commitment. Docaposte is taking determined action (CSR roadmap and Embodying Digital Responsibility transformation plan) to reduce its footprint.

The international market is a major development thrust for Docaposte. Already operating in Europe, North and South America, and North Africa, Docaposte is committed to a proactive approach to international development, with 500 employees in 16 countries and three continents, and 10,000 customers in some 50 countries.



### DOCAPOSTE'S DEVELOPMENT IN 2022

- Acquisition of Idemia's electronic signature business.
- Acquisition of HEVA, France's leading research consultancy for real-life evaluations drawing on databases such as the National Health Data System (SNDS).
- Acquisition of Easyconsent, the digitised medical consent solution developed by Calimed Santé.
- Acquisition of French cyber backup start-up BoomkR, which strengthens Docaposte's digital security offering and adds a new cyber component to its digital trust range. Primarily designed for the small and medium-sized business (SMB) market, the offering could also address the insurance, health and public sector markets.
- Alliance formed between Docaposte and Sofrecom (an Orange Group subsidiary) to accelerate digital development in Africa and the Middle East.
- Voting by French citizens living abroad in the June 2022 parliamentary elections under its Voxaly brand.
- Launch of the ID360 remote identity verification platform.
- Launch of Numspot, dedicated to the development of a comprehensive range of European sovereign and trusted cloud services.

### Group acceleration projects

To support the group's "La Poste 2030, committed for you" strategic plan, five group acceleration projects (GAPs) were launched in 2021. Among them, two – the Business Customers GAP and the AI & Data GAP – are led by the Retail Customers & Digital Services business line.

#### Business Customers GAP

Some of the numerous achievements in 2022 were the launch of new solutions for businesses (e.g., the Shop2Shop out-of-home service with Chronopost), the introduction of a collection subscription process on the [www.laposte.fr/pro](http://www.laposte.fr/pro) website and the renovation of 60 *Espace Pro* business areas. These various initiatives contribute directly to the business line's business development: for example, 12,000 new business customers subscribed to the *Colissimo Facilités* solution in 2022.

#### AI & Data GAP

The roll-out of this project generated major initiatives and compelling results in 2022:

- the emergence and development of a portfolio of more than 100 projects to support the business transformation and sustainable businesses development. These projects cover all of the group's businesses, business lines and subsidiaries, and seek to foster innovation as a means of generating more economic value and satisfaction for our customers and employees;

- harmonisation of technological platforms: roll-out of a new shared base for all group businesses so as to pool investments and anticipate new trends within the group.

Acculturation and training programmes have been held (more than 44,000 postal workers have already taken the Objective AI training, of which 24,000 in 2022).

The AI & Data GAP continues its innovation work (establishment of a research partnership with INRIA, acquisition of companies including Probayes, Softeam and Open Value). Other than the quest for performance, 2022 was marked by a determination to initiate an ethical approach aligned with the group's values. An Ethical AI Charter has been drawn up with that in mind.

To consolidate its positioning in digital trust services, La Poste has launched its Data and AI School, an internal and external professional training programme. The programme aims to offer degree courses with a focus on gender, inclusion and diversity.



## LA POSTE MOBILE

As France's leading independent Mobile Virtual Network Operator (MVNO), it accounted for a 3.3% share of the mobile telephony market in 2022. La Poste Telecom, which is owned at 51% by La Poste and 49% by SFR, uses the SFR telecom network, the post office distribution network and the La Poste brand to market its telephony offering, under the La Poste Mobile brand. La Poste Mobile's offering includes a range of mobile telephony packages, with or without commitment, and with or without mobile phones or prepaid plans. Since 2020, La Poste Mobile has also distributed the SFR Box.

2022 saw further growth in the customer base taking it above the 2 million threshold at the end of the first half (2.1 million customers at the end of 2022). In 2022, La Poste Mobile also rolled out a new digital display stand in selected post offices to present the mobile range and help grow its customer portfolio.

In 2023, La Poste Mobile plans to step up the roll-out of its digital display stands in post offices while continuing its policy of simple and accessible offerings (a mobile for 1 euro).

### 1.2.4.3 La Poste's physical and digital reach

Proximity is a veritable business strategy and one that has the full commitment of the Retail Customers & Digital Services business line; it is also the third challenge of its strategic plan. Because its role is to distribute La Poste's products and services as closely as possible to its customers, it must offer a model of local presence that provides an optimal response to the many challenges in terms of society, the environment, public service, regional planning and business development.

To meet the challenge of local presence, the business line has opted to build an omnichannel service platform based on its 46,000 postal workers, its 35,600 postal service access points (post offices, partners, *Espace Pro* business areas, Pickup points, lockers, etc.) and the power of its digital ecosystem (the [www.laposte.fr](http://www.laposte.fr) website and the mobile app).

Building an omnichannel service platform means offering customers the choice of accessing La Poste's services either physically or digitally, whenever they need them.

To that end, the business unit plans notably to invest some €800 million by 2025 to modernise the network and complete its digital transformation: in 2022, 441 post offices were fully modernised, 500 were equipped with new furniture for banking advisory areas and 661 were fitted with new, sleeker, more intuitive and more ergonomic ATMs and digital terminals.

#### Presence and public service

In the local postal coverage agreement drawn up jointly by the French State, the French Mayors' Association (AMF) and La Poste Groupe, La Poste undertakes to maintain a minimum of 17,000 brick-and-mortar retail outlets throughout France.

With 17,321 service points at the end of 2022, the network of post offices and partners is the group's multi-business retailer, with banking as a priority. Its founding mission is to welcome, help and advise individual and business customers of La Poste, La Banque Postale and La Poste Mobile. Its network guarantees one of the group's four public service missions: the regional accessibility of its services, by ensuring that more than

95% of the population are located less than 5 kilometres or 20 minutes by car from an outlet. The post offices and partnerships operating at the end of 2022 enabled the group to fulfil its public service mission, by ensuring that 97% of the population was within easy reach of a postal retail outlet:

- the 7,001 post offices provide support and advice to local individuals and businesses. They market the group's offers (bancassurance services, mail, parcel and express services, mobile telephony services). Depending on the nature of their location, some offices also market other services such as written tests for driving and boating licences;
- the 10,320 La Poste service points operating in partnership with another player include 3,405 La Poste Relais outlet merchants and 6,915 La Poste local or intercommunal postal agencies located in town halls. The initiative is the result of cooperation with elected representatives in national and departmental governance bodies set up through a local postal coverage agreement.

The local postal coverage agreement, signed on 5 February 2020 for a period of three years (2020-2022), was renegotiated in 2022. The sixth agreement came into force at the start of 2023 and will cover the 2023-2025 period.

#### A stronger regional network, closer to customers

La Poste's physical distribution network goes beyond its commitment to accessibility and regional development, with more than 18,300 other points of access to its services:

- 1,812 *Espace Pro* business areas where business customers can frank, post and collect their mail and parcels. In these areas, specialised advisors also provide support tailored to the specific needs of business customers. Since the 2020 health crisis, La Poste has opened these areas to the general public, for parcel collection or the purchase of stamps or Ready-to-Post items;
- 15,423 Pickup points, where customers can collect parcels locally. Pickup is a La Poste Groupe subsidiary that offers access points, known as Pickup points, in local shops that receive daily deliveries of items from transport operators Colissimo, Chronopost and DPD France;

- 1,102 Pickup lockers located in post offices, shopping centres, train stations, bus stations and other key locations. Lockers, another solution for independent parcel collection, provide another source of traction for e-commerce, as reflected in the increase in parcel flows. They are a very popular service for retail customers, offering a practical and convenient solution thanks to their wide range of access hours, often day and night, seven days a week. By the end of 2023, the business line aims to have 2,000 Pickup lockers operational across France.

The business line is also testing a new form of presence with Place des Services, a hyper-local concierge service. At the *Salon des Maires et des Collectivités Locales*, the annual event for local authorities and mayors at the end of November 2022, La Poste and Banque des Territoires signed an agreement aimed at rolling out 100 Places des Services across the country.

### New partnerships to strengthen presence

To make customers' lives easier, facilitate access to La Poste's essential services and serve new behaviours, the Retail Customers & Digital Services business line is expanding and diversifying its distribution network. The aim is to strengthen its presence while improving service levels and business dynamics through points of sale.

The extension of La Poste service access points is being carried out together with partners boasting extensive distribution networks that enjoy a high level of recognition among the general public and which are complementary in terms of location, such as supermarkets and hypermarkets, and tobacconists.

On 21 October 2022, Philippe Wahl, Chairman and CEO of La Poste Groupe, and Philippe Coy, President of the *Confédération des Buralistes*, the industry association representing France's 23,500 tobacconists, signed a four-year nationwide partnership agreement aimed at meeting the needs of the French people for local presence and services. This agreement will enable La Poste Groupe to strengthen its regional presence and develop its business while making its customers' lives easier by offering them greater access to La Poste's essential services, closer to home, over extended time slots.

La Poste's aim is to increase the number of postal service access points from 35,600 to 40,000 by 2025 as a means of improving accessibility and adapting to customers' lifestyles and habits.

### Presence in the heart of regions

Against a backdrop of falling mail volumes and declining footfall in post offices, the Retail Customers & Digital Services business line and the Services-Mail-Parcels business line are pooling their resources to maintain La Poste's presence in rural areas and to provide customers with better service. The scheme, aimed at combining mail delivery and counter service functions in one job, dovetails perfectly with this approach. It would see a single employee working both as a postal carrier (mail delivery, local services) and as a customer service representative in post offices (customer handling and advice).

In 2022, more than 200 new postal carrier-customer advisors were appointed, bringing their total number to more than 1,507 at the end of December. The appointment of a 1,500<sup>th</sup> postal carrier-customer advisor was celebrated at the November 2022 gathering of local authorities and mayors.

The aim is to bring the number to 2,000 postal carrier-customer advisors by the end of 2023, and give some of them more tasks, such as assisting or guiding people that need help completing online administrative procedures within the scope of the *France Services* public operators, in post offices or partner locations (town halls, public libraries, etc.).

### Proximity for digital inclusion

In France, more than 13 million people are without access to digital technology. In keeping with its values as a mission-led company, La Poste has made the fight against digital illiteracy central to its commitments, and is stepping up its commitment to more inclusive digital technology. In an increasingly digital world, the business line is developing within its physical network a set of measures aimed at supporting French people who feel challenged by digital technology:

- in rural areas and priority urban neighbourhoods, post offices bearing the *France Services* label offer people support for 80 online administrative procedures covering eight public operators in addition to La Poste's services (public finances, unemployment benefits, family allowances, national health insurance, agricultural health insurers, etc.). In 2022, 90 additional post offices received the *France Services* label, bringing to 402 the total number of post offices providing such services by specially trained customer service representatives;
- in 2022, 94 *France Services* digital advisors joined the staff of post offices after three months of training; they cover 57 French departments. People occupying these new positions in post offices are tasked with detecting and handling training needs for very practical digital skills, such as creating an e-mail address, scanning a QR code, buying or selling items and completing online forms;
- in partnership with Banque des Territoires, La Poste has designed and is rolling out *Étape Numérique*. By the end of 2022, there were 77 *Étape Numérique* spaces, open to all, located within or immediately adjacent to a post office. They are equipped with PCs, monitors and printer-scanners. Digital workshops and individual or group digital training courses are provided by partner non-profits or by *France Services* digital advisors. The goal is to have one site in each French department, corresponding to 100 location by the end of 2023;
- since 2019, La Poste mediators in 572 post offices have been assisting customers in using La Poste and La Banque Postale online services, identifying digital needs and offering interested people access to introductory or advanced digital workshops.

In 2022, these schemes provided by La Poste resulted in the completion of 750,000 initiatives in favour of digital inclusion, through support, training or equipment (Ardoiz tablets, etc.). This number has almost doubled in the space of year, making La Poste a major player in the fight against digital illiteracy.



## Human services offered remotely

The Remote Customer Relations Department (DRCAD), created in May 2022, brings together all of La Poste's customer service activities. Its role is to serve individual, small business and large corporate customers remotely (by phone, chat, social media or [www.laposte.fr](http://www.laposte.fr)) from Monday to Saturday, including all requests for information, assistance or complaints concerning mail, parcels and new services. 2022 was marked by the implementation of an action plan consisting of three objectives: strengthen customer confidence, promote their digital autonomy and contribute to business development through the expertise of advisors.

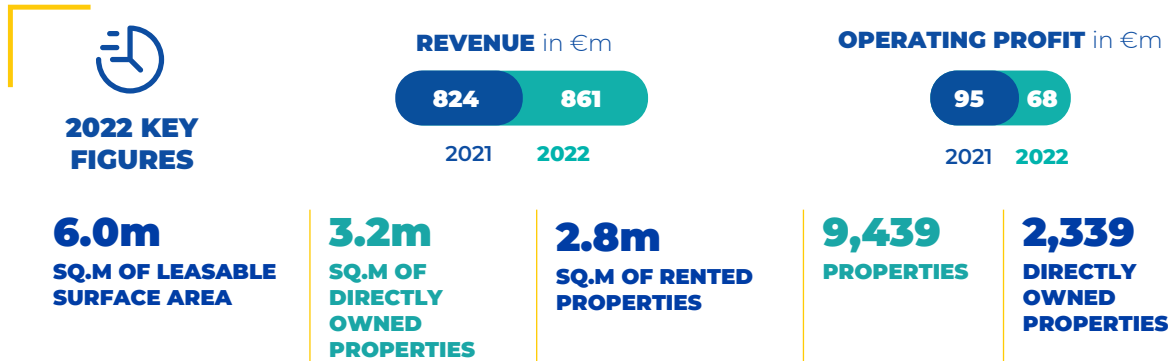
### 1.2.4.4 Strategy and outlook

In 2022, the business line laid down three strategic objectives aimed at meeting three challenges: customer experience through giving equal attention to customers and postal workers, business model through development, and presence through the creation of a physical and digital platform. Unprecedented investments have been made (real estate, IT). Unprecedented investments have been made (real estate, IT).

Its customer experience ambition is already reflected in improved indicators. The foundations for transformation to improve our results have been laid and include digital transformation, definition of a new banking and postal distribution model based on a system of commercial excellence, and reaffirmation of Docaposte's positioning as a benchmark for digital trust.

Actions designed to improve service levels, customer satisfaction and equal attention to customers and postal workers will continue in 2023. They will be backed up and strengthened by other actions, such as simplifying post office opening hours, reducing unannounced closures, and combatting rude customer behaviour. All post offices are to have been refurbished by 2027. By continuing to transform the distribution model for retail customers and businesses, and by accelerating two growth drivers (local human services and digital trust services through Docaposte), the business line is committed to meeting the challenge of its development. It will pursue the creation of a physical and digital platform that will enable La Poste to consolidate its presence in local areas, with real availability of services for customers and the wider community that will create a business development opportunity in both markets.

## 1.2.5 LA POSTE IMMOBILIER



### 2022 SIGNIFICANT EVENTS

- Poste Immo has become La Poste Immobilier, a new brand more clearly linked to La Poste Groupe and more in tune with the group's new CSR commitments.
- Inauguration of the Poste du Louvre in January 2022, with the opening of the building's courtyard to the public, the delivery of the urban logistics space operated by Colissimo and the delivery of social housing to Poste Habitat.
- Launch of the first projects in the strategic plan to transform former post offices into serviced senior residences: in Brest, Châteauroux and Saint-Étienne, and launch of a call for expressions of interest on some 20 sites to create shared senior housing including a social component.
- Creation of a €500 million urban logistics fund with Banque des Territoires, plus an additional investment of €200 million to develop directly owned properties.
- Implementation of a new partnership agreement with Startway to rebalance governance in favour of La Poste Immobilier and support the development phase of co-working<sup>(1)</sup> and corpo-working.
- In addition to Startway, acquisition of Multiburo, a major player in co-working and a pioneer in flexible real estate, with 120 employees and 23 locations in France, five in Belgium and one in Switzerland.
- Sale of La Poste Immobilier's stake in its development subsidiary Arkadea to Icade.
- Delivery of the new 25,000-square-metre parcels platform in Cadajac (Nouvelle Aquitaine).
- Lease of two new major buildings for La Banque Postale: Biome (Paris 15<sup>th</sup> arrondissement) and Issy Cœur de Ville (Issy-les-Moulineaux).

### A threefold ambition

La Poste Immobilier has 868 employees. It manages the majority of the group's real estate activity in France and, with its eight regional departments, covers the entire portfolio throughout the country. La Poste Immobilier has developed valuable know-how in the field of construction, management of a diversified portfolio, management of complex real estate projects, and rehabilitation of remarkable assets. With its dual real estate and postal expertise, La Poste Immobilier contributes directly to shaping the cities of today and tomorrow, through buildings adapted to contemporary preferences, combining functionality, sharing and innovation.

La Poste Immobilier supports the threefold real estate ambition of its parent company, whose transformation it supports, by:

- having operational production facilities, optimised in terms of cost, energy performance and CO<sub>2</sub> footprint;
- contributing to regional balance;
- developing La Poste Groupe's activities in its strategic areas (urban logistics, health and autonomy, projects/housing, service sector and co-working, environmental transition).

### A CSR policy as the backbone of La Poste Immobilier's development

As the La Poste Groupe property company, La Poste Immobilier is fully committed to social and environmental responsibility for the group. This is clearly in line with the new requirements of the financial markets, politicians and investors, but it also reflects La Poste Immobilier's clear understanding of the ever-changing world around us. As a long-standing contributor to urban development, La Poste Immobilier attaches a great deal of importance to all aspects of the environmental, social and regional transitions.

For its new identity, employees sought to encapsulate the spirit that drives them in two words, "committed" and "responsible", summing up the guiding force behind what we do. La Poste Immobilier has made CSR the backbone of its activity, with a roadmap setting out the areas of our contribution to solving the problems of essential transitions, whether for the environment, human relationships within the company, contribution to regional development or the confirmation of ethical challenges.

(1) See definitions in the glossary in Section 8.3 of this document.

La Poste Immobilier's CSR policy is built on four pillars:

- environmental impact (energy sobriety, carbon neutrality, waste management, biodiversity);
- social impact/responsible employer (employee well-being, engagement, equal opportunity);
- local impact (partnerships with local non-profits, contribution to economic and social development in local regions through our projects and purchases);
- integrity and vigilance (fight against fraud and corruption, fight against inappropriate behaviour, anticipating crises).

Lastly, La Poste Immobilier is certified by the French Institute of Internal Audit and Control (IFACI), with a score of 95/100. This certification provides reasonable assurance that La Poste Immobilier strives to optimise the quality of its activities and meet the fundamental concerns of its management and governance.

### 1.2.5.1 Managing the group's real estate portfolio

#### A considerable real estate portfolio

Spread over the whole country, La Poste Groupe's real estate portfolio is one of the largest in France in terms of number of assets. Its size makes it truly exceptional, with 9,439 buildings representing 6.0 million square metres. It is atypical covering a vastly diverse array of buildings in terms of size, architecture, type and usage. It comprises vast industrial platforms, small and medium-sized retail spaces and commercial premises, but also buildings with remarkable architecture, built from the end of the 19<sup>th</sup> century to support the industrial, commercial and service development needs of La Poste.

Offering the group's business line real estate adapted to their needs, to new customer behaviours and to regional changes is La Poste Immobilier's main purpose.

#### Support the Services-Mail-Parcels business line

More than ever, the Mail and Parcels businesses are undergoing profound change. La Poste Immobilier is supporting the business line in this transformation, particularly in the roll-out of its industrial roadmap. As such, over the 2017-2022 period, La Poste Immobilier delivered 29 new platforms (six parcel platforms and 23 multi-flow platforms) totalling approximately 280,000 square metres and representing an investment of €140 million.

#### Support the Retail Customers & Digital Services business line

La Poste Immobilier supports the Retail Customers & Digital Services business in the same way, by combining its expertise in real estate opportunities and the business line's vision of the appropriate network of post offices. The business line has announced an exceptional €500 million five-year investment plan in its multi-activity network, with a focus on banking, and plans to roll out a new generation of post offices. The first nine offices transformed by La Poste Immobilier in line with the new model opened in the autumn of 2022 (Villeurbanne, Poitiers, Strasbourg, etc.); a second wave of 80 offices is to follow by 2024.

This advancement scenario is expected to generate lower real estate costs for the network and a consolidated presence in places identified as strategic. In addition to these nine offices, €80 million in refurbishment work and over 663 projects were started on the network in 2022, including post office renovations and adaptations to better meet customer needs.

At the same time, the pace of flash office refurbishments is accelerating: 185 offices were renovated within a very short timeframe (two weeks on average), with a satisfaction rate of 97%.

#### Optimisation of the office portfolio and development of co-working

La Poste Immobilier also manages the real estate aspects of the group's overall roadmap for its portfolio of commercial buildings to adapt it to the structural changes within the group, while also optimising surface area, interbusiness line synergies and well-being at work.

La Poste Immobilier carried out renovations or refurbishments of emblematic La Poste sites to current service-sector building standards, and was able to conduct development projects on vacated sites.

The combination of Multiburo and Startway's expertise provides an additional tool for modernising and managing La Poste's available and vacant commercial property portfolio with a view to opening it up to customers outside the group.

It promotes the group's transformation by using its expertise in the design and management of workspaces to offer employees suitable working environments while controlling the group's internal real estate costs.

The combination of the existing Startway and Multiburo networks and the development potential of the group's commercial property is a driving force behind regional development and provides solutions for new user behaviours and user expectations as a whole.

### Supporting La Poste Groupe in its decarbonisation pathway

With energy consumption of nearly 1 TWh per year and total emissions of 124,000 tonnes of CO<sub>2</sub>, the real estate managed by La Poste Immobilier plays a key role in achieving the objectives of La Poste Groupe's carbon pathway.

With the entry into force of the *Eco Energie Tertiaire* scheme, La Poste Immobilier reported its energy consumption data on the OPERAT platform within the deadlines imposed by the regulations. It has also committed to a plan to reduce its emissions (kWh/sq.m) by 20% in terms of energy and by 35% in terms of CO<sub>2</sub> emissions from its directly owned properties, a rate of reduction in line with the national low-carbon strategy.

Given the size of the group's real estate portfolio, action will have to be undertaken on a grand scale if these objectives are to be met. That is why La Poste Immobilier launched a major consultation among the market's biggest energy providers in 2022, with a view to structuring a comprehensive and innovative partnership (Comprehensive Energy Offering project).

At the same time, La Poste Immobilier is stepping up its sustainable operating initiatives: accelerating the elimination of oil-fired boilers (98 replacements completed in 2022), successfully participating in the sixth CUBE 2022 competition (third in the overall ranking, with an average energy saving of 16% over 31 buildings), and implementing actions and monitoring tools for the sobriety plan in autumn 2022.

Specifications for new buildings and renovations include ambitious certification, renewable energy production and biodiversity targets. In 2022, nearly 420,000 square metres of projects received certification and labelling. Under the Afilog Charter, La Poste Immobilier has committed to covering 50% of its roof surfaces with solar panels, which is above the regulatory requirement. Lastly, 100 ecological diagnostics have been carried out on existing sites, and nine logistics platforms are being tested with a view to signing biodiversity performance agreements.

#### 1.2.5.2 Creating value for the group at a regional level

##### Project development

For ten years, La Poste Immobilier has been involved in the development and management of real estate projects, particularly with the transformation of its real estate portfolio. After acting as co-developer on several high-profile projects in Paris, it decided in 2017 to form a partnership with Icade within a joint venture (Arkadea) to step up the transformation of its office portfolio in the regions. Following the completion of more than 1,900 housing units, of which nearly 50% was social housing, La Poste Immobilier decided to sell its shares to Icade. Moreover, the experience acquired in the management of complex projects on its existing assets, such as

Poste du Louvre in Paris or the Colbert project in Marseilles, makes it possible to envisage other types of development. With a strong and broadly skilled team of experienced project managers, it analyses the value of the sites in relation to their regional, societal and economic environments, devises the best redevelopment strategies for them and oversees the necessary studies, work and marketing.

La Poste Immobilier draws on its threefold expertise in project management:

- managing complex restructuring operations, from project development to delivery;
- linking real estate issues to regional and environmental issues;
- demonstrating through the project the high historical, architectural and urban value of real estate.

##### Completed projects

- Lyon Hôtel des Postes, located on Place Bellecour: its spaces and remarkable 1930s architecture have regained their splendour, providing an enjoyable environment for the 400 postal workers who work there daily. The renovated building, for which more than 90% of construction waste was recycled and reused or recovered, was opened on 30 November 2022.
- The Aquitaine platform, located in the Greater Bordeaux area, was completed in November 2022. This new 25,000-square-metre industrial facility built as part of the Service-Mail-Parcels business line industrial roadmap will process 155,000 parcels per day when it comes on stream at the end of 2023.

##### Projects under way

Several renovation and new building projects continued this year, serving La Poste and the regions:

- Magenta, in Paris: transformation of an industrial site into a mixed-use development comprising affordable and social housing, a co-working area, a post office and urban logistics;
- House of Innovation in Nantes: construction of a building housing nearly 1,000 La Poste Groupe IT specialists (currently spread over three different sites in the city), with an ambitious CSR component;
- Toulouse Saint-Aubin: refurbishment of a remarkable building in the city centre, turning it into a new *Village La Poste*;
- Mérignac city centre: transformation of a city centre brownfield area into a mixed-use complex comprising a new postal building and 110 housing units.

##### Disposals

La Poste Immobilier supports the group's modernisation strategy and makes changes to its portfolio in line with new user behaviours. Since its creation in 2005, La Poste Immobilier has reduced the size of La Poste Groupe's property portfolio by 33%. In 2022, agreements were entered into to dispose of €57.6 million in assets.

## Urban logistics

Cities are facing increasing incoming and outgoing goods flows, impacting road traffic and air quality. La Poste Immobilier supports La Poste Groupe in its commitment to help make cities more breathable and to facilitate traffic flows. This involves stepping up the decarbonisation of deliveries and the roll-out of a network of logistics sites in city centres.

La Poste Immobilier accordingly plans to invest €200 million between now and 2026 to round out its existing logistics portfolio by renovating and refurbishing its property assets or making new acquisitions. Spread throughout France, these investments cover all types of logistics sites:

- urban logistics buildings (ULB) with floor space above 5,000 square metres, such as in Lyon or Lezennes;
- urban distribution centres (UDC) with floor space ranging from 500 to 5,000 square metres located on the edge of low-emission mobility zones, such as in Nanterre;
- urban logistics areas (ULAs) with average floor space below 500 square metres, the last link in the chain enabling the roll-out of an extensive network in city centres, such as in the 10<sup>th</sup> arrondissement of Paris (Magenta) or Mérignac.

These facilities will be operational within three years.

At the same time, La Poste Immobilier has joined forces with Banque des Territoires to create a €500 million investment fund dedicated to urban logistics real estate projects. The fund will be 40%-owned by La Poste Immobilier and 40%-owned by Banque des Territoires. The remaining 20% will be held by a third investor currently being selected. It will be the first urban logistics investment fund created by a real estate company whose sites will be located mainly in France's 22 largest cities. The Vendenheim logistics platform in the Strasbourg Eurometropolis will be one of the first projects financed by the new fund.

### Projects under way

- The work on the 30,000-square-metre Lyon Édouard Herriot urban logistics building is in progress.
- The Keller urban logistics site in Paris is currently being modernised and is slated for delivery in early 2023.

## Serviced senior residences

In early 2020, La Poste Immobilier appointed Les Jardins d'Arcadie, a leading player in the senior real estate market, to develop an initial series of sites with a view to transforming them into serviced senior residences by 2025. In the spring of 2021, an investment company named SCI Résidences Senior La Poste was created to finance this first series of sites. This SCI is held at 59% by La Poste Immobilier, 21% by Banque des Territoires and 20% by 123 IM. The company will finance an initial portfolio of real estate investments estimated at approximately €185 million.

La Poste Immobilier, in addition to being an investor, will also be involved in the transformation of buildings by providing project management for several buildings (as in Metz or Saint-Étienne, where preparatory work has begun).

### Projects under way

The planned serviced senior residence in Strasbourg is nearing completion. It will include 84 residential units (with restaurant, entertainment hall, sports and wellness facilities) and will be part of a mixed programme of social housing and home ownership, service-sector spaces and a brasserie. Its delivery is scheduled for early 2023.

Work began this year on residences in Brest, Châteauroux and Saint-Étienne, with delivery scheduled for 2024.

Applications for building permits for a further six residences will be filed in 2023 (Auch, Amiens, Châlons-en-Champagne, Perpignan, Metz and Lille).

An operator consultation is also underway for new serviced senior residences in Rouen, Toulouse, Thionville and Courbevoie.

Lastly, a call for expressions of interest was launched in June 2022 for the selection of one or more operators specialising in the management of shared senior housing on a new scope of roughly 20 sites. The operator is expected to be selected in mid-2023.

## Expertise of La Poste Immobilier's subsidiaries

### Co-working

In 2016, La Poste Immobilier acquired an 80% stake in Startway Partners. With Startway, La Poste has the opportunity to accelerate the development of co-working, with controlled risk and multiple synergies, with initiatives such as renting and enhancing atypical and vacant spaces, renting meeting rooms and auditoriums in service-sector buildings, and developing consulting services. By the end of 2022, Startway was the leading French network in terms of number of sites (30 spaces, including nine in the La Poste Immobilier portfolio, representing 28,000 square metres of surface area and 3,600 workstations managed).

2022 saw the implementation of a new partnership agreement with Startway to rebalance governance in favour of La Poste Immobilier and back a development phase in co-working and corpo-working<sup>(1)</sup>. La Poste Immobilier now holds stakes of 45% in Startway and 96% in Startway Partners.

In addition to Startway, La Poste Immobilier has acquired Multiburo, a major player in co-working and a pioneer in flexible real estate, with 120 employees and 23 sites in France, five in Belgium and one in Switzerland. The acquisition's aim is to create a leader in co-working in France.

(1) A coworking space within a company's premises.

### Sobre Energie

Sobre Energie is a strategic and operational energy management consulting firm for real estate portfolios.

A subsidiary of Banque des Territoires (48.5%), La Poste Groupe (48.5%) and Egis (3.0%), Sobre Energie was created in 2016 to support local authorities and companies throughout the energy transition of their real estate portfolios. Its strategy is based on a digital platform (Data M.A.R.C.) and digital services engineering dedicated to energy sobriety. The Sobre Energie teams leverage sobriety pathways such as purchasing, operation and property development offered by renovation projects to bring out the green value of buildings.

Sobre Energie is an important asset for La Poste Immobilier given the implementation of France's tertiary decree, which requires the achievement of energy consumption and decarbonisation objectives for existing buildings.

Sobre Energie is also involved in the implementation and monitoring of the sobriety plan under which the group has undertaken to achieve energy savings of 10% over the 2023 winter period. Sobre Energie provides reporting and indicators for the entire building stock and measures the performance of actions implemented (set-point temperature, relamping, building management systems, etc.).

### 1.2.5.3 Our partners and stakeholders

La Poste Immobilier is the real estate subsidiary of La Poste Groupe, its main customer. Its purpose is to support the threefold real estate ambition of its parent company, whose transformation and development it supports, by:

- having an optimised operational production tool;
- contributing to regional balance by transforming and maintaining its real estate portfolio;
- supporting the group's development in the strategic areas of urban logistics, the industrial roadmap for the Services-Mail-Parcels business line and the silver economy.

La Poste Immobilier has quite naturally entered into a partnership with various entities of Caisse des Dépôts, the majority shareholder of La Poste Groupe. It has accordingly joined forces with Banque des Territoires to set up a real estate company for serviced senior residences and the urban logistics investment fund. It is also a co-shareholder in Sobre Energie with Caisse des Dépôts.

On a regional level, La Poste Immobilier strives to develop a relationship of trust with elected officials and local authority teams, who manage urban planning issues. That is why it systematically involves elected officials in the choice of projects for the transformation of its existing assets.

La Poste Immobilier develops close ties with all the real estate players in the market, from property managers, brokers and investors to construction and public works companies, depending on the nature of its projects.

La Poste Immobilier is particularly known for its high standards in terms of architectural quality and urban integration. It entrusts its renovation or construction projects to a variety of architects and project managers.

La Poste Immobilier is also in contact with impact non-profits and companies (Restos du Cœur, Red Cross, Aurore, etc.), for which it finds accommodation or temporary storage solutions, training organisations, schools or cultural associations.

Lastly, La Poste Immobilier is keen to develop a demanding, partnership-based relationship with its suppliers, favouring local businesses and responsible purchasing.

### 1.2.5.4 Strategy and development

La Poste Immobilier will continue to serve the strategic ambitions of La Poste Groupe by capitalising on its major development areas:

- the optimisation of the real estate tool made available to the group's business lines and employees with the search for new locations for the development of the Services-Mail-Parcels business line, the roll-out of post office renovations, and the optimisation of the group's service-sector sites to adapt them to new ways of working;
- the transformation of La Poste's real estate portfolio through value-creating mixed development projects (offices, housing, etc.) managed by La Poste Immobilier;
- the development of the urban logistics offering for La Poste Groupe players in order to obtain an optimal regional network, secure the best urban logistics sites, and limit the business lines' real estate costs;
- the roll-out of the serviced senior residence programme with the opening of the first site in early 2023;
- the development of synergies between Startway and Multiburo to strengthen our position in the co-working market in France;
- the implementation of an exemplary energy policy to act on lowering carbon emissions.

## 1.3 REGULATORY ENVIRONMENT AND COMPLIANCE

Some of La Poste Groupe's activities are governed by specific sectoral regulations:

- European Union legislation applicable to postal services, which has been transposed into French law;
- regulations applicable to freight carriers and forwarders;
- regulations applicable to the banking sector;
- regulations applicable to the insurance sector; and
- regulations applicable to electronic communications.

(See Section 1.3.1 "Regulations specific to the group's activities")

Other activities are subject to the requirements specific to the public service missions for which La Poste is responsible (see Section 1.3.2 "Regulations applicable to the public service missions").

The following summary of legislative or regulatory provisions is not intended to provide an exhaustive description of all the legislative and regulatory provisions governing La Poste Groupe.

Lastly, against the backdrop of increasingly stringent regulations applying to all of the group's activities and all stakeholders, the compliance function is responsible for guaranteeing the security of the group's activities, thereby helping ensure its sustainability (see Section 1.3.3 "Compliance, a lever for securing the group's long-term development").

### 1.3.1 Regulations specific to the group's activities

From a regulatory perspective, La Poste Groupe's activities fall into the following main categories:

- the group's postal activities (mail and parcels);
- express-related activities (express parcel shipping) via Geopost subsidiaries;
- banking and insurance activities, via its subsidiary La Banque Postale;
- telecommunications activities, mainly mobile telephone activities since 2011, via La Poste Telecom.

#### 1.3.1.1 Postal activities

The provisions governing the development of the European Union internal market for postal services were set out in the initial directive of 15 December 1997 (97/67/EC). This was supplemented by the directives of 10 June 2002 (2002/39/EC) and 20 February 2008 (2008/6/EC). These directives were also responsible for the gradual deregulation of the postal sector, which ended with the market completely opening up to competition on 1 January 2011.

The directive of 15 December 1997 notably established the provision of a universal postal service within the European Union. The universal postal service, provided in France by La Poste (see Section 1.2.1 "Services-Mail-Parcels"), guarantees all European citizens a permanent range of postal services, at determined levels of quality and affordable prices, and irrespective of geographical location (see Section 1.3.2 "Regulations applicable to the public service missions").

The European directives were transposed into national law:

- by law no. 2005-516 of 20 May 2005 on the regulation of postal activities, which partially deregulated the market for items of correspondence and defined the regulatory framework, including the creation of Arcep<sup>(1)</sup>;
- by law no. 2010-123 of 9 February 2010 on the La Poste public sector company and the postal activities, codified in Articles L. 1 et seq. of the French Postal and Electronic Communications Code (*Code des postes et des communications électroniques* – CPCE), which opened the sector up to competition and adjusted the regulatory framework on 1 January 2011.

#### Definition of postal service

Postal services are deemed to include the collection, sorting, shipping and delivery of postal items as part of regular rounds.

A postal item is any item to be delivered to the address indicated by the sender on the item itself or on its wrapping, including in the form of encoded geographic coordinates and presented in the final form in which it is to be shipped. Postal items include books, catalogues, newspapers, periodicals and postal parcels containing merchandise with or without commercial value.

Lastly, an item of correspondence is defined as a postal item that weighs up to 2 kilograms and contains written communication on any kind of physical medium, excluding books, catalogues, newspapers and periodicals.

All of these provisions are defined by Article L. 1 of the French Postal and Electronic Communications Code.

#### Prior authorisations system

The postage of items of correspondence is a regulated activity subject to prior receipt from Arcep of an operating licence. Since Title II of the law of 9 February 2010 came into force on 1 January 2011, a renewable and non-transferable licence is issued for a period of 15 years, and covers all items of correspondence (Article L. 3 of the French Postal and Electronic Communications Code), given that the sector is now open to competition.

The procedure to grant authorisations as well as applicable obligations for authorised service providers are defined in Decree no. 2006-507 of 3 May 2006. The request for authorisation must contain a certain amount of technical, financial and commercial information about the applicant and its operations. In addition, postal service providers must apply for a licence to ship items of correspondence domestically and/or across borders. These provisions are codified in Articles R. 1-2-1 et seq. of the French Postal and Electronic Communications Code. Licences are granted subject to an explicit decision by Arcep.

(1) See definition in the glossary in Section 8.3 of this document.

La Poste holds a licence covering:

- items of correspondence including delivery;
- postage of outward cross-border items of correspondence.

This licence was renewed for 15 years pursuant to Arcep's Decision no. 2016-1331 of 18 October 2016.

In addition, the law of 20 May 2005 designated La Poste as the service provider responsible for the universal postal service. The law of 9 February 2010 confirmed the attribution of this mission to La Poste, for a period of 15 years from 1 January 2011 (see Section 1.3.2 "Regulations applicable to the public service missions").

### Rights and obligations relating to the licence

La Poste, like all postal service providers licensed to provide postage services for items of correspondence, is required to fulfil a series of obligations relating to:

- guaranteeing the safety of users, staff and equipment;
- guaranteeing the confidentiality of items of correspondence and the integrity of their contents;
- providing users access to a simple, transparent and free claims procedure;
- ensuring data and privacy protection;
- meeting the goal of protecting the environment as regards the implementation of the technical aspects of the services.

These obligations, which, in particular, consist of introducing rules for identifying employees, measures to ensure the confidentiality of correspondence, and arrangements for implementing claims processing procedures, are detailed by a Ministerial Decree dated 3 May 2006.

All these obligations were supplemented by the law of 9 February 2010. Any postal service provider holding an authorisation must also:

- guarantee the neutrality of the postal services with regard to the identity of the sender and the nature of the postal items;
- guarantee access to services and facilities for disabled people in line with the provisions of Articles L. 1664-1 *et seq.* of the French Building and Housing Code (*Code de la construction et de l'habitation*);
- comply with the legal and contractual obligations in force related to employment rights and applicable social security legislation, notwithstanding the special provisions applying to those who may have civil servant status;
- respect obligations relating to public order and national defence.

In addition to these obligations, service providers licensed by Arcep are entitled to access private letterboxes to ensure they are able to deliver postal items.

### Access to essential resources

Where necessary to protect the interests of users and/or to promote genuine competition, the member States are required to provide transparent and non-discriminatory access to certain aspects of the postal infrastructure deemed essential to carrying out postal activities. La Poste's essential resources were introduced by the law of 20 May 2005 (codified in Article L. 3-1 of the French Postal and Electronic Communications Code) transposing the provisions of directive no. 97/67/EC.

Under this law, any operator in France licensed to post items of correspondence has access, on transparent and non-discriminatory terms, and on the technical and pricing terms and conditions set out in the related agreements signed with La Poste, to the following essential resources:

- the postcode index matching these codes to geographic details such as streets and addresses;
- the information collected by La Poste with respect to changes of address;
- a forwarding service in the event of a change in the recipient's address;
- a delivery facility or service for post office boxes installed in post offices.

La Poste informs Arcep of the technical and pricing terms and conditions on which service providers can access essential resources and notifies it of any agreements entered into in this respect.

### Liability rules and regulations

Postal service providers are subject to special liability rules and regulations. These rules and regulations provide that the liability of postal service providers shall be governed by Articles 1103, 1104, 1193 *et seq.*, and 1240 *et seq.* of the French Civil Code (*Code civil*) with respect to losses and damages arising during the provision of services and in the event of a delay in delivering a postal item, if the service provider has committed to a shipping time for this postal item (Articles L. 7 and L. 8 of the French Postal and Electronic Communications Code).

The compensation is set by Decree no. 2006-1020 of 11 August 2006, and now codified in Articles R. 2-1 *et seq.* of the French Postal and Electronic Communications Code, which sets out the maximum compensation thresholds according to the nature of the items and the type of postage. Accordingly, the compensation payable by postal service providers as a result of the loss of or damage to postal items entrusted to them, other than parcels, may not exceed:

- for ordinary postage, a sum equal to twice the postage price;
- for items that the sender has asked to be tracked from drop-off in the service provider's network to delivery, a sum equal to three times the postage price;
- for items subject, in accordance with the terms and conditions laid down by decree by the minister responsible for postal services, to procedures attesting to their postage and delivery, the sum of €16;
- for insured items, the insured amount.

For the loss of or damage to postal parcels, the compensation ceiling is €23 per kilogram of missing or damaged goods.

Article R. 2-3 of the French Post and Electronic Communications Code (*Code des postes et des communications électroniques*) also sets out the period after which a postal item that has not been delivered to its recipient should be considered lost (40 days from the date on which it enters the service provider's network).

The compensation that may be payable by postal service providers as a result of a delay in delivering postal items entrusted to them may not exceed the postage price.



## Reporting requirements

Under Article L. 135 of the French Postal and Electronic Communications Code, licence holders must provide Arcep with annual statistics on the use, coverage area and terms and conditions of access to their service. This reporting includes in particular items relating to the nature and volume of the various postal services that they are licensed to provide. Arcep is also empowered to carry out expert assessments, perform studies, collect data and carry out all forms of reporting on the postal sector.

As part of this reporting obligation, Arcep is required to make a decision every year with respect to carrying out an annual survey designed to:

- ensure that all sector stakeholders and consumers are kept informed by publishing aggregate indicators on the main postal sector segments;
- provide the necessary data for public policy reviews, in particular reviews of Arcep's work with respect to the implementation of the regulations in force;
- assess the effect of its decisions on the market as a whole.

The Arcep members designated in the decision are the only ones authorised to receive and process individual information collected in the course of this survey.

These surveys are published on Arcep's website as part of the Annual Observatory of Postal Activities.

## Arcep's authority

Arcep is empowered to settle disputes arising from the performance of postal activities. This consists of the power to settle disputes and act as arbitrators.

Arcep may be called upon to settle a dispute when it involves an agreement to access essential resources (see Section "Access to essential resources") or involves entering into or performing agreements that vary from the general terms and conditions of the universal postal service offering for items of correspondence. For disputes which fall outside the scope of the dispute settlement procedure, Arcep may be called upon to mediate.

In addition, Arcep can decide to hand down penalties against a universal postal service provider or a licence holder, on its own initiative or at the request of the Minister responsible for postal services, an industry association, a recognised user group, an affected individual or legal entity, universal postal service provider or licence holder. Arcep may only hand down penalties having given the interested party formal notice to comply with its obligations within a specific deadline.

The penalties available to Arcep are as follows:

- warning;
- reduction of the duration of the licence by one year;
- suspension of the licence for at most one month;
- withdrawal of the licence;
- a fine, the amount of which is proportional to the severity of the breach, the situation of the interested party, the scale of the damage and the amount it benefited from it, subject to a 5% maximum of net revenue before taxes for the most recently ended financial year, this threshold being raised to 10% in the event of a further infringement.

The universal service provider may only be sentenced to a monetary penalty.

In addition to these powers, since Title II of the law of 9 February 2010 entered into force, Arcep has additional powers with respect to the processing of claims by postal service users where these claims have not been resolved under the procedures put in place by the licensed postal service providers.

Lastly, in 2017 Arcep launched a reporting platform that allows individual customers, businesses and communities to report problems encountered with fixed-line, mobile phone, internet or postal service operators. However, it is not a tool for the formal referral to the Authority within the meaning of Article L. 112-8 of the French Code on the Relations between the Public and the Administration (*Code des relations entre le public et l'administration*). The data collected in this reporting platform will be used by Arcep to quantify problems.

### 1.3.1.2 Express-related activities

La Poste operates in the express parcel service business through Geopost's subsidiaries. These subsidiaries operate mainly as freight forwarders or road hauliers (see Section 1.2.2 "Geopost"). These two professions are subject to specific regulations.

## Conditions governing access

The conditions governing access to the profession of road haulier are mainly defined at the European level by Regulation no. 1071/2009 of 21 October 2009, and at the national level by the provisions of the French Transport Code (*Code des transports*), Articles R. 3211-1 et seq.

The conditions governing access to the profession of freight forwarder are mainly governed by the French Transport Code, including Articles R. 1422-1 et seq. The latter differs from a transport operator in that it organises and arranges the various freight transport phases under its responsibility without actually transporting them itself or without transporting them the whole way.

## Conditions governing performance of the activity

- Companies operating as freight road hauliers in France using motor vehicles must hold an administrative authorisation to exercise such an activity and be registered in the national register of road transport firms. The operator's administrative authorisation can only be issued and registered in the electronic register if four cumulative conditions are met:

1. have the status of a stable and actual business;
2. possess financial capacity: have sufficient equity or guarantees for the fleet used;
3. meet professional standing criteria: this condition must be met by the legal entity, the company's legal representatives and the transport manager;
4. have professional capacity: the company's transport manager must hold a certificate of professional capacity.

Freight road transport companies must possess an EU licence if they engage in transport using vehicles with a maximum authorised payload above 3.5 tonnes and a national transport licence for vehicles under 3.5 tonnes. Administrative authorisations pertaining to the transport sector are valid for ten years and are renewable.

- Freight forwarding companies in France must be registered in the national register for freight forwarding companies. Such registration is subject to compliance with the two criteria mentioned above of professional standing and professional aptitude.

### 1.3.1.3 Banking and insurance activities

La Banque Postale, a subsidiary of La Poste which holds the entirety of the share capital, is a French limited company (*société anonyme*) with an Executive Board and a Supervisory Board, which was licensed as a lender bank by the French Credit Institution and Investment Firms Committee (*Comité des établissements de crédit et des entreprises d'investissement - CECEI*) in 2005, and has been registered as an insurance intermediary by the French Insurance Intermediaries Registration Body (*Organisme pour le registre unique des intermédiaires en assurance, banque et finance - ORIAS*) since May 2007.

According to the bancassurance model, La Banque Postale meets the needs of all types of customers and provides a comprehensive banking, financial, savings and insurance offering:

- banking services: holding of postal current accounts and payment services, overdraft facilities, home and consumer loans, loans to businesses and the local public sector;
- financial instruments: holding of securities accounts, investment in financial securities including units or shares of collective investment funds, and forward financial instruments;
- savings products: savings products subject to a specific tax regime, unregulated savings products, and employee savings products;
- insurance products through its subsidiary CNP Assurances: savings/pensions, personal risk, term creditor & guarantee, health, and property & casualty; and the non-life insurance subsidiaries: property & casualty, health, and death/disability.

As a payment agent, La Banque Postale provides money transfer services. Postal order operations were discontinued in 2021.

Banking and related transactions, investment and related services, and savings products are regulated by the French Monetary and Financial Code.

Insurance products are regulated by the French Insurance Code (*Code des assurances*).

Life insurance contracts are regulated by the French Prudential Supervision and Resolution Authority (*Autorité de contrôle prudentiel et de résolution - ACPR*). The French Financial Markets Authority (*Autorité des marchés financiers - AMF*) may, however, be indirectly involved through certification of collective investments that may fund particular life insurance contracts.

Life insurance contracts may be subscribed to euro and unit-linked funds. Since 2020, the ACPR has ensured that life insurance contract plans are accurately represented for the purposes of investing in unit-linked funds, and that all subscriptions meet investors' needs.

Furthermore, France's Eckert law of 13 June 2014 relating to dormant bank accounts and escheated life insurance contracts requires an annual report to be sent to the ACPR outlining the number and value of life insurance contracts, as well as capitalisation bonds and contracts that meet the Ministry of the Economy's criteria, of which the share capital or annuities owed have not been paid to the beneficiaries.

These codified provisions, together with the non-codified legal and regulatory provisions, govern the activity of La Banque Postale in their respective fields.

La Banque Postale is also subject to the control of regulatory authorities: (i) the European Central Bank (ECB) and the ACPR as part of the Single Supervisory Mechanism (SSM), and (ii) the AMF.

CNP Assurances, a subsidiary owned by La Banque Postale, falls within the scope of the ACPR.

Following the announcement on 28 October 2021 by La Banque Postale of its intention to acquire the CNP Assurances shares held by the BPCE group (which it did on 16 December 2021) and to file a simplified tender offer for CNP Assurances' minority shareholders, on 7 June 2022 the AMF confirmed the implementation of the squeeze-out procedure for CNP Assurances shares.

On 20 June 2022, the compulsory purchase of CNP Assurances shares not yet held by La Banque Postale was triggered, resulting in the delisting of the CNP Assurances share. CNP Assurances is now wholly-owned by La Banque Postale and therefore its shares are no longer listed on the market.

### ECB Single Supervisory Mechanism

The SSM and the Single Resolution Mechanism (SRM) are the two pillars of the European Banking Union. Established in response to the 2008 financial crisis, the Union's purpose is to increase the transparency, unity and security of the European banking sector:

- The SSM is the European banking supervision system that has been in effect since 4 November 2014. It comprises the ECB and the national supervisory authorities of the participating countries.

Its main aims are to ensure the safety and soundness of the European banking system, to increase financial integration and stability, and to ensure consistent bank supervision.

Together with the national authorities, the ECB has the authority to conduct prudential reviews, on-site inspections and investigations, to grant or withdraw banking licences, to assess banks' acquisitions and disposals of qualifying holdings, and to set higher capital requirements ("buffers") in order to counter any financial risks.

The ECB directly supervises 110 major banks in participating countries.

The potential risks faced by banking institutions are assessed and measured annually via the Supervisory Review and Evaluation Process (SREP). The elements examined at this time include the bank's activity profile, governance and risk management, capital risk, liquidity risk, and financial risk. The Joint Supervisory Teams (JST) reach a decision for each bank regarding the supervisory measures required under Pillar II.

- The SRM, created by the European Single Resolution Mechanism Regulation (SRMR) consists of the Single Resolution Board (SRB) and of the national resolution authorities of the participating countries. Its purpose is to guarantee the orderly resolution of failing banks to limit their impact on the economy, the financial system and public finances.
- The Single Resolution Board (SRB) is tasked with expediting the decision-making process. It also plays a proactive and preventive role by preparing the banks' resolution plans and improving their resolvability in order to avoid the potentially negative impacts of a bank failure on the economy and financial stability.
- The resolution measures may be funded by the Single Resolution Fund (SRF), which is financed by the contributions of the banks of the 19 Member States belonging to the Banking Union. The fund should reach its minimum target level of 1% of the guaranteed deposits of all of the Banking Union's credit institutions by 31 December 2023.

## Prudential ratios and extra capital buffers

Following the SREP carried out by the ECB, the ECB notified La Banque Postale of its total SREP capital requirement (TSCR) applicable on a consolidated basis. This is unchanged from 2022 and will continue to apply from 1 January 2023. This SREP capital requirement amounts to 10%, of which:

- Pillar I requirements (minimum CET1 of 4.5%, minimum Tier 1 of 6%, minimum total capital of 8%);
- Pillar II requirement (additional own funds of 2%). La Banque Postale satisfies this requirement in the proportions provided for in Article 104a-4 of the CRDV Directive (1.125% of CET1 capital and 1.5% of Tier 1 capital).

In addition to these requirements, the SREP letter reminds La Banque Postale of its obligation to meet the overall capital requirement (OCR), which includes, in addition to the total SREP capital requirements, the combined buffer requirements. As a reminder, for La Banque Postale these total capital buffer requirements consist of:

- 2.50% for a capital conservation buffer (CCB);
- 0.25% for the buffer for other systemically important institutions;
- 0.02% for the countercyclical buffer.

The countercyclical buffer requirement takes into account the full easing of the countercyclical buffer applicable to relevant exposures located in France from 2 April 2020. While the buffer requirement was cancelled by most relevant authorities, it remains applicable in several jurisdictions, namely Bulgaria, Luxembourg, Norway, the Czech Republic, the United Kingdom, Slovakia and Hong Kong.

La Banque Postale's specific countercyclical buffer rate was 0.02% at 31 December 2022. This requirement does not include the recommendation for additional own funds under Pillar II (P2G). Based on this notification, the overall capital requirement (OCR) is 12.77% (10% plus 2.77% for the combined buffer requirements).

The overall capital requirement is 12.77%, of which 1.875% that La Banque Postale can cover with AT1 instruments (1.5% under Pillar I and 0.375% under Pillar II) and 2.5% with Tier 2 instruments (2% under Pillar I and 0.5% under Pillar II).

## Management of banking crises (second pillar of the Banking Union)

The Bank Recovery and Resolution Directive (BRRD) is a European framework for managing bank crises that, in particular, provides for the creation and updating of preventive recovery plans. La Banque Postale updates its preventive recovery plan and submits it to the ECB annually.

La Banque Postale is among the banks under the responsibility of the Brussels-based SRB, which is tasked with drawing up its resolution plan and setting out a minimum requirement for own funds and eligible liabilities (MREL) for it.

## Changes in the regulatory framework

The European Parliament passed legislative measures called the "banking package" on 16 April 2019. It consists of four directives and regulations (CRR II, CRD V, BRRD II, SRMR II) which are intended to ensure the conformity of prudential banking requirements with the prudential standards of the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB).

With respect to CRR II, the main measures concern the leverage ratio (notably, exemption by nature – and no longer based on an authorisation – for all exposures related to centralised savings), a new standardised approach for measuring counterparty risk (SA CCR), large exposures, the stable funding requirement (Net Stable Funding Ratio – NSFR), the minimum requirement in terms of total loss-absorbing capacity (TLAC) and various changes to the calculation of the capital requirement for credit risk (effect of new support factors, weighting of investments in UCITS). Most of the measures were applied as of 30 June 2021.

These laws are part of the European Commission's project to implement the Banking Union and the Capital Markets Union and they meet the goal of international bodies to reduce risks in the banking sector. The following matters are addressed. The following items are set out:

- application of the leverage ratio as a Pillar I requirement: this ratio, which is included in Regulation no. 575/2013 (CRR) and is currently applicable, is designed to prevent banks becoming over-leveraged during an economic recovery. Compliance with the ratio is compulsory, in the same way as the solvency ratio, with a minimum requirement of 3% of Tier 1 capital.

It compares Tier 1 capital to an exposure (the denominator) composed of balance sheet items and off-balance sheet items, without any weighting for risk.

However, these changes have a limited impact on La Banque Postale in view of its good leverage ratio. In addition, the method used to calculate this ratio was changed in a way that was favourable to La Banque Postale in 2021, as it was allowed to exclude 100% of centralised savings;

- the introduction in CRR II of new credit and counterparty risk measurement methods. The changes replace the current credit and counterparty risk measurement method for exposure in the event of default (current exposure method, or CEM: valuation method at market price) with a new standardised calculation method for the value exposed to derivative instrument risk (standardised approach to counterparty credit risk, or SA-CCR). La Banque Postale will apply the SA CCR method with its related impacts.

- the application of the stable funding ratio as a requirement of Pillar I: the NSFR (Net Stable Funding Ratio) is a long-term liquidity ratio which La Banque Postale must calculate and meet at a minimum level of 100%.

The NSFR corresponds to the amount of stable financing available (commitments and reliable capital at one year) compared to the stable funding requirement (off-balance sheet assets and exposures – liquidity and residual maturity at one year). In order to monitor changes in long-term liquidity, La Banque Postale has implemented a management system which enables it to offset its exposures with stable sources of financing;

- the review of the large exposures calculations: the requirements for large exposures for systemically important financial institutions (SIFI) have been strengthened. As a domestic systemically important institution (SII), La Banque Postale will use Tier 1 instead of eligible capital as the basis for its limit calculations.

### 1.3.1.4 Electronic communications activities

La Poste Groupe operates in the electronic communications market, mainly in the field of mobile telephony via La Poste Telecom (jointly owned with SFR) (see Section 1.2.4 “Retail Customers & Digital Services”).

On 14 October 2010, La Poste Telecom declared itself as an operator with Arcep to conduct two business activities: telephone services to the public (direct transfer of voice in real time between fixed-line or mobile users) and services other than telephony (electronic communication services). The telephone service that La Poste Telecom provides to the public is mobile.

## 1.3.2 Regulations applicable to the public service missions

La Poste is tasked with four public service and public interest missions, defined in Article 2 of the law of 2 July 1990, as amended, on the organisation of the public service of La Poste and France Telecom:

- the universal postal service;
- contribution to regional planning and development through its network of retail outlets;
- press transport and delivery;
- accessible banking.

The four public service missions entrusted to La Poste are carried out in accordance with the principles of equality, continuity and adaptability. They respond to a social need and promote the balanced development of France while remaining flexible: they must evolve according to the needs of users and society at large, in application of the principle of the adaptability of public services.

The commitments of La Poste and the French State are defined in a multi-year public service agreement: for the 2018-2022 period, the public service agreement, approved by the group’s Board of Directors on 19 December 2017, was signed by all stakeholders on 16 January 2018. As provided for in this agreement, the French State and La Poste carried out a progress assessment on the implementation of these various

missions in 2020. An amendment to this agreement was signed on 18 May 2022. It formalises the main changes adopted in respect of the four public service missions.

Until 2020, only three of the four public service missions gave rise to public compensation. These compensations were sometimes significantly lower than the expenses that these missions represented in the financial statements of La Poste Groupe. In 2021, the public service missions entrusted to La Poste together represented a total expense of €1.7 billion<sup>(1)</sup> before compensation. On 22 July 2021, the French Prime Minister announced the payment to La Poste of an annual amount to offset the additional costs of the universal postal service over the 2021-2025 period. At the same time, La Poste announced the launch of a new universal service mail range on 1 January 2023.

However, La Poste Telecom is a mobile telephone operator that does not have specific authorisation to use radio frequencies. It is instead a Mobile Virtual Network Operator (MVNO). SFR is the “host” network operator of La Poste Telecom. An agreement is in place for SFR to supply wholesale mobile electronic communications services (voice, SMS and data) to La Poste Telecom across mainland France. Through this agreement, La Poste Telecom benefits from the interconnections negotiated by SFR with all mobile and fixed-line operators.

End-to-end mobile voice services are provided by SFR with service levels equivalent to those offered by SFR to its own customers for comparable services. In addition, insofar as La Poste Telecom benefits simply from access, SFR largely bears the regulatory requirements regarding interconnection.

Since registering with Arcep, La Poste Telecom has applied the rights and obligations related to the establishment and operation of public networks on the basis of Article L. 33-1 of the French Postal and Electronic Communications Code.

La Poste Telecom has the right to engage in the aforementioned activities of public telephone services and services other than telephone services, as well as the right to be issued blocks of numbers by Arcep.

La Poste Telecom is subject to rules relating, in particular, to:

- the conditions governing the consistency, quality and availability of the network and service;
- the conditions of confidentiality and neutrality with regard to the messages transmitted and information related to communications;
- the regulations governing health and environmental protection;
- the free routing of emergency calls;
- the funding of the universal electronic communications service.

### 1.3.2.1 Universal postal service mission

The law of 20 May 2005 designated La Poste as the service provider responsible for the universal postal service mission. The law of 9 February 2010 confirmed the assignment of this mission to La Poste, for a period of 15 years as from 1 January 2011.

(1) Covering the same scope as 2020, i.e., excluding reversals of impairment of mail assets.

## Legal and regulatory framework

The concept of the universal postal service was defined by directive no. 97/67/EC in 1997.

The European Union provisions on the universal postal service were transposed into French law by the law of 20 May 2005, subsequently supplemented by the law of 9 February 2010.

The legislator elected for an expanded universal postal service as provided for in Article L. 1 of the French Postal and Electronic Communications Code: "The universal postal service helps bring about social cohesion and the balanced development of the country. It is carried out in such a way as to ensure respect for the principles of equality, continuity and adaptability while striving to maximise economic and social efficiency. It guarantees permanent access to postal services of specified quality to all users throughout the country. These services are offered at affordable prices for all users."

The law of 9 February 2010 confirmed the principles governing the universal postal service and did not modify either its definition or its scope. It specifies that "prices are cost-oriented and encourage efficient delivery, while taking into account the characteristics of the markets in which they apply".

In addition, Decree no. 2007-29 of 5 January 2007 on the universal postal service and on La Poste's rights and obligations, amended by the Decree of 20 September 2012 regarding the net contributions into the universal postal service compensation fund, reaffirmed and detailed the legislator's choice with respect to both the characteristics of the universal postal service (i.e., offering, accessibility, collection, delivery, service levels, etc.) and the rights and obligations incumbent on La Poste as the universal service provider (catalogue, cost accounting, pricing information, monitoring of the performance of missions, etc.). The definition of priority dispatch in Article R. 1 of the French Postal and Electronic Communications Code was also amended by Decree no. 2022-1110 of 3 August 2022.

## Supervisory framework

The role of Arcep is to oversee competition and the proper functioning of the postal market while ensuring the funding and safeguarding of the universal postal service.

Arcep ensures that La Poste meets its universal postal service obligations and, to this end, establishes a multi-annual price cap, along with price regulation of services on a case-by-case basis within the scope of the universal postal service. In its capacity as the universal postal service provider, La Poste is subject to service level, claims handling and accounting obligations.

Each year, La Poste sends Arcep a review of the universal postal service it has offered. It also sends a copy of the review to the Minister responsible for postal services.

## Features

The French legislature has broadly defined the universal postal service in France, whose scope is set out in Decree no. 2007-29 of 5 January 2007 (codified as Articles R. 1 et seq. of the French Postal and Electronic Communications Code). The

universal postal service in France includes the following minimum services for domestic and cross-border postal services:

- letters and parcels weighing up to 2 kilograms, priority and non-priority single-piece items, or bulk items;
- postal parcels offered to the public by unit up to 20 kilograms, by ordinary or registered mail;
- newspapers and periodicals;
- catalogues and other printed items;
- registered items;
- insured items;
- forwarding;
- literature for visually impaired people.

The collection and delivery services within the scope of the universal postal service are carried out every working day (six days a week), save in exceptional circumstances, which represents more than the minimum of five days required by the directive. The distribution of services within the scope of the universal postal service is carried out in appropriate facilities to the door of every individual or legal entity.

These services are offered on a permanent basis to all users across mainland France, in the overseas departments, Saint-Martin, Saint-Barthélemy, and Saint Pierre and Miquelon.

## Accessibility

In regard to the accessibility of the universal postal service, Article R. 1-1 of the French Postal and Electronic Communications Code specifies that at least 99% of the French population and at least 95% of the population in each department must live less than 10 km from a retail outlet, and that all municipalities with more than 10,000 inhabitants must have at least one retail outlet for each section of 20,000 inhabitants<sup>(1)</sup>.

## Catalogue

La Poste puts together and duly updates a catalogue outlining the services falling within the scope of the universal postal service (i.e., description of offerings and current prices). This catalogue was approved by the Minister responsible for postal services on 20 August 2007, following a favourable opinion by Arcep on 26 April 2007, and may be downloaded from La Poste's website.

La Poste must both seek approval from the Minister responsible for postal services and consult Arcep for any proposed substantial changes to the catalogue, other than prices, when these changes affect the single-piece postal component of the universal postal service. In the absence of an objection from the Minister within two months of receipt of the document, the changes are deemed approved. For bulk postal services, La Poste is only required to inform the Minister responsible for postal services and Arcep of the catalogue changes.

Decree no. 2022-1110 of 3 August 2022 on the universal postal service obligations amended the definition of priority mail as set out in Article R. 1 of the French Postal and Electronic Communications Code, which was necessary for the implementation of the new mail range.

(1) In addition to its universal service obligations, Article 6 of the law of 2 July 1990 amended by the law of 20 May 2005 stipulates that La Poste contributes, through its network of retail outlets, to regional planning and development throughout the country. As part of this additional mission, La Poste is subject to more restrictive accessibility rules: "Save in exceptional circumstances, these rules provide that no more than 10% of people in a department should live over five kilometres or over a 20-minute car journey, based on the traffic conditions in that department, from home to the nearest La Poste retail outlet." The Postal Law of 9 February 2010 states that La Poste's network "has at least 17,000 retail outlets throughout France, taking into account specific features across the country".

On 2 June 2022, Arcep issued its Opinion no. 2022-1139 on the modification of the universal postal service catalogue concerning the new mail range. This change reflects the request made by the Prime Minister to the Senior Monitoring Committee for the Public Service Agreement on 22 July 2021. As such, from 1 January 2023, the mail range will be built around a three-day delivery offering, with a next-day delivery solution for the most urgent items and a two-day delivery solution with high service value.

## Price framework and regulation

Multi-annual price caps governing the prices for services falling within the scope of the universal postal service are set by Arcep, following a review of La Poste's proposal (Article L. 5-2 of the French Postal and Electronic Communications Code).

The price cap makes it possible to control price increases for all or some of the products in the sector governed by postal regulations, with a view to keeping the Company's operating margin constant over a specific period. In accordance with Article L. 5-2 of the French Postal and Electronic Communications Code, in 2017<sup>(1)</sup> Arcep defined, following La Poste's proposal, the pricing framework for the universal service offers for the 2019-2022 period. This decision caps the average annual increase in prices to 5% in nominal terms within the scope of the universal postal service, contrary to the mechanism in force for the 2015-2018 period, which allowed a modulation of the increases over the period.

Due to the change in the universal postal service range on 1 January 2023, La Poste and Arcep both noted that it was impossible to propose and in turn to set a price framework for 2023. However, Arcep verified that the pricing set for 2023 complies with the principles of the French Postal Law, such as affordability and cost-oriented pricing. La Poste and Arcep plan to work together in 2023 to establish a multi-year pricing framework for 2024 and 2025.

The law of 9 February 2010 (Article L. 5-2 of the French Postal and Electronic Communications Code) stipulates that Arcep issues opinions on service price increases within the scope of the universal postal service. In addition, it empowers Arcep to change or suspend planned price increases where the pricing principles applying to the universal postal service are patently disregarded.

## Service level and complaint handling requirements

The European Union has defined service level standards relating to the shipping time for postal items from the date of deposit by the sender until delivery to the recipient for cross-border mail within the European Union. Accordingly, from the time the object is passed to the postal operator, 85% of items must be delivered within three days and 95% within five days.

The EU also defines objectives for cross-border import mail (85% within three days and 97% within five days).

Arcep ensures that these targets are met and oversees the publication and reliability of service quality measures. It also commissions an independent body to carry out an annual survey on the service levels of various components of the universal postal service.

Moreover, La Poste regularly measures quality of service based on European or national standards (Article R. 1-1-8 of the French Postal and Electronic Communications Code). The results of these measurements are disclosed to users and Arcep by means of the annual publication of the universal service dashboard.

As the universal postal service provider in France, La Poste is also required to publish an annual report on the monitoring of its performance, as well as information on the number of claims and the manner in which they have been handled (Article 19 of directive no. 97/67/EC).

As the universal postal service provider, La Poste must display a notice at each retail outlet detailing the claims procedure and compensation conditions. Users of the universal postal service must be given access to claims forms. The time taken to deal with a claim relating to a domestic postal item may not exceed two months from receipt of the claim accompanied by supporting documentation. The claims processing procedure is free of charge for customers (Article R. 1-1-9 of the French Postal and Electronic Communications Code).

Lastly, should users not be satisfied with the response to their claim, they may file a further claim, which is dealt with by a different unit. If they feel the response is still not satisfactory, they may then ask La Poste Groupe's mediator to intervene.

## Financial compensation mechanism

La Poste is required to present separate financial statements for its universal services, and another set of statements for all other services.

The cost allocation principles for this regulatory accounting are laid down by Arcep. At the request of Arcep, La Poste provides all the accounting documents and information that Arcep needs to verify that La Poste is complying with its obligations.

La Poste's regulatory accounting has been audited by La Poste's Statutory Auditors every year since 2000. Since 2006, Arcep has carried out an audit, via an independent organisation approved by Arcep, aimed at ensuring that the principles it sets are correctly applied. This audit is carried out at La Poste's expense.

Despite La Poste's efforts, the continuous decline in the volumes of the universal postal service entails that this public service mission is now running at a substantial loss. The full-cost universal service account was established as follows (excluding impairment and reversals of impairment of mail assets, in accordance with the accounting rules laid down by Arcep):

<b>Full-cost UPS account (in €m)</b>	
2019	(526)
2020	(782)
2021	(617)

On 22 July 2021, the French Prime Minister, accompanied by the Minister for the Economy, Finance and Recovery and the Minister for Regional Cohesion and Relations with Local Authorities, chaired a meeting of the Senior Monitoring Committee provided for by the public service agreement in force between the French State and La Poste.

(1) Decision no. 2017-1252 of 26 October 2017 relating to the multi-year framework for universal postal service rates over the 2019-2022 period.

At this meeting, with a view to supporting the transformation of the universal postal service and guaranteeing its sustainability and affordability, the French State undertook to pay La Poste an annual budget allocation to offset part of the additional costs of the universal postal service over the 2021-2025 period. This annual compensation will be modulated between €500 million and €520 million, depending on service level results. The terms of this measure are set out in the amendment to the 2018-2022 public service agreement signed on 18 May 2022 and will be set for the 2023-2025 period in the next public service agreement.

As a result, the French Postal and Electronic Communications Code was amended by the Budget Law no. 2021-1900 of 30 December 2021 for 2022, which provides that the operator in charge of the universal postal service shall receive compensation from the French State for its universal postal service mission under the conditions set out in the public service agreement provided for in Article 9 of law no. 90-568 of 2 July 1990. This programme is currently being notified to the European Commission. The first allocation, covering the additional costs incurred by La Poste in 2021, is €520 million. An identical amount for 2022, subject to service level results specified in the amendment to the aforementioned public service agreement, is included in the 2023 Budget Law.

To round out the programme, Arcep is also tasked with assessing the net cost of the universal postal service obligations, according to a method set in the French Council of State (*Conseil d'État*) decree issued after considering the opinion of both Arcep and the French High Commission for Digital and Postal Services. The Council of State decree specifying the method for assessing the net cost has not been published as yet.

### 1.3.2.2 Regional development mission

The law of 9 February 2010 reaffirmed the assignment to La Poste of a regional development public service mission, consisting of the contribution to regional planning and development through its network of retail outlets as a complement to its universal postal service obligations.

This mission is therefore added to the universal postal service obligations for which La Poste is the designated service provider and responds to a strong ambition for good postal coverage in the country, including in areas where retail outlets could not remain open were the decision based on purely economic criteria (rural or mountainous areas, overseas departments and urban priority neighbourhoods).

### Legal and regulatory framework

To fulfil the national postal coverage obligations incumbent upon it, La Poste must deploy a network of retail outlets that meet two cumulative accessibility rules:

- a rule of accessibility to the universal postal service; and
- a complementary accessibility rule for its contribution to regional development, set down by the law of 2 July 1990 on the organisation of the public services of La Poste and France Télécom, as amended by the law of 20 May 2005: "Save in exceptional circumstances, these rules do not permit that over 10% of people in a department live over five kilometres or over a 20-minute car journey, based on the traffic conditions in that department, from home to the

nearest La Poste retail outlet." The French Postal Law of 9 February 2010 adds that La Poste's network "must have at least 17,000 retail outlets spread across French territory taking into consideration France's special characteristics, in particular in the overseas departments".

In order to carry out this mission while supporting regional development and new customer expectations, since users' practices and lifestyles are changing (due in particular to the rise of digital, new technologies and new forms of mobility), La Poste is continually adapting its organisation and its network to find the best economic and social efficiency. La Poste has progressively built and adjusted a network of retail outlets made up of different forms of postal coverage:

- post offices managed by La Poste, which, in each region, provide access to all products to individual customers; and
- retail outlets managed by its partners, which entails entrusting the provision of the most common services to:
  - local authorities (municipalities or groups of municipalities), in which case they are called local postal agencies or intercommunal postal agencies, or
  - other partners (shopkeepers, non-profit organisations), in which case they are called "La Poste Relais".

At 31 December 2022, La Poste's network was above the legal threshold with 17,321 retail outlets (post offices, postal agencies, "La Poste Relais" outlets) in 13,922 municipalities.

The national accessibility rate was stable at 97%. Some 93 departments were above the accessibility standard. In the overseas departments, every municipality had at least one retail outlet, except for French Guiana (20 out of 22 municipalities). Eight departments are slightly below the accessibility threshold due to specific circumstances and as part of a scheme approved by the French National Observatory of Postal Coverage on 31 January 2023.

Within each department, La Poste presents an annual report on local coverage in line with the accessibility standard, including a map setting out the location of the various La Poste retail outlets.

### Governance

The regional development mission is subject to tripartite governance at the departmental and national levels, allowing for ongoing and in-depth interaction and consultation between the government, local elected representatives and La Poste:

- in each department, a Departmental Commission on Local Postal Coverage (CDPPT) guarantees the consistency of the postal offering in its department and is responsible for ensuring that La Poste respects the accessibility standard for regional development in the department. It determines in particular how the department spends the equalisation fund and examines any legal proceedings by mayors in regard to changes in postal coverage. Each CDPPT is made up of elected officials representing the municipalities, departments and regions, and a representative from the Prefect and from La Poste;
- at the national level, the French National Observatory of Postal Coverage (ONPP), established in December 2007, monitors the implementation of the local postal coverage agreement. It monitors, in particular, the management of the equalisation fund, the CDPPTs' work and the development of the postal network, and is tasked with evaluating, prospecting and promoting innovative solutions.

The observatory has 28 members who are appointed for the duration of the local postal coverage agreement, including six representatives from the French State, six representatives from the French Mayors' Association (AMF), six representatives from La Poste, six members of the French High Commission for Digital and Postal Services (CSNP), two regional councillors from the CDPPTs and two departmental councillors from the CDPPTs.

The regional development mission is the subject of a multi-annual local postal coverage agreement signed between the French State, La Poste and AMF. Following the very positive outcome of the first five agreements, the sixth local postal coverage agreement was signed on 15 February 2023 for the 2023-2025 period.

### Financial compensation mechanism

The additional coverage necessary for the regional development mission corresponds to the number of retail outlets deployed by La Poste to enable it to fulfil this mission, in addition to those resulting from the sole obligation of accessibility to the universal postal service.

The net cost of this additional network is assessed each year by Arcep according to a method specified by Decree no. 2011-849 of 18 July 2011. The decree specifies that "the net cost of this additional coverage is equal to the avoided cost in its absence less the revenue lost in its absence".

After applying this method, Arcep annually estimates the net cost of the additional coverage required by La Poste to fulfil its regional development mission.

#### Net cost of the regional development mission (in €m)

2019 <sup>(a)</sup>	(231)
2020 <sup>(b)</sup>	(325)
2021 <sup>(c)</sup>	(348)

(a) Decision no. 2020-0963 of 15 September 2019.

(b) Decision no. 2021-2069 of 7 October 2021. The difference between 2019 and 2020 is attributable to the updated modelling of the accessible network (selection of network contact points) made by Arcep when estimating the net cost of the mission for 2020. The update, based on more reliable mapping tools and which as such better reflects the reality in the various regions and in particular the spread of the population, resulted in a net transfer of about 1,000 contact points from the accessible network scope to the complementary network scope. The new modelling was presented by the French Authorities in the notification procedure that gave rise to final decision C(2022)5666 of 10 August 2022.

(c) Decision no. 2022-1931 of 29 September 2022.

Following the referral to Arcep, the French High Commission for Digital and Postal Services (CSNP) issued favourable opinions on 1 December 2020<sup>(1)</sup>, 8 December 2021<sup>(2)</sup> and 5 December 2022<sup>(3)</sup> on the draft report submitted by Arcep to the French Government and Parliament on the net cost of this mission for each of the aforementioned years.

(1) Opinion no. 2020-11 of 1 December 2020.

(2) Opinion no. 2021-06 of 6 December 2021.

(3) Opinion no. 2022-07 of 5 December 2022.

(4) State aid SA.100960 (2022/NN).

As part of the partial compensation for the net cost of the mission, La Poste benefits from local tax relief (see Article 6 of the amended law of 2 July 1990), which finances the national postal territorial compensation fund. This reduction takes the form of a rebate on the basis of property taxes and regional economic contributions (corporate property tax and corporate value-added tax). The maximum rate of this rebate was raised from 95% to 99% by the Budget Law for 2020, which amended Article 1635 *sexies* of the French Tax Code (*Code général des impôts*).

On 6 April 2018, the European Commission concluded that the tax rebate granted to La Poste to ensure a high level of postal coverage in France, which could reach approximately €900 million for the duration of the 2018-2022 public service agreement, complies with the European Union regulations pertaining to State aid.

The reduction in production taxes, endorsed by the Budget Laws for 2022 and 2023, applies to the corporate property tax (CFE) and the corporate value-added tax (CVAE) applicable to La Poste. These taxes represent almost the entire local tax rebate base for the regional development mission.

The reform of production taxes entails a reduction in the value of local tax rebate and as such a reduction in the financing of the national postal territorial compensation fund.

To offset this decrease in the financing of the national postal territorial compensation fund and continue meeting the commitments set out in the 2020-2022 local postal coverage agreement, including maximum annual compensation of €177 million, the Budget Laws for 2022 and 2023 provide for funding in the amounts of €74 million and €105 million respectively.

On 10 August 2022, the European Commission declared the changes made to the financing of the regional development mission for 2021 and 2022 (including the introduction of a subsidy to replace a reduction in the CVAE rebate, and an increase in the maximum rate of the rebates provided for in Article 1635 *sexies* of the French Tax Code) to be compatible<sup>(4)</sup>.

The 2023-2025 local postal coverage agreement consolidates the financing of the regional development mission and stipulates that the national postal territorial compensation fund may receive a maximum national allocation of €177 million per year, or a total of €531 million over the 2023-2025 period, including funding for areas bearing the *France Services* label in post offices.

### 1.3.2.3 Press transport and delivery mission

The law of 2 July 1990 makes La Poste responsible for a press transport and delivery public service mission. The law of 9 February 2010 confirmed the assignment of this mission to La Poste.

By facilitating press transport and delivery through special rates granted to media publishers, La Poste contributes to the free communication of ideas and opinions and helps protect pluralism. La Poste carries out its mission over the year throughout the entire country, in particular in rural and sparsely populated areas, under conditions that guarantee equal treatment of subscribers.



## Framework of the mission

The prices for the services offered to the press under this public service mission are approved by the Minister responsible for postal services following a public notice by Arcep (Article L. 4 of the French Postal and Electronic Communications Code). Furthermore, since 2009, La Poste has had a universal postal service offering for press publications, whose prices are subject to an opinion by Arcep.

For the year 2022, the French Government decided on an increase limited, before taking into account the reference inflation, to 1% for all types of press.

La Poste therefore submitted a pricing proposal in line with this decision, which was approved by decision of the Minister for the Economy, Finance and Recovery on 22 December 2021, taken after considering Arcep's Opinion no. 2021-2706.

As such, on 1 January 2022, the prices increased by an average of 2%, after taking into account reference inflation, for all types of press: the majority of publications holding a certificate of registration with the Joint Commission for Publications and Press Agencies (CPPAP), political and general information publications, and daily newspapers with limited advertising resources.

In accordance with the meeting clause set by the public service agreement, La Poste and the French State undertook discussions in 2019 to study possible adaptations to the public service mission and to draw up a new multi-year framework.

In this respect, the Minister for the Economy, Finance and Recovery and the Minister for Culture commissioned a qualified person to propose scenarios for changes to the public postal transport service for paper press subscriptions for the 2021-2026 period.

In April 2021, Emmanuel Giannesini presented his conclusions to the government in which he proposed a comprehensive reform of press transport. This reform involves in particular:

- the introduction of a single price list for the sending of publications as part of the press transport and delivery public service mission;
- the creation of a copy-based aid reserved for political and general information publications and daily political and general information publications with limited advertising resources or classified advertisements.

On 14 February 2022, the memorandum of understanding on the reform of press transport was signed between the French State, press industry organisations, Arcep and La Poste. This memorandum of understanding sets the conditions for press transport by post until 31 December 2026 and ushers in three measures:

- overhaul of the system of public support for press distribution so as to promote a more even spread of traffic between courier delivery via dedicated paper routes and postal delivery via the standard mail circuit;
- uniform rates for all press categories;
- reinforcement of the financing of La Poste's public service mission so as to maintain its economic equilibrium.

The reform came into force on 1 January 2023.

From 1 January 2023, the aforementioned memorandum of understanding caps the increase in regulated press rates at 2.0% so as to guarantee the affordability of the prices offered as part of La Poste's public service mission.

## Financial compensation mechanism

In 2021, the deficit for this public service mission amounted to €347 million<sup>(1)</sup> before taking into account the public compensation of €88 million and to a deficit of €259 million after taking into account this compensation. In 2022, the amount of the compensation paid to La Poste for the 2022 fiscal year is set at €84 million.

### Deficit of the press mission (in €m)

2019	(290)
2020 <sup>(a)</sup>	(343)
2021 <sup>(b)</sup>	(347)

(a) Excluding provisions for impairment of mail assets.

(b) Excluding the reversal of impairments of mail assets.

On 24 January 2019, the European Commission concluded that the compensation granted by the French State to La Poste, in the maximum amount of €518.8 million over five years (2018-2022), does not exceed the net cost incurred for the public service obligations and complies with the European Union regulations on state aid.

Following the issuance of Order no. 2021-650 of 26 May 2021 amending the French Postal and Electronic Communications Code, Arcep has been responsible for assessing the net cost of the public service mission relating to press transport and delivery.

As part of the overall reform of press transport, La Poste is expected to continue to receive compensation for the public service mission of press transport. This compensation will correspond to the specific costs, understood as the net avoided cost, related to the distribution in low-density areas of all press copies posted at a public service rate, regardless of the degree of urgency.

In accordance with the memorandum of understanding on the reform of press transport dated 14 February 2022, the amendment to the public service agreement between the French State and La Poste sets out the projected compensation trajectory for the years 2022-2026:

Year	Amount (in €m)
2022	30 <sup>(a)</sup>
2023	40
2024	42.8
2025	38.5
2026	32.2

(a) The compensation paid for 2022 is prorated based on the date of entry into force of the postal transport reform:  $\text{compensation 2022} = 84 * (x/12) + 30 * ((12-x)/12)$ , where  $x$  is the number of months between 1 January 2022 and the date of entry into force of the reform. Since the reform came into force on 1 January 2023, the amount for 2022 is €84 million.

On 5 December 2022, the European Commission declared that the aid paid by the French State to La Poste in connection with the press transport and delivery mission was compatible with the internal market for the 2023-2026 period<sup>(2)</sup>.

(1) Excluding the reversal of impairments of mail assets.

(2) State aid SA.102817(2022/N).

### 1.3.2.4 The accessible banking mission

La Poste carries out this mission through La Banque Postale, through the *Livret A*, which guarantees universal and non-discriminatory access to free basic and essential banking services for people who are excluded from the traditional banking system and have specific needs.

#### Framework of the mission

The accessible banking mission entrusted to La Poste by the legislator<sup>(1)</sup> aims to ensure that the entire population, without any restriction, has access to the same “basic” savings plan with banking facilities, in order to promote the use of banking solutions and to supplement the other systems already in place such as the right to a bank account and the specific offering dedicated to financially vulnerable customers.

La Poste carries out this mission via its subsidiary La Banque Postale, a credit institution<sup>(2)</sup>, through the *Livret A* savings account and according to specific conditions.

La Banque Postale is also committed, within the framework of the law of 9 February 2010, to combat and prevent excessive debt and to promote microloans.

The law on the Modernisation of the Economy dated 4 August 2008 authorised all banks in France to distribute *Livret A* savings accounts from 1 January 2009. However, the law set out specific obligations for La Banque Postale in terms of the distribution and operation of the *Livret A* pursuant to its accessible banking mission. These obligations are specified in an agreement between the government and La Banque Postale, currently covering the period from 2021 to 2026<sup>(3)</sup>.

La Banque Postale is required:

- to open, according to what is commonly referred to as a principle of universality, a *Livret A* savings account, upon simple demand and free of charge, for any individual, association mentioned in Article 206-5 of the French Tax Code, public housing body or any joint ownership association so requesting;
- allow holders of the *Livret A* to make payment and withdrawal transactions free of charge in all post offices where it offers these same transactions to holders of postal current accounts;
- to allow cash withdrawals or deposits starting at €1.50 (compared to €10 in other networks) free of charge;
- authorise on the *Livret A*, free of charge, all the transactions listed in the decree of 4 December 2008, as amended, i.e.:
  - bank transfers of social security payments made by public authorities and social security bodies, and payments of pensions,
  - direct debits for income tax, council tax, property tax, water, gas or electricity bills, subsidised housing rents and, since the entry into force of the decree of

18 January 2022, bills from electronic communications operators<sup>(4)</sup>.

La Banque Postale is also obliged to offer the following services free of charge:

- transfer to a current account by the holder of the *Livret A* (or their legal representative or agent) regardless of which institution holds the account;
- bank cheques issued in favour of the holder of the *Livret A* (or their legal representative or agent);
- a cash withdrawal card that can be used in La Banque Postale ATMs.

These specific requirements require La Banque Postale to manage *Livret A* savings accounts for a large part of the low-income population, which is subject to various constraints and vulnerabilities, in particular due to their cognitive (e.g., illiteracy and digital illiteracy) or administrative (e.g., migrants) situation. In concrete terms, these requirements mean that La Banque Postale is obliged to implement an extensive human support system and manage a very large number of withdrawals and deposits of small sums on a daily basis, resulting in significant direct and indirect management costs, at the bank’s counters. These transactions are mainly concentrated on savings accounts with low deposit amounts and in certain urban and semi-urban areas (urban priority areas in particular).

At the end of December 2022, almost 50% of La Banque Postale’s *Livret A* savings accounts held by individuals, representing around 6.9 million accounts, had average balances of under €150. These accounts, which represent less than 0.22% of savings deposits, nonetheless generate very substantial administration costs because they are among the most used savings accounts, accounting for 45.4% of transactions (withdrawals and payments) made on *Livret A* accounts, including 50% of withdrawals.

Based on their observed behaviours and practices, La Banque Postale estimates that 1.4 million<sup>(5)</sup> people qualify for basic banking services under the accessible banking mission.

#### Financial compensation mechanism

The public service mission of accessible banking is remunerated by “proportionate” financial compensation<sup>(6)</sup>. Until 2022, this compensation was paid by the Caisse des Dépôts Savings Fund, where a portion of *Livret A* deposits are centralised. From 2023 onwards, it will be paid, as provided for in Article 184 of the initial 2023 Budget Law, from the French State’s general fund (“Economy” mission). The new terms do not change the planned compensation trajectory (see below).

The principle of the compensation is provided for in the applicable law<sup>(7)</sup> and the multi-year amount (currently for the 2021-2026 period) was declared compatible by the European Commission under the State aid regime applicable to services of general economic interest (SGEI) on 26 July 2021.

(1) Law no. 90-568 of 2 July 1990 on the organisation of the public postal and telecommunications service.

(2) Article L. 518-25-1 of the French Monetary and Financial Code.

(3) The public service agreement signed between the French State and La Poste for the 2018-2022 period also specifies the framework for carrying out this mission.

(4) The order of 18 January 2022 extended the list of essential operations to the services provided by electronic communications operators that have an Arcep identifier.

(5) At end-December 2022.

(6) Article R. 221-8-1 of the French Monetary and Financial Code.

(7) Article L. 221-6 of the French Monetary and Financial Code.

It confirmed that “the purpose of these obligations is to ensure easy and non-stigmatising access to a basic bank account for disadvantaged people who would risk, in the absence of such obligations, being excluded from banking due to their social and/or financial situation” and authorised the extension of the €1.77 billion paid to La Banque Postale for the performance of this mission.

The compensation is set for the 2021-2026 period by the Order of 9 August 2021 setting the additional compensation for La Banque Postale with respect to its obligations in terms of distribution and operation of the *Livret A* savings account. The amounts are as follows:

Year	Amount (in €m)
2021	338
2022	321
2023	303
2024	287
2025	269
2026	252

Despite the efficiency gains that have brought down operating expenses, the annual compensation paid does not cover all of the costs incurred by La Banque Postale in respect of its accessible banking mission.

### 1.3.3 Compliance, a lever for securing the group’s long-term development

#### 1.3.3.1 Organisation and governance of compliance

The group’s Compliance Department implements the systems necessary to identify and prevent compliance risks<sup>(1)</sup>. It shares with all La Poste employees a culture of compliance embodied in the day-to-day performance of all of its business lines.

Created on 1 July 2021, the new department brings together activities that were previously managed separately. This is intended to foster clarity and simplicity, both of which are essential in a group the size of La Poste Groupe.

#### Structured management

The group’s Compliance Department set about forming its teams and shaping its governance in 2022.

At the end of 2022, the Compliance Department comprised:

- six areas of compliance expertise:
  - the group Compliance Officer,
  - anti-corruption and duty of care,
  - anti-money laundering and the countering the financing of terrorism (AML-CFT),
  - international sanctions, embargoes and export controls,
  - competition<sup>(2)</sup>,
  - group Data Protection Officer;
- a coordination and steering unit.

Each division is responsible for defining and implementing the compliance systems that fall within its area of expertise, in conjunction with the compliance departments of the group’s business lines and entities.

#### Dedicated governance structure

Compliance governance is structured around four key levels:

- Audit Committee;
- Executive Committee;

- Group Compliance Coordination Committee;
- Steering committees for each compliance area.

Compliance issues are shared with La Poste Groupe’s shareholders, Caisse des Dépôts and the French State. Compliance issues are regularly placed on the agendas of the group Executive Committee and the Audit Committee (three items in 2022).

At the same time, a group Compliance Coordination Committee was set up on 1 July 2022. It brings together the people responsible for compliance issues in the group’s business lines and entities. Its purpose is notably to share the strategic dimension of compliance issues, the roadmap for the coming year and performance indicators, and to promote the exchange of best practices.

Lastly, a specific steering process is in place in each area. It brings together correspondents in the group’s business lines and entities several times a year.

#### 1.3.3.2 Areas of compliance

The Compliance Department’s centres of expertise took the following initiatives to support compliance risk management in 2022:

#### Ethics and professional conduct, the cornerstones of compliance

Ethics have been part of La Poste Groupe’s history since 1790, when postal workers first took the oath of confidentiality. Today, they are reflected in the Ethics and Anti-Corruption Code incorporated into the group’s internal rules of procedure and applicable to all employees. It sets out all rules related to individual and collective conduct and is supplemented by a certain number of policies, including one on the acceptance of gifts and invitations, and one on conflicts of interest.

(1) See Section 2.2 “Internal control and risk management systems”; risk of non-compliance in the areas of competition, corruption and influence peddling, personal data protection, international sanctions, embargoes and export controls, duty of care.

(2) Dual reporting line to the Executive Vice President in charge of public service and regulation.

### Whistleblowing system

Since 2011, a whistleblowing system has been in place for employees wishing to ask questions about ethics or professional conduct, or to report breaches of the Ethics and Anti-Corruption Code or French and international laws and regulations.

	2022	2021
Number of reports processed <sup>(a)</sup>	657	388
Rate of confidence that the company will provide protection to users of the whistleblowing system (among respondents)	62%	64%

(a) The scope of coverage changed significantly between 2021 and 2022: in addition to La Poste SA (including Services-Mail-Parcels and its subsidiaries, and Retail Customers & Digital Services headquarters), La Banque Postale SA, Geopost headquarters, and La Poste Immobilier, the 29 tier 1 subsidiaries of Geopost, La Poste Mobile, the Asendia joint venture and Véhiposte have been added.

The system consists of a dedicated website, accessible 24/7. It protects the anonymity of whistleblowers and provides a high level of security and accessibility. Reports are processed by ethics officers and senior experts according to a process outlined in a guide on the topic.

Employees using the whistleblowing system benefit from whistleblower protection in accordance with the recent provisions of the Wasserman law and its implementing decrees.

### Breakdown of reports by subject

Code of conduct	25%
Conflicts of interest	8%
Anti-corruption compliance	6%
Banking compliance	4%
Relations with third parties	23%
Harassment	8%
HR management	3%
Cybersecurity	3%
Discrimination	3%
Other	7%
Occupational health and safety	5%
GDPR	2%

### Compliance and ethics awareness

A smartphone app dedicated to compliance is available to postal workers. It provides access to news, reference documents, information and awareness-raising mini-modules, and also contains a link to the whistleblowing system.

### Annual ethics climate survey

La Poste Groupe measures the level of awareness of ethics and professional conduct among employees by means of its annual ethics climate survey. In 2022, 2,968 employees responded to the survey, an increase of 28%. The main findings were as follows:

- 83% of employees believe that the company conducts its business ethically;
- 75% of employees feel concerned by the actions taken in terms of ethics and compliance;
- 75% of employees were made aware of ethics or compliance in the last 12 months;
- 74% of employees are aware of the whistleblowing system;
- 83% of employees would be willing to blow the whistle if they witnessed an ethical problem.

### Anti-corruption

The group has a zero tolerance policy on corruption and influence peddling, and has accordingly implemented a set of measures designed to ensure that its activities are conducted in strict compliance with regulations, including internal rules and procedures. Zero tolerance is a major undertaking for the group<sup>(1)</sup>. In line with the commitment of the members of Executive Committee, La Poste has carried out work on numerous compliance issues with the functional departments, business lines and their subsidiaries.

In 2022, work incorporated the recommendations of the French Anti-Corruption Agency published on 12 January 2021, and focused on the following:

- the completeness of the group's documentation:
  - drafting of a group anti-corruption policy setting out the framework and guidelines for all controlled subsidiaries,
  - review of the group conflicts of interest policy, which describes the system for identifying, declaring and managing employees' conflicts of interest;
- strengthening of corruption and influence peddling risk mapping;
- improvement of the internal control system: in addition to the first-level controls covering operational corruption and influence peddling risks, a permanent control campaign was carried out for the second year, including accounting controls;
- the assessment of the integrity of third parties, with:
  - a plan in 2022 to automate the assessment of third-party suppliers in terms of documentary and regulatory compliance, including anti-corruption. This project will be rolled out in 2023,
  - the integration of compliance opinions prepared during Investment Committee meetings reviewing external growth transactions<sup>(2)</sup>, and issued on the basis of professional diligence. Such opinions may be accompanied by recommendations to be implemented following the acquisition. Such recommendations may include a section on anti-corruption, that facilitates the assessment of any remedies to be put in place;
- the creation of training modules for employees, with priority given to those most exposed to corruption risk. These courses will be rolled out in early 2023;

(1) including all the subsidiaries it controls.

(2) Transactions over €10 million (enterprise value).

	2022	2021
Number of employees trained in anti-corruption <sup>(a)</sup>	29,905	22,191
■ over the year		
■ since the training began (2019)	100,594	70,689
Number of staff trained in conflicts of interest <sup>(b)</sup>	3,700	2,822
■ over the year		
■ since the training began (2021)	6,522	2,822

(a) Scope: La Poste, La Banque Postale, La Poste Immobilier, Geopost.  
(b) Scope: La Poste, La Poste Immobilier.

- the recording of disciplinary sanctions according to a reporting system designed and rolled out within the La Poste scope since 2021. It was extended to La Poste Immobilier, Véhiposte and Geopost in 2022.

## Duty of care

Within the framework of the law on the duty of care of parent and sub-contracting companies<sup>(1)</sup>, La Poste Groupe has drawn up a duty of care plan (see Section 8.1 "Duty of care plan"), which describes:

- the scope and governance of the group's duty of care plan;
- the identification and prioritisation of risks through risk mapping;
- the assessment systems and measures to prevent and mitigate risks related to the group's own activities and those of its suppliers and subcontractors;
- the internal and external whistleblowing and reporting system<sup>(2)</sup>;
- awareness-raising and training initiatives for postal workers.

## Personal data protection

La Poste Groupe has prepared a dedicated General Data Protection Regulation (GDPR) compliance programme that has now been adopted within the various entities. The programme's governance, overseen by the group Data Protection Officer (DPO) and team, is based on deputy DPOs and liaison officers for all subsidiaries, business lines and departments.

The group's GDPR compliance programme includes:

- a body of reference policies including the group GDPR policy, procedures, operational guidelines and information systems security policies;
- a dedicated intranet space;
- a dashboard with monthly reporting on indicators;
- oversight of the community of data protection officers and liaison officers within La Poste Groupe; and
- regular contact with the regulator.

The awareness and training of the group's employees in the protection of personal data is based on a dedicated intranet space, accessible to all employees, and an e-learning programme consisting of:

- core training on "GDPR essentials";

- several training modules on Data Protection Impact Assessments (DPIA), Privacy by Design and the exercise of rights by data subjects.

	2022	2021
Number of people trained <sup>(a)</sup>	39,381	3,000
Notification of data breaches declared to the CNIL	20	16

(a) Training was rolled out across La Poste and La Banque Postale in 2022, having been confined to the La Poste scope in 2021.

Progress in the roll-out of the GDPR programme within the group has been presented to the Audit Committee of La Poste Groupe's Board of Directors.

## Competition compliance

The La Poste Groupe competition compliance programme covers all of the group's activities in France.

It includes the following measures:

- an undertaking to comply with competition rules by the Chairman and Chief Executive Officer, the members of La Poste's Executive Committee, and the members of the Executive Committees or Management Committees of the business lines and subsidiaries;
- the general competition compliance policy accompanied by several framework documents: competition law guidelines, a competition code (appended to the internal rules of procedure) and a guide to participating in industry associations. These documents form the basis of a broad awareness campaign for group employees who may be exposed to competition law issues, and are made available on internal communication channels;
- a training campaign was carried out with in-person and e-learning sessions, freely accessible to all postal workers. At the end of 2022, more than 4,900 employees had been trained in competition law;
- the provision of a dedicated whistleblowing platform;
- the competition compliance programme has been integrated into the internal control system through specific self-assessment campaigns.

In 2022, the group worked to maintain the programme already fully rolled out in 2020, and to adapt it to new requirements, notably by supplementing it with procedures identified as necessary through risk mapping.

## International sanctions and embargoes

The International Sanctions, Embargoes and Export Controls Compliance Division ensures that the operations, organisation and internal procedures of the group and its entities comply with the legal and regulatory provisions in force, bearing in mind that the regulatory environment changes constantly in this area. This mission is carried out in close cooperation with the business line compliance officers and IS-E liaison officers in each of the group's businesses.

(1) Potier law no. 2017-399 of 27 March 2017.

(2) In compliance with the French duty of care law, the whistleblowing system is also accessible to employees of suppliers, service providers and subcontractors.

Defining work was undertaken in 2022, including the mapping of IS-E risks, the development of an IS-E policy and country standards, and the division's establishment and management within the subsidiaries and business lines. In addition, against the backdrop of the war in Ukraine, the IS-E division helped analyse the impact of events on the group's business and took part in implementing measures made necessary by European sanctions.

### Prevention of money laundering and the financing of terrorism

La Poste Groupe ensures compliance with the applicable legal and regulatory provisions governing the fight against money laundering and the financing of terrorism.

#### 1.3.3.3 Combatting tax evasion

La Poste Groupe recognises the importance of combatting tax evasion in its strategy and is committed to applying a clear and responsible tax policy.

### Tax policy implemented by the group

La Poste Groupe is committed to paying its fair share of taxes in the countries where it operates, in accordance with the laws and agreements in force.

The goal of La Poste Groupe's tax policy is to prevent tax evasion. The group is careful not to implement aggressive tax arrangements disconnected from operational reality.

La Poste Groupe only operates in countries where it has genuine operational and commercial activity.

During external growth transactions, the group pays special attention to the tax approach adopted by the entities in question, and ensures that they comply with the tax principles and morality applied by the group.

La Poste Groupe applies a responsible tax policy based on an enduring, transparent and professional relationship of trust with tax authorities. It maintains constructive dialogue with government bodies, particularly through its active participation in public consultations organised by the French State.

The group's tax policy is public and available on the La Poste Groupe website ([www.groupelaposte.com](http://www.groupelaposte.com)).

La Poste Groupe was not party to any tax-related disputes in 2022.

### Transfer pricing

The group complies with the principles and obligations of the OECD's Base Erosion and Profit Shifting (BEPS) plan on transfer pricing. It therefore files all required transfer pricing documents, including country-by-country reporting (CBCR), in order to guarantee transparency with tax authorities.

It should be noted that intra-group transactions between companies resident in different states are relatively limited given the nature of the activities carried out and the fact that most of them are located in France. Intra-group transactions are carried out in accordance with the group's transfer pricing policy on arm's length terms, i.e., terms that would have been agreed between independent parties.

### Tax risk management and tax fraud rules

The group recognises that fiscal risk management is an integral part of good governance.

The group's tax affairs and the management of tax risks are the responsibility of a team of qualified and appropriately-trained tax experts who work under the supervision of the group's Chief Financial Officer. They ensure the support of operational activity in compliance with the applicable regulations, which are increasingly numerous and complex, and whose changes the group follows with care. To that end, they undertake not to take any tax positions that could qualify as tax fraud or evasion. Similarly, they take care to ensure that entities joining the group strictly adhere to these commitments.



# 2.

## RISK MANAGEMENT

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### 2.1 MAIN RISK FACTORS

The main risks faced by La Poste Groupe that have an impact on its economic health and capacity to meet its strategic objectives are updated annually.

#### 2.1.1 Methodology

The group's major risks are identified and assessed as part of a process led by the Risk Management Department and involving all levels of the group (Executive Management and the management teams of the business lines, subsidiaries and branches). The risk mapping and management plans resulting from this approach are presented to the Executive Committee and then to the Audit Committee (see Section 2.2 "Internal control and risk management systems").

Based on an update to the group's risk map, this chapter details the risk factors specific to La Poste Groupe that are considered to be emerging or which have a significant net impact and are likely to influence investment decisions. In accordance with the requirements of the Delegated Regulation (EU) no. 2019/980 ("Prospectus 3"), only known or emerging risk factors specific to La Poste Groupe which have the most significant net impact have been selected. The net impact takes into account all the risk mitigation measures implemented by the group.

The table below summarises the main risk factors and their net criticality, divided into four categories:

- the first category comprises upstream risk factors external to the group. These factors are related to the group's economic, financial and geopolitical environment and pose a threat to the achievement of La Poste Groupe's strategic objectives, as well as to its purpose (*raison d'être*), its corporate purpose, its status as a mission-led company (*entreprise à mission*)<sup>(1)</sup> and its public service missions. These external risk factors influence La Poste's strategy;
- the second category covers risk factors related to the transformation of the group's business model, the implementation of its growth drivers and the incorporation of stakeholder expectations. These risks concern both the transformation of the group's historical business activities and the growth areas to be developed;

- the third category presents risks related to non-compliance with laws and regulations. These risks are often common to all group entities and mainly concern matters related to banking compliance and compliance with ethics regulations, anti-corruption, personal data protection, compliance with competition law, anti-money laundering and countering the financing of terrorism (AML-CFT), the management of embargoes, exclusion lists and international sanctions, and compliance with duty of care requirements. Their aggregation and/or intensity make them significant at group level;
- the fourth category covers cross-business risks. These mainly include issues related to personal health and safety, cybercrime, and disruption of business operations in the event of a major crisis.

Risk factors are assessed in terms of their probability of occurrence and their net impacts and are rated on a four-level net criticality scale ("minor", "moderate", "major" and "critical"). This document sets out a description of each risk factor and its potential negative impacts on the group's business, as well as the main mitigation measures undertaken.

The risk factors are presented in descending order of net criticality for each category. Despite the group's active risk assessment policy, there may exist other risks of which the group is currently unaware or which were not deemed to be significant at the date of this document. If those risks were to materialise, they could have a major impact on the group.

(1) Within the meaning of French law 2019-486 of 22 May 2019, known as the "PACTE" law.



RISK CATEGORY	MAIN RISK FACTORS	LEVEL OF CRITICALITY EXPOSURE
<b>RISKS RELATED TO THE ECONOMIC, FINANCIAL AND GEOPOLITICAL ENVIRONMENT</b>	Impact of inflation on the logistics and Services-Mail-Parcels businesses	■ ■ ■ ■
	La Banque Postale's sensitivity to interest rate risk	■ ■ ■ ■
	Global economic slowdown, geopolitical tensions and energy supply tensions	■ ■ ■ ■
	Accelerated attrition in business and advertising mail	■ ■ ■ ■
	Fierce competition in the Parcels and logistics markets	■ ■ ■ ■
	Customer in-sourcing and aggregation of customers in the logistics sector, <i>via</i> platforms	■ ■ ■ ■
	Regulatory developments in the Express sector	■ ■ ■
	Changes in carbon regulations in the Express sector <b>CNFS</b>	■ ■ ■
	Labour shortage in the Express sector	■ ■ ■
	Mergers and acquisitions in the Express sector	■ ■
<b>RISKS RELATED TO THE TRANSFORMATION OF THE GROUP'S BUSINESS AND OPERATING MODEL</b>	Transformation of the group's networks and production tools <b>CNFS</b>	■ ■ ■ ■
	La Banque Postale's strategic and business risks	■ ■ ■ ■
	Financial resources	■ ■ ■ ■
	Growth drivers	■ ■ ■
	Quality of service as perceived by customers <b>CNFS</b>	■ ■ ■
	Development of the employability of postal workers <b>CNFS</b>	■ ■ ■
	La Banque Postale's regulatory own funds	■ ■ ■
<b>RISKS RELATED TO NON-COMPLIANCE WITH LAWS AND REGULATIONS</b>	Adaptation to environmental and societal challenges <b>CNFS</b>	■ ■ ■
	Non-compliance <b>CNFS</b>	■ ■ ■ ■
<b>CROSS-BUSINESS RISKS</b>	Business disruption in the event of a major crisis <b>CNFS</b>	■ ■ ■ ■
	Cybersecurity	■ ■ ■ ■
	Health and safety <b>CNFS</b>	■ ■ ■ ■

■ minor ■■ moderate ■■■ major ■■■■ critical

### 2.1.2 Risks related to the economic, financial and geopolitical environment

The economic, financial and geopolitical situation deteriorated significantly in 2022 and weighed on the group's business. Inflationary pressures have materialised, aggravated by the war in Ukraine and its impact on energy prices. Central banks' monetary policies have tightened, leading to a sharp rise in interest rates after a long period of low rates. Competition is growing fiercer, particularly in the parcel delivery business.

#### IMPACT OF INFLATION ON THE LOGISTICS AND SERVICES-MAIL-PARCELS BUSINESSES

#### LEVEL OF CRITICALITY



##### DESCRIPTION

Although global inflationary pressures emerged back in autumn 2021, they have worsened considerably with the energy crisis caused by the war in Ukraine. These pressures are affecting the group, its subcontractors, suppliers and customers.

In the Express business, the occurrence of this risk is pushing up operating costs (energy prices, raw materials, salaries, etc.). This inflationary environment could also lead to a reduction in business volumes generated with customers due to lower demand from their own customers and greater price sensitivity.

Similarly, in 2022, inflationary pressures strongly impacted most of the cost items relating to the Services-Mail-Parcels business line (salaries, property, energy, transport, etc.).

##### RISK MANAGEMENT MEASURES

To contain the risk of inflation in these businesses, the group is:

- closely managing, through governance, the additional costs arising from inflation;
- stepping up its energy-saving measures, which is also helping the group to decarbonise its vehicle fleet and contain operating costs;
- adjusting its customer pricing strategy (reviewing pricing scales for non-regulated activities, integrating surcharges into the Arcep 2023 price cap negotiations for the regulated operations of the Services-Mail-Parcels business line, incorporating indexation clauses in new contracts, and introducing price supplements negotiated with customers).

#### LA BANQUE POSTALE'S SENSITIVITY TO INTEREST RATE RISK

#### LEVEL OF CRITICALITY



##### DESCRIPTION

With interest rates exiting the negative territory they had been in since 2014, pressure on banking and insurance margins is easing over the medium term. It will gradually become possible to roll over loans and investments at rates in excess of the rate paid on demand deposits and above the minimum guaranteed yield for savings contracts.

However, in the short term, the rise in interest rates, and the speed at which they are rising, is a concern for La Banque Postale and the group as a whole. In sum, the rate rises are squeezing lending margins for the short term. This is because refinancing costs are increasing with no immediate pass-through of these higher interest rates to customers.

At the same time, the Bank's pricing flexibility is limited by the official cap on the interest rate that may be charged on loans (the usury rate), which is revised quarterly according to a different timing to changes in the yield curve. The rise in interest rates and the speed at which they are rising may also lead to a change in the behaviour of savers and policyholders. For example, in an environment of rising rates (especially interest rates on *Livret A* savings deposits), depositors and policyholders may look to the competition for products with better returns than the ones they currently have. Even though banks and insurers have significant liquidity cushions, a large-scale flight of deposits and redemption of life insurance policies could result in realisations of unrealised losses.

At 31 December 2022, La Banque Postale had a CET1 ratio of 14.7% (versus 19.1% at 31 December 2021), i.e., 6.3 percentage

points above the regulatory requirement of 8.395%. In 2022, the CET1 ratio recorded a negative impact of 440 basis points, including 410 basis points due to the volatility of equities and interest rates, which have an impact on the measurement of instruments at fair value through other comprehensive income. However, the application of IFRS 17 – Insurance Contracts (superseding IFRS 4) will reduce the sensitivity of the solvency ratio to market trends, making it less volatile.

##### RISK MANAGEMENT MEASURES

La Banque Postale's strategy is to:

- continue to develop business activities that are less dependent on medium- and long-term rates (consumer loan fees, non-life insurance and savings);
- set up a programme to hedge the inflation risk related to interest rates on regulated savings;
- adjust strategic asset allocation decisions, including CNP Assurances' interest rate hedging programmes, in order to (i) benefit from yield increases while extending the duration of asset portfolios, and (ii) integrate the impacts of IFRS 17;
- continue the transformation of CNP Assurances' technical reserves and diversify its business model by focusing on non-life insurance business;
- strengthen oversight of the lending portfolio, particularly regarding vulnerable customers and highly indebted corporate customers, and adjust provisions to limit cliff effects.

(See Section 1.2.3 "La Banque Postale".)

**GLOBAL ECONOMIC SLOWDOWN, GEOPOLITICAL TENSIONS AND ENERGY SUPPLY TENSIONS**

**LEVEL OF CRITICALITY**  
■ ■ ■ ■

**DESCRIPTION**

Although La Poste has broadened its global reach in recent years through business diversification and international acquisitions, its Express business currently faces several risk factors:

- geopolitical tensions generated by the war in Ukraine, which have impacted energy supplies (price increases and risk of shortages) and food supplies;
- ongoing Covid-19 impacts in Asia, which are disrupting production and supply chains from that region;
- a slowdown in the world economy, which would have a major impact on the group because of the correlation between trade (BtoB and BtoC) and economic cycles (lower consumer spending);
- the political risk arising from the situation in Northern Ireland (the risk that the Northern Ireland Protocol negotiated as part of the Brexit withdrawal agreement will be scrapped).

**RISK MANAGEMENT MEASURES**

To make its business activities more resilient, Geopost is:

- diversifying its range of products and services (from premium to lower-end) to suit customers' needs;
- diversifying its geographic locations so that it will be less exposed to economic recessions in certain regions and can benefit from growth cycles in other regions.

In addition, each country's economic situation is continuously monitored by the executive teams of the group's business units so that any necessary adjustments can be made.

**ACCELERATED ATTRITION IN BUSINESS AND ADVERTISING MAIL**

**LEVEL OF CRITICALITY**  
■ ■ ■ ■

**DESCRIPTION**

The business model of this business line is structurally very sensitive to the volume of mail processed.

The sharp acceleration in the decline in these volumes in 2021 (due to the combined effect of paperless correspondence and the Covid crisis) slowed in 2022 for Business Mail, and volumes returned to the modelled trajectory.

The group remains particularly vigilant in the face of two new events that could accelerate advertising mail attrition:

- France's Climate and Resilience Law, with the launch of Oui Pub ("yes to adverts" letter box labels);
- the sharp rise in inflation, which is particularly affecting the paper market, prompting La Poste's customers to reduce their print advertising campaigns.

The group needs to forward plan for the impacts that these two elements will have on staffing, as entities in the Services-Mail-Parcels business line – such as Mediapost – are already experiencing overcapacity issues. Large-scale synergies therefore need to be generated between business lines in order to redeploy members of the workforce.

In 2022, addressed and unaddressed Mail volumes fell by 7.6% and 10.2%, respectively.

**RISK MANAGEMENT MEASURES**

In line with the group's new strategic plan, all aspects of the universal postal service model are being swiftly overhauled (see Section 2.1.3 "Risks related to the transformation of the group's business and operating model"). One of the results of this was the group's announcement in July 2022 that it would be introducing a new mail range as from 1 January 2023.

In parallel, discussions with the French State have led to partial compensation of the universal postal service's deficit (see Section 1.2.1 "Services-Mail-Parcels").

In order to contain the current trend of disengagement among retail customers, La Poste is deploying a range of actions:

- training postal carriers (support processes for scanning);
- monitoring performance of the red e-letter;
- sales and marketing oversight for telesales;
- monitoring the revenue contribution that postal carriers and sales managers represent (for both BtoB and BtoC customers);
- setting up a variable compensation plan for the group's Mail units.

#### FIERCE COMPETITION IN THE PARCELS AND LOGISTICS MARKETS

LEVEL OF CRITICALITY



##### DESCRIPTION

Competitive pressure is weighing more and more heavily on the group's logistics activities. Supply chains, which have seen strong growth in a complex post-Covid economic environment, are increasingly attracting the attention of investors.

This competition derives from historical market participants (La Poste's renewal of its contract with Amazon in July 2022 has forged closer relations between the group and this dominant e-commerce player, which has become Colissimo's main customer, accounting for 18% of its business in 2022) as well as from new market entrants with significant financial resources.

CMA-CGM, for example, which is posting exceptional financial results, continues to expand beyond its core shipping business through a strategy of acquisitions. In early 2022, it acquired a controlling interest in Colis Privé with a view to becoming a world leader in logistics, capable of providing end-to-end delivery services.

Similarly, large Asian e-commerce platforms (e.g., AliExpress and Shein) are developing their own parcel handling and delivery network in the French and pan-European markets.

With new market trends creating fierce competition in terms of volumes, this is squeezing prices and margins and generating risks for La Poste, which has positioned itself as a premium player in the logistics sector.

To date, these developments have had only a limited impact on the group's logistics business, which has managed to remain profitable. However, this situation is creating greater pressure to win new customers and retain existing ones. Any decrease in volumes and/or prices would have a significant impact on the group.

##### RISK MANAGEMENT MEASURES

To contain this risk, the group has put in place processes for its Express business to:

- analyse the competitive environment and its impact on pricing and external growth strategies;
- continuously monitor transactions in the sector (equity financing, takeovers, mergers) and the associated impacts;
- track business volumes, contract renewals and new contracts.

In order to safeguard operating profit, the Services-Mail-Parcels business line has set a strategy intended to:

- capture market growth in new sectors;
- propose new offers to existing customers in order to secure business volumes so they cannot be seized by competitors;
- innovate in order to futureproof business in a constantly changing market (state-of-the-art delivery systems, external growth, new partnerships, and optimising the information system used for monitoring deliveries and handling small parcels);
- occupy the first-mile position in order to retain direct relations with middle-market customers.

#### CUSTOMER IN-SOURCING AND AGGREGATION OF CUSTOMERS IN THE LOGISTICS SECTOR, VIA PLATFORMS

LEVEL OF CRITICALITY



##### DESCRIPTION

There are two growing threats to the development of the group's logistics business: (i) strategies developed by customers with large handling volumes to in-source the handling and delivery of parcels, and (ii) moves by aggregators to win small customers by offering more competitive prices.

E-commerce platforms are the key drivers behind both of these trends.

##### RISK MANAGEMENT MEASURES

In response to this unfavourable environment, the group's strategy is to:

- work on its pricing policy (high- versus low-density areas);
- adapt its strategy with regard to e-commerce platforms and customers who wish to in-source (kits explaining the difficulties that can arise when deciding to in-source deliveries);
- continue to strengthen its premium positioning.

## REGULATORY DEVELOPMENTS IN THE EXPRESS SECTOR

LEVEL OF CRITICALITY  
■ ■ ■

### DESCRIPTION

In the space of just a few years, the regulatory framework has become a geostrategic tool with stricter cross-border regulations and heightened protection of domestic companies.

The increase in existing and future regulations may destabilise the business model of the group's Express business, which uses foreign subcontractors and platforms that are subject to new and at times contradictory laws.

Popular use of the Express sector as a result of the Covid crisis has drawn attention to this market, which has led to more exacting demands by its stakeholders (regulatory authorities, trade unions, customers, subcontractors, etc.).

### RISK MANAGEMENT MEASURES

The group places the utmost importance on complying with all domestic and international regulations.

To this end, it:

- has put in place a regulatory watch (at both local and central levels) and carries out lobbying to anticipate and influence new regulations;
- has reinforced many of its compliance programmes, which are monitored on a quarterly basis by a special committee and are focused on compliance regarding business and market practices, and compliance with regulations on personal data protection.

## CHANGES IN CARBON REGULATIONS IN THE EXPRESS SECTOR

LEVEL OF CRITICALITY  
■ ■ ■

### DESCRIPTION

The Express sector is faced with the challenge of the carbon transition against a backdrop of stricter, and growing number of, regulatory changes in recent months. The European Commission is currently looking into various scenarios for taxing CO<sub>2</sub> emissions in the road haulage industry, which will in all likelihood lead to higher costs. In parallel, an ISO 14068 standard is also under development.

The emissions generated by the group's business activities are included in its customers' scope 3 (indirect emissions) and are therefore becoming a key subject of negotiation (review of the strategy previously chosen by the group, and new requirements in terms of the precision and granularity of reports issued). La Poste has pledged to reach net-zero by 2040, and Geopost obtained validation for its own long-term pathway through to 2040 in February 2023.

This risk exposes the group to a probable increase in the costs of its strategy for emissions offsetting and carbon capture/storage as this strategy is becoming more sensitive to market developments (future changes in costs per tonne).

Lastly, due to heightened sensitivity about carbon offsetting both in France and internationally, the group must prove its commitment in this matter, in order to prevent the risk of greenwashing.

In 2022, Geopost represented around 68% of La Poste Groupe's global greenhouse gas (GHG) emissions (within the scope of all majority-owned Geopost subsidiaries).

### RISK MANAGEMENT MEASURES

The main mitigation measures undertaken by La Poste Groupe are as follows:

- accelerate and extend to new business activities Geopost's ambitious decarbonisation strategy (contributing to achieving the SBTi 1.5°C target by setting a near-term 2030 decarbonisation target and long-term 2040 net-zero target) by being the standard-setter "green" delivery player in the European Union in terms of low-carbon emissions;
- include environmental criteria in calls for tender for the allocation of rounds and select subcontractors that can provide low-carbon delivery services and help them accelerate their carbon transition;
- add an emissions pathway monitoring report to the budget review of each Geopost business unit;
- incorporate CSR/ESG criteria into due diligence procedures when acquiring new entities.

#### LABOUR SHORTAGES AND RISING LABOUR COSTS IN THE EXPRESS SECTOR

#### LEVEL OF CRITICALITY



##### DESCRIPTION

Geopost's business activities are very labour intensive for the group itself (management and support functions) and for its partners (long haul transport, vans, hubs and depots, call centres).

In a context of full employment (low unemployment rate) and buoyant business levels (higher consumer demand and more parcels to be delivered), the group and its partners are currently faced with the risk of an increase in the cost of labour, or even a labour shortage (certain jobs are not particularly appealing as they are demanding but require only low qualifications and are only moderately paid, and for certain other jobs – such as in IT and data management – there is a tight labour market).

This situation, which has already occurred in the past, is now affecting the entire sector, and is having a growing impact on the group as a whole (team turnover rate, higher payroll costs, tight labour supply for some jobs, reduced performance, loss of skills, risk of accidents, etc.).

However, the current forecasts of an economic slowdown could reduce this risk, with lower business volumes and some of the pressure in the labour market potentially relieved.

##### RISK MANAGEMENT MEASURES

To contain this risk, Geopost regularly organises satisfaction surveys among its teams in Europe (such a survey was conducted in 2022 among 50,000 group employees).

Through its 2025 strategic plan, with the support of its business units, Geopost is aiming to become best-in-class for the operations it outsources, by aligning itself with market standards (14 initiatives are currently underway).

With regard to its employees, the group has rolled out a programme based on:

- occupational health and safety;
- diversity, equity and inclusion;
- talent management, including international career development.

#### MERGERS AND ACQUISITIONS IN THE EXPRESS SECTOR

#### LEVEL OF CRITICALITY



##### DESCRIPTION

External growth is an important pillar of Geopost's development strategy.

The following main risks for Geopost relating to this strategy have been identified:

- incorrect assessment of the value of assets at the time of acquisition of equity stakes, subsequent discovery of "hidden defects" not identified during the due diligence process and/or the loss of a significant part of the company's value following acquisition;
- difficulties with integrating the newly acquired company;
- acquisitions made in countries with sensitive geopolitical/macro-economic conditions;
- an increase in the cost of acquisitions due to the appeal of the Express sector.

##### RISK MANAGEMENT MEASURES

To contain these risks, Geopost relies on the following:

- dedicated M&A teams that support Executive Management and the Chief Operating Officers and coordinate all acquisitions by drawing on the acquisition processes put in place by the group (due diligence, approval, etc.) and its specialist departments (in particular for compliance and IT security);
- a validation system involving (depending on the amount and/or nature of the transactions) the Investment Committee and the Board of Directors of Geopost in the Investment Committee of La Poste Groupe, as well as various teams from the Finance and Development Department and La Poste bodies including the Board of Directors of La Poste Groupe;
- regular post-consolidation reviews, for at least the first three years;
- the support of a specialist office in Singapore for the integration of entities acquired in this geographic region.

## 2.1.3 Risks related to the transformation of the group's business and operating model

### TRANSFORMATION OF THE GROUP'S NETWORKS AND PRODUCTION TOOLS

#### LEVEL OF CRITICALITY



#### DESCRIPTION

The group has embarked on a programme to transform its distribution networks and historical production tools (post offices, mail and parcel processing and distribution centres, banking infrastructure). The challenges of customer acquisition and loyalty, and of cost optimisation targeted by this strategic programme, may be called into question in the event of insufficient, delayed or inefficient actions. This can in turn lead to difficulty in meeting new customer consumption patterns and in integrating these transformations for group employees. This deteriorated situation would then lead to a loss of shareholder confidence.

The health crisis was a major driver of the decrease in mail volumes over the 2019–2021 period, whereas Parcel volumes continued to grow. The crisis also rendered more complex the economic equation that the network needs to resolve in order to meet customer expectations (proximity, extended opening hours, optimal customer experience, digitisation) in a context marked by an acceleration in the structural decline in footfall in post offices. This fall amounted to 5.6% in 2022, in line with pre-Covid trends.

Although the financial benefits of the new mail range will gradually be felt as from 2023, the new inflationary context is already weighing heavily on costs and overheads of the Retail Customers & Digital Services business line with no pass-through to sales prices (estimated €200 million impact for 2023). The risk that this business line now faces is not so much insufficient speed or poorly coordinated programmes, nor is it a question of digitisation processes being too slow. Instead, the risk is the short-term impact that current inflation will have on the group's business activities. The cost of the group's transformation processes is also adversely affecting its earnings. Challenges still remain regarding rapid implementation of these processes (in terms of capacity and the time required for teams to adapt to new ways of working, in a difficult HR context due to absenteeism, rude and aggressive customer behaviour and a tight labour market).

#### RISK MANAGEMENT MEASURES

In response to this situation, the group has accelerated the timetable and scope of change for its business and operating models. In particular, this involves:

- redefining the scope of programmes and creating a leaner governance structure;
- in-sourcing parcel flows by end-2022 and terminating Western Union services;
- rolling out the new mail range as from 1 January 2023;
- monitoring the implementation of the universal postal service compensation agreement approved by the French State in 2021;
- deploying the Parcels strategy and rolling it out internationally;
- fostering the development of operations dedicated to new services;
- strengthening business synergies through changes in work organisation;
- driving innovation and accelerating digitisation (data and AI): web visibility, new digital transformation pathway, convergence of partner and post office information systems, use of AI to manage team scheduling;
- overhauling the customer-reception brick-and-mortar network (new modular and scalable post office formats; changes in the postal carrier/counter clerk model; preparation of the new local postal coverage agreement; partner network);
- putting in place the new distribution roadmap (defining the target network and the pathway for the transformation of post offices);
- setting up a partner relationship centre to drive the sales transformation process.

These transformations are accompanied by a dedicated organisation and working methods that bring together all internal and external stakeholders in order to support the operating model change process and adapt organisational structures accordingly.

#### LA BANQUE POSTALE'S STRATEGIC AND BUSINESS RISKS

#### LEVEL OF CRITICALITY



##### DESCRIPTION

In 2021, the group adopted a new strategic plan for its banking and insurance operations in order to address the complex economic and competitive environment. This plan has three main focal points:

- digitisation in response to the sharp increase in customers' use of digital technology;
- continued business diversification. La Banque Postale will continue to provide banking services, responsible lending, asset management and life and non-life insurance services to retail, corporate, and local public sector customers;
- differentiation: La Banque Postale is seeking to reaffirm its community-based identity with a view to becoming the bank of sustainable finance while building up an innovative partnership model and an international profile in order to provide best-in-class service.

In this context, the main risks are:

- transformation risk: this arises from multiple reorganisations, complex projects and a potential delay in digitisation;
- profitability risk: lower margins, generating new business in a more challenging environment – usury rate, time lag for passing on rate increases to customers, impact of

inflation on operating costs, less dynamic life insurance market in France, increase in claims expenses due to a higher number of non-life insurance claims;

- business model risks stemming from the emergence of new players (new digital players that are competing with traditional banks because of their leaner, more tailored digital pathways);
- the difficulty of managing the transition from an environment in which the banking range was offered on a relatively even basis between the various banking players.

##### RISK MANAGEMENT MEASURES

In this context, the group is adapting its positioning, tools and activities to new customer behaviours as follows:

- continued consolidation of the historical retail banking business by digitising it;
- accelerating the diversification of its model towards value-creating activities;
- preparing for the bank of tomorrow by enriching its innovation ecosystem and developing a platform partnership model.

#### FINANCIAL RESOURCES

#### LEVEL OF CRITICALITY



##### DESCRIPTION

Through its "La Poste 2030, committed for you" strategic plan, the group is continuing to implement the transformations required to achieve its objective of being a profitable growth company by 2025. This process entails:

- transforming the business and operating model of its historical businesses (Mail and post office network);
- boosting its sustainable growth drivers (particularly the Retail Customers & Digital Services business line and the parcel delivery business);
- upgrading its production tools;
- financing its commitments, especially in terms of energy transition and corporate social responsibility.

To support these initiatives, La Poste Groupe has planned significant investments over the 2021-2025 period (internal investments and external growth). At the same time, La Poste has bond debt repayments that it must honour at the set maturity dates (€2.75 billion by the end of 2025 and €1.875 billion by 2027 – at end-2022, the group's net debt totalled €10.2 billion).

During the course of 2022, the market environment experienced several episodes of high volatility in market rates (caused by the war in Ukraine, rising inflation, increase in the base rates of the world's main central banks), which at times even resulted in certain markets closing temporarily, exposing La Poste to numerous risks regarding its ability to effectively carry out its refinancing transactions. In 2023, the group does not expect any events to occur that would constitute stress indicators relating to its ability to obtain refinancing in the markets.

The year 2022 also saw the emergence of new difficulties related to inflation, as well as shortages which have significantly impacted the group's business outlook, leading to a further write-down of Mail assets. The group's cash position for 2022 was, however, helped by the payment of a high dividend by La Banque Postale which included the catch-up of unpaid dividends for 2019 and 2020.

In 2023, continuing inflationary pressures and the ongoing war in Ukraine are expected to impact the group's earnings even more heavily. However, this impact will be somewhat mitigated by the large-scale cost savings plans implemented as from 2022. The favourable effect that interest rate rises will have on La Banque Postale's revenue will be felt beyond 2023.



## FINANCIAL RESOURCES (CONT.)

### RISK MANAGEMENT MEASURES

In order to ensure profitable growth and a lasting business model, the group is implementing several improvement measures designed to:

- increase adjusted EBITDA (in particular via growth from the business lines), improve the business lines' profitability, contain operating expenses and put in place processes to ensure that the financial targets are met;

- ensure that internal and external investments are profitable, notably by strengthening arbitrage based on return on capital employed, monitoring acquisitions and deciding on the closure of unprofitable activities;
- manage working capital requirement, particularly by strengthening liaisons between the finance functions in order to enhance the quality of forecasts;
- incorporate cash and capital more fully into the group's monitoring processes.

## GROWTH DRIVERS

### LEVEL OF CRITICALITY



### DESCRIPTION

Faced with a decline in its historical core business (attrition in mail volumes; accelerated decline in post office footfall) and factors that are threatening its banking activities and Parcels and Express operations, the necessary transformation of the group's business model involves developing growth drivers that contribute sufficiently to margins and have adequate labour intensity levels.

In addition, technological changes are leading to the emergence of new players and phenomena that are disrupting existing business models, such as intermediary-free models (banking and parcels), higher costs for express parcel delivery in Europe and digitisation of exchanges, including secured forms.

The emergence of new players also means that the group faces potential revenue attrition.

Growth drivers could prove insufficient, both from a qualitative and quantitative perspective, as they may not sufficiently offset the decline in the group's traditional businesses and market share losses.

### RISK MANAGEMENT MEASURES

To counter this risk, La Poste Groupe has set out its strategy through to 2030, based on the following objectives:

- change scale in the digital sector by offering customers a comprehensive and secure range of products and services based on its role as a universal exchange operator (banking and insurance, healthcare, public sector and SMEs). To achieve this, the group will deploy a carefully thought-out external growth strategy centred on Docaposte and targeted at international markets, and will boost its digital

transformation, especially with regard to digital trust, the digitisation of business processes and remote customer relations, the development of customer knowledge, the La Poste account and new services (195 projects in 2022). Docaposte is actively involved in setting up the new industry consortium in the trusted cloud – Numspot – alongside Banque des Territoires, Dassault Systèmes and Bouygues Telecom;

- continue to develop new services in local logistics (Log'issimo), home delivery of meals, long-term leasing of electric utility vehicles for micro, small and medium-sized enterprises and local public sector companies (Movivolt), and urban logistics (Urby) with the aim of becoming a leader in energy efficiency and the circular economy;
- accelerate growth in the healthcare markets with a view to becoming the global operator of the patient pathway for both hospital and home patients, by (i) drawing on the recent acquisitions of its subsidiary Docaposte in medical consent management (Easy-Consent) and healthcare data analysis (Agoria), and (ii) carrying out more acquisitions in patient pathway support services (hospital concierge solutions via Happytal), home healthcare services and express transport of temperature-controlled healthcare products (Chronopost Health Care);
- international: branch out into new profitable businesses or new countries in the logistics sector (strengthen Geopost's acquisitions in Europe, Asia and the Middle East and develop pick-up points), digital and banking (acquisition of Aviva's life insurance business in Italy and exclusive long-term distribution agreements with CNP Assurances in Brazil).

#### QUALITY OF SERVICE AS PERCEIVED BY CUSTOMERS

#### LEVEL OF CRITICALITY



##### DESCRIPTION

The commitment to serving customers is at the heart of the group's transformation strategy. The quality perceived by customers is a key indicator for measuring the success of this transformation.

The group's customer approach is one of the seven priorities of the "La Poste 2030, committed for you" strategic plan (see Section 1.1.4 "Strategic priorities").

However, the action plans carried out by the group could be insufficient in view of the new behaviours and growing demands of customers and elected representatives, which have been accentuated by the Covid crisis and increasing diversity of the group's customers.

This may result in the following:

- deterioration of La Poste Groupe's credibility and image;
- loss of opportunity and market share with negative impacts on revenue and earnings;
- increasing demands for financial compensation from dissatisfied customers;
- a decline in the footfall of individual customers, particularly high-potential customers.

##### RISK MANAGEMENT MEASURES

In 2022, La Poste put in place several systems to improve its customer knowledge and customer care in post offices. It also set up instruments for measuring customer satisfaction within each of its business lines and subsidiaries. They are included in the group's transformation monitoring dashboard. This work yielded signs

of improvement in 2022, with a higher number of satisfied customers for the group's post office network and La Banque Postale.

In 2023, customer satisfaction for core business services remained more than ever a strategic issue for La Poste. The actions undertaken are aimed in particular at:

- unifying within an umbrella programme – Distributor 2030 – the transformation measures undertaken for the multi-channel customer experience in order to forge synergies and links with the HR transformation plan and monitor outcomes of the strategic choices made under the "equal attention" approach (i.e., paying equal attention to the employee experience and the customer experience);
- continuing to futureproof the customer experience and monitor initiatives taken in this area (customer experience contract and introduction of the new mail range) by helping operations staff to adopt new attitudes (through customer culture, posture Labs, employee engagement, empowerment). This entails group acceleration projects for business customers, redesigning customer pathways, improving multi-channel access, reinforcing service quality (cleanliness of spaces, resolving sources of customer irritation), and customer experience training;
- finalising and implementing support procedures for projects impacting the customer experience based on the CARE approach (simplified change management processes, more follow-up of measures implemented to resolve sources of customer irritation, monitoring employee take-up of new attitudes to their jobs and the impact that these new behaviours have on customer perception).

#### DEVELOPMENT OF THE EMPLOYABILITY OF POSTAL WORKERS

#### LEVEL OF CRITICALITY



##### DESCRIPTION

La Poste Groupe, one of the leading players in the French job market (with a full-time equivalent workforce of 184,051 employees in France in 2022), could encounter difficulties in employee development and meeting the strategic challenges facing the group (digital revolution, new customer expectations, decrease in mail volumes, reduction in footfall in post offices, increase in parcel volumes and development of new activities, inflationary environment). The challenge is to have the right skills in the right place, within a context of diversifying and transforming the group's operations and winning new markets and business, in a fiercely competitive environment. These changes, which have been accelerated by the Covid crisis, could result in:

- insufficient ability to hire internally – particularly across business lines – as the group's professions are changing in line with its new needs, at a time of tight supply in the external job market;
- insufficient internal mobility leading to unfilled jobs in some places and overstaffing in others, undermining regular operations.

##### RISK MANAGEMENT MEASURES

Through the HR component of its strategic transformation plan, La Poste Groupe is implementing an innovative policy designed to:

- develop the employability of postal workers by increasing training: in 2022, 80% of postal workers received at least half a day of training (versus 82% at end-2021);
- bolster staff's digital culture (a greater number of postal workers received digital technology training in 2022);
- develop systems for forward-planning jobs and skills in order to better anticipate needs at both national and regional levels (creation in 2022 of a marketplace that gives employees visibility in job catchment areas);
- strengthen skills and create more HR support measures by deploying innovative retraining programmes via both traditional routes and pioneering paths: in 2022, 570,000 employees were retrained under these programmes, representing an achievement rate for 2022 that was 17% higher than the set target;
- facilitate internal mobility, both within and between business lines.

(See Section 4.2 "Social policy to drive development")

## LA BANQUE POSTALE'S REGULATORY OWN FUNDS

### LEVEL OF CRITICALITY



#### DESCRIPTION

La Banque Postale's expansion amidst an inflationary context, rising interest rates and volatile financial markets, as well as regulatory developments (finalisation of Basel III/Basel IV and the "Danish compromise") could make it more difficult to comply with the thresholds and alerts of the Bank's risk appetite policy.

The decrease in La Banque Postale's CET1 ratio to 14.7% at 31 December 2022 from 19.1% at end-2021 was mainly due to stock market and interest rate volatility. RWAs (risk-weighted assets) remained relatively stable over the same period thanks to growth in lending activities. La Banque Postale self-financed its growth in 2022 (barring market impacts).

However, the rise in inflation, driven in particular by the energy crisis, is driving down household purchasing power as well as the earnings power of SMEs. This in turn could lead to an increase in the cost of credit risk.

On the other hand, changes in the regulatory landscape look reasonably promising for La Banque Postale in 2023.

The leverage ratio was 5.6% in 2022 (versus 7.2% in 2021).

#### RISK MANAGEMENT MEASURES

Formation of the conglomerate with CNP Assurances was completed in the summer of 2022, leading to an increase in La Banque Postale's Tier 1 capital.

Through this newly combined entity, La Banque Postale can:

- draw on capital management processes and governance to assess capital requirements at consolidated level (banking and insurance) and inform its governance bodies about the solvency level of the new group;
- carry out oversight procedures at the level of La Banque Postale based on an iterative approach adopted by the finance, risk and business functions;
- continue to strengthen oversight of the conglomerate in accordance with the roadmap agreed with the ECB, closely monitoring the integration of CNP Assurances' risks and ensuring effective integration of the risk, compliance and control departments both at headquarters and within the subsidiaries;
- factor in the effects of the current macro-economic and financial context when monitoring its 2021-2023 strategic plan.

## ADAPTATION TO ENVIRONMENTAL AND SOCIETAL CHALLENGES

### LEVEL OF CRITICALITY



#### DESCRIPTION

In a context of greater environmental challenges (global warming, atmospheric pollution, biodiversity loss) and societal challenges (ageing population, regional and digital divides, social inequalities, health crises), La Poste has placed corporate social responsibility (CSR) at the core of its strategy and purpose in order to successfully transform its business and operating model and make it more resilient. Non-financial ratings are one of the key indicators for monitoring the group's strategic plan (see Section 4.1.1 "A stronger commitment to society").

In environmental matters, the group is particularly attentive to the risks associated with the effects of climate change. In addition, the energy crisis has accentuated environmental imperatives, with energy-saving measures becoming a powerful driver for decarbonisation and speeding up the environmental transition.

The group includes the risk of biodiversity impact in its risk assessment. This risk relates to property transactions (land take), the selection of financing and/or investment projects (financing strategies in retail and investment banking), and transportation activities (use of fuel and raw materials).

To remain successful and meet the expectations of society, the group must accelerate its social and regional transition.

These emerging risks in the medium and long term may significantly alter the group's:

- credibility and brand image;
- financial results, and by extension, its business (revenue loss and higher energy costs, with these costs rising sharply in 2022);
- business continuity (supply disruption, damage due to climate events, eroded organisation structures);
- corporate governance model in the event of poor contextualisation of business activities, disputes, rumours or lack of information, litigation, attacks on its employee management, new legislation on data protection, or emerging CSR issues;
- relations with stakeholders;
- non-financial ratings, which could lead to a decline in external investments and a loss of savings and financing opportunities.

#### ADAPTATION TO ENVIRONMENTAL AND SOCIETAL CHALLENGES (CONT.)

##### RISK MANAGEMENT MEASURES

The commitments made by La Poste Groupe in support of its purpose determine how it acts to manage risks associated with environmental and societal issues. The group's strategy in this respect is to:

- make its buildings and IT and logistics business continuity more resilient to extreme weather events;
- continue to (i) monitor the group's particulate emissions, (ii) accelerate its decarbonisation programme (decarbonising the last mile in 350 towns and cities in Europe by 2025 and 50% of long-haulage miles via non-combustion vehicles by 2030, and reaching net-zero by 2040), and (iii) contribute to the reduction in use of fossil fuels based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD);
- step up energy-saving measures in the short term and participate in the French government's 2022/2023 winter energy-savings plan;
- put in place governance processes for structural energy management at group level (energy management plan);

- pursue digital responsibility initiatives;
- reduce the biodiversity footprint of its bancassurance portfolios and buildings;
- contribute to the regeneration of ecosystems by helping to achieve net-zero loss of biodiversity and no net land take (ZAN 2050);
- develop co-benefits for biodiversity in connection with emissions offsetting programmes for vehicle-related greenhouse gas emissions;
- participate in regional development and cohesion by promoting social inclusion with regard to the ageing population, local services, rural isolation and youth unemployment;
- strengthen dialogue with stakeholders to understand and forward-think their future needs and expectations and improve reporting processes on the results of actions undertaken (Mission Committee and group action plan on regional development to strengthen partnerships).

### 2.1.4 Risks related to non-compliance with laws and regulations

#### NON-COMPLIANCE

##### LEVEL OF CRITICALITY



##### DESCRIPTION

The group conducts a significant proportion of its business internationally (in 2022, its international business represented 44% of its revenue) and it intends to further increase this proportion while continuing to diversify its businesses.

This ambition has heightened the group's risk exposure, as it requires compliance with new laws and regulations, which can be restrictive and are sometimes difficult to reconcile with general laws and regulations (regarding issues such as competition law, anti-corruption, personal data protection, ethics, duty of care, management of international sanctions and embargoes, and export controls).

For example:

- the increasing diversification of the group's business activities has generated new risk areas in terms of competition law;
- the group's significant and growing proportion of revenue derived from international business exposes it to anti-corruption laws in countries outside France. This exposure is heightened by its development in countries considered to be at risk of corruption;
- La Poste's strategy of diversifying into digital offerings, healthcare business, and data activities has raised its exposure to the risk of non-compliance with the French Data Protection Law of 6 January 1978 and with the EU General Data Protection Regulation (GDPR);

- the growing internationalisation and diversity of the group's businesses (including financial business), combined with its high number of individual customers and the scale of its cross-border flows have heightened its exposure to the risks of international sanctions/embargoes and export controls;
- the increase in the number of disputes and their media coverage regarding duty of care, and the European directive currently being drafted in Brussels, which is very similar to the 2017 Act, as well as the recognition of Paris as being La Poste Groupe's court of jurisdiction, are all reasons why the group is particularly vigilant about matters relating to subcontracting and its international subsidiaries;
- more specifically, La Banque Postale's banking and insurance activities are subject to ever-stricter requirements by regulators, particularly in terms of financial security (e.g., anti-money laundering and countering the financing of terrorism), distribution (e.g., incorrect advice, risk related to regulatory training) and customer protection (e.g., lack of customer knowledge, vulnerable customers, anti-corruption).

These risks could significantly affect the conditions for carrying out the group's business and hinder the development of new business activities or high value-added projects due to the uncertainty that surrounds the interpretation and application of the corresponding rules by the competent authorities. They could also harm the group's reputation and financial position in the event of any breach of the applicable rules or regulations or if any administrative sanctions were to be imposed, and could even result in the group being sanctioned by having authorisations withdrawn or being barred from participating in public contracts.

## NON-COMPLIANCE (CONT.)

### RISK MANAGEMENT MEASURES

In 2022, steps were taken to strengthen the group's system for controlling risks related to non-compliance with laws and regulations, in continuation of the work already begun in 2021.

The strategy implemented by the group to cover these risks is based on the following:

- setting up a governance structure and dedicated organisation processes at central group level;
- adopting common sets of rules and procedures and deploying these across the whole group;
- rolling out compliance policies and programmes group-wide, combined with renewed undertakings by the group's senior executives and the introduction of additional, more targeted measures (risk-based approach), notably by integrating CNP Assurances' compliance system within La Banque Postale;

- regularly updating the risk map;
- continuing to deliver training and awareness-raising programmes about the laws and regulations in force, to staff and populations most exposed to the related risks;
- ensuring the group's whistleblowing system is used to optimal effect;
- strengthening the assessment processes for suppliers group-wide (using new tools), for non-commercial partnerships and for M&A transactions reviewed by the Investment Committee;
- strengthening accounting procedures;
- renewing the programmes and systems evaluation process (risk mapping, permanent control plan and/or self-assessment and audit).

## 2.1.5 Cross-business risks

### BUSINESS DISRUPTION IN THE EVENT OF A MAJOR CRISIS

#### LEVEL OF CRITICALITY



#### DESCRIPTION

The diversity of its business activities, the broad footprint of its geographic locations and the density of its physical regional presence, as well as its relations with key players, all make La Poste a group that is highly interconnected with its environment.

This situation makes it sensitive to the occurrence of major crises, in particular exogenous ones (extreme weather, terrorism, epidemics, social tensions, systemic information system and internet-type network infrastructure incidents, etc.). The challenge for the group in such circumstances is to ensure that its businesses can continue to operate.

The war in Ukraine, the fuel shortages and the energy crisis, combined with cross-industry strikes and industrial action that took place in 2022 required the group to set up several cross-business national crisis units including its subsidiaries.

#### RISK MANAGEMENT MEASURES

In 2022, the group continued to overhaul its model for managing major cross-business crises, based on experience from the first Covid lockdown in 2020. This overhaul involves:

- ensuring that crisis management documentation is consistent throughout the group;
- conducting crisis management exercises (with feedback) at both national level (three exercises conducted in 2022) and local level (three exercises in 2022);
- coordinating and supporting the group's business lines and main subsidiaries by setting up a Business Continuity Plan (BCP) "control tower" that makes sure the BCPs of the group's business lines and main subsidiaries are kept up to date, tested and are interoperable;
- improving the efficiency of the "security vigilance platform" which is aimed at detecting external threats (analysis of weak signals) and identifying internal malfunctions (alerts);
- increasing discussion and exchange with departments external to La Poste in order to forward-plan measures that need to be taken and speed up response time in the event of a major crisis (such as an energy crisis).

#### CYBERSECURITY

#### LEVEL OF CRITICALITY



##### DESCRIPTION

La Poste Groupe is exposed to the intensification of the risk of cyber attacks, the number, duration and sophistication of which are growing rapidly and continuously. Due to the objectives of the group's strategic plan (international expansion, development of third-party digital trust services, growing digitisation of processes and business activities), La Poste is becoming increasingly exposed to cyber attacks.

In 2022, cyber risk remained very high. The attack surface of La Poste Groupe and its subsidiaries is large, resulting in significant exposure for the group as a whole, and cyber attacks are not only becoming more frequent but also more sophisticated and industrialised. In addition to the recurring attacks that are blocked by defence systems, two ransomware attacks hit a number of the group's subsidiaries in the second half of the year. All of the group's players are therefore committed to strengthening their cyber defence resources.

The industrialisation of attack methods (ransomware) by cybercriminal groups has led to an increase in frequency of attacks. A major attack could slow down or even stop key information systems and expose La Poste to significant financial costs (caused by business interruption), remediation costs, reputational damage and potential regulatory sanctions relating to compliance with the General Data Protection Regulation.

In addition to phishing (down 52% versus 2021), 1.19 billion suspicious emails were blocked by La Poste's security systems in 2022 (an increase of around 87% resulting from both higher volumes and the group's improved detection and filtering capacity).

##### RISK MANAGEMENT MEASURES

In response to the rise in cybersecurity threats, La Poste Groupe has been working on a programme since late 2021

to strengthen the overall security of its information systems by securing its critical information systems and connected devices and equipment (workstations, servers and mobile phones), implementing a system to improve the cybersecurity of subsidiaries (the group is currently deploying a directive to integrate cybersecurity into its projects) and raising awareness of all staff about cyber risks and threats.

This programme is based on:

- rolling out the group's information systems security policy and gradually increasing the number of related directives: in 2022, directives were issued on integrating cybersecurity into projects and on coordinating cyber alerts and incident management at group level; and for 2023, a directive is being drafted on cyber integration and control in the mergers and acquisitions process and the strategic cloud directive will be updated;
- drafting the group's information systems security governance document;
- more effectively assessing the maturity of the group's entities in the face of cyber risk by drawing up a consolidated risk map at group level, deploying a permanent control plan in the second quarter of 2022, and controlling subsidiaries' resistance to ransomware attacks;
- continuing to provide staff with training and awareness-raising programmes about vigilance best practices, with the creation of a cyber school in 2023;
- making use of feedback and monitoring technology;
- continuing to strengthen the group's digital asset monitoring capabilities;
- restructuring the incident management system;
- organising a group-wide cyber crisis exercise in the second quarter of 2022 and scheduling further exercises for 2023;
- maintaining a state of security with evolving defence and detection systems.

## HEALTH AND SAFETY

### LEVEL OF CRITICALITY

#### DESCRIPTION

Various factors, whether internal (the physical strain of certain types of jobs, workplace accidents, psychosocial risks, road risks, etc.) or external (the Covid pandemic, and physical aggression or verbal abuse), pose a risk to the health and safety of group employees and employees of suppliers and subcontractors.

This could be reflected in:

- physical and/or psychological harm to the group's employees or third parties. Incidents of rude and aggressive customer behaviour stem from heightened tensions in today's society which are impacting public spaces and all services and companies that are open to the public. Such behaviour is the leading cause of workplace accidents (10,923 reports by end-August 2022, down 16%). The number of reported incidents of rude and aggressive behaviour is trending downwards compared to 2019 (pre-Covid). However, the ratio of such behaviour to customer footfall is still higher than in 2019 (the pre-Covid reference period);
- the frequency and severity rates of workplace accidents. Within the group's Europe scope<sup>(1)</sup>, these were 19.29% and 1.36%, respectively, at end-2022 versus 20.20% and 1.41% in 2021);
- absenteeism, which adversely affects the group's business and its ability to provide the services it offers to customers. Absenteeism due to illness within the group's Europe scope rose to 7.23 days in 2022 due to the resurgence of the Covid crisis (wave in early 2022), versus 6.70 days in 2021;
- the liability of the employer or other responsible entity in the event of non-compliance with occupational health and safety regulations;
- impacts on employee motivation (well-being at work), the group's employer brand image and customer perception.

#### RISK MANAGEMENT MEASURES

La Poste Groupe integrates health, safety and well-being at work into the management of the company and deploys a comprehensive, proactive, multidisciplinary and dynamic risk prevention policy (support and impact studies) for people both inside and outside the organisation. As part of its Well at Work campaign, La Poste continues to roll out initiatives to improve health, safety and well-being at work, such as:

- introducing more measures to prevent workplace injuries and accidents by analysing workstations in the most demanding occupations and trialling innovative approaches;
- improving the way postal workers' health is taken into account in work organisation methods and career paths by ensuring that projects include impact analyses carried out with the occupational health team and by putting in place "career and health" medical check-ups for jobs that cause the most strain;
- training and awareness-raising among managers and employees on the challenges and ways of improving health, safety and well-being at work;
- providing support measures for people returning to work, and transforming and improving well-being at work;
- creating additional measures in the national programme to reduce rude and aggressive behaviour in post offices that are the most exposed to this type of risk, and setting up preventive actions in other customer-facing occupations;
- developing psycho-social risk prevention measures for postal workers and new hires;
- increasing multidisciplinary work on developing programmes dedicated to preventive health and well-being at work.

(1) The group's Europe scope comprises La Poste SA (parent company) and the group's subsidiaries in France and other European countries.

## 2.2 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

### 2.2.1 Definitions, objectives and scope

In addition to the governing principles amended in July 2010 by the French Financial Markets Authority (*Autorité des marchés financiers* – AMF), La Poste Groupe has chosen to refer to the international standards ISO 31000 for global risk management and COSO 2013 (Committee of Sponsoring Organizations of the Treadway Commission) for internal control.

On this basis, risk management corresponds to the process implemented by the Board of Directors, Executive Management, management and all employees of the organisation and is taken into account in the development of the strategy as well as in all activities of the organisation.

The group's internal control system includes a set of resources, behaviours, procedures and actions that contribute to the control of its activities, the effectiveness of its operations and the efficient use of its resources, as well as the identification and management of risks.

The risk management system implemented by management involves assessing risks and deciding how to address them.

These two systems, defined in the group's Risk Management Charter, are complementary to the management of activities. They comply with the principles laid down in the Caisse des Dépôts risk management and permanent control charters.

The objective of La Poste Groupe's risk management approach is to ensure the following:

- respect for its purpose, its status as a mission-led company, its missions and the achievement of its strategic objectives;
- compliance with current laws and regulations;
- application of instructions and guidelines set by the decision-making and executive bodies;
- proper functioning of the group's internal processes, and particularly those contributing to the safeguarding of its assets;
- achievement of its operating objectives (performance and optimisation of operations);
- reliability of financial and non-financial reporting, whether internal or external.

Risk management helps senior executives and management make strategic and operational decisions by giving them visibility on the level of control of priority risks at group level.

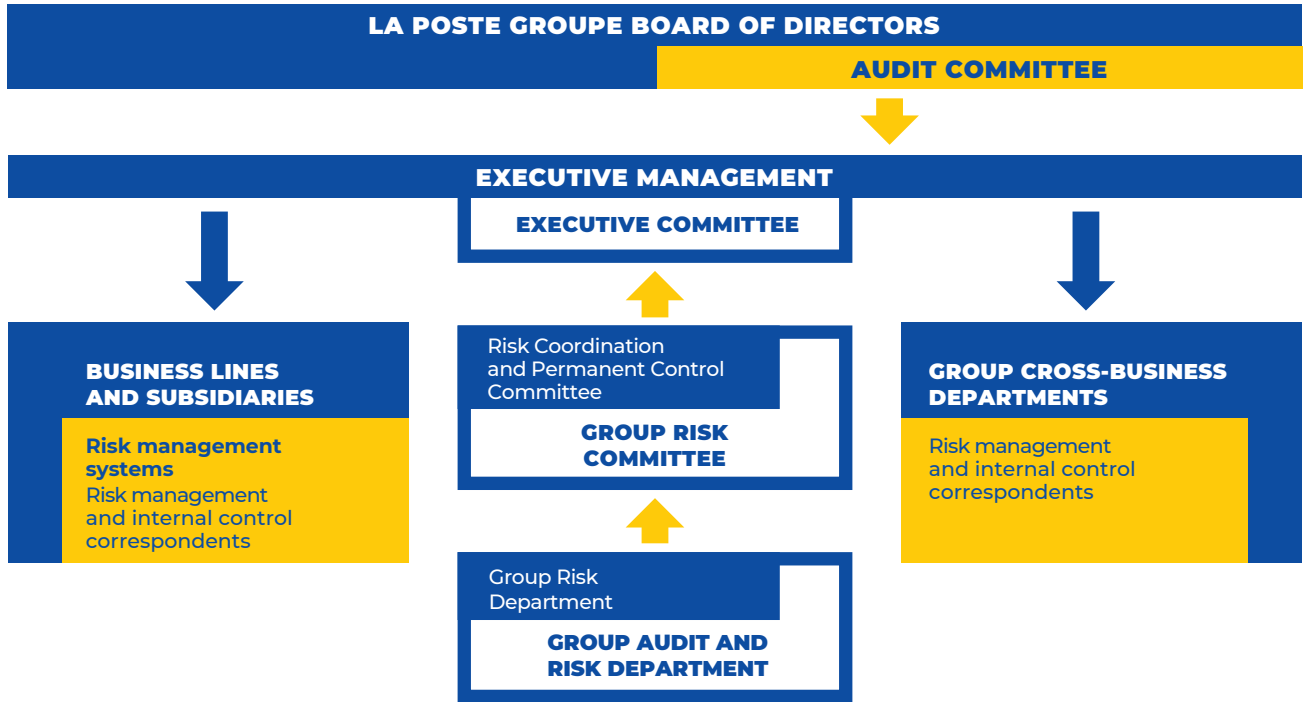
These systems apply to La Poste, the parent company, to holding companies and subsidiaries whose accounts are fully consolidated, as well as to companies controlled jointly with another group. They are part of the governance of the group and of all companies within it. They include activities outsourced internally and externally. In the specific case of La Banque Postale and the activities carried out on its behalf, the implementation of risk management falls within the specific framework of regulations inherent to the banking and insurance sectors.



## 2.2.2 Governance and organisation

Everyone in the company is involved in risk management:

- Executive Management sets out the risk policy;
- management defines and coordinates the risk management and internal control approach;
- employees implement the risk management and internal control measures laid down in the procedures.



### Risk management oversight and governance bodies

Risk management oversight and governance bodies	Role
Audit Committee of Board of Directors	Monitors the effectiveness of the internal control and risk management systems.
Executive Committee	Carries out preparatory work for the Chairman and CEO's decisions: <ul style="list-style-type: none"> <li>■ puts forward the risk management strategy;</li> <li>■ reviews the results of work in this area (risk mapping, permanent control plans, incident handling, etc.).</li> </ul>
Risk Committee	Prepares the elements required for the Executive Committee's decision-making: <ul style="list-style-type: none"> <li>■ ensures the deployment of the permanent control and risk management policy;</li> <li>■ coordinates the risk management approach;</li> <li>■ makes sure that the internal control systems are consistent;</li> <li>■ monitors the outcome of the internal control and risk management work carried out in the entities.</li> </ul>
Risk Coordination and Permanent Control Committee	Coordinates work on risk management and permanent controls and monitors this work from an operational perspective.

The Risk Department implements Executive Management's risk management strategy. It defines the risk management and permanent control policy to be deployed within the group and ensures it is applied by the business lines, subsidiaries and support departments. It reports periodically to the governance bodies on the consolidated results at group level.

The Group Risk Department works closely with the group's cross-business strategic, operational and compliance risk carriers. Among these risk carriers, the Compliance Department monitors that the group is in compliance with the laws and regulations within the scope of the Department's remit (see Section 1.3.3 "Compliance").

## 2. RISK MANAGEMENT

### Internal control and risk management systems

The group's Risk Department leads the Risk and Control Officers based in the subsidiaries, business lines and support departments, with a view to constantly adapting to the legal, regulatory, structural and organisational changes of these entities. It therefore guarantees the overall consistency of risk management systems at the group's entities.

The heads of the business lines, subsidiaries and support departments implement the group's internal control and risk management principles in their areas of expertise, in accordance with the rules established by their decision-making and executive bodies and in compliance with the group's Risk Management Charter.

To this end, they set up their own risk management and steering structures, which are in functional contact with the group's Risk Department.

In particular, they are responsible for deploying and implementing their internal control and risk management systems in accordance with the group's missions and policies, the guidelines laid down by Executive Management, as well as with laws and regulations, national and international professional standards, and any conventions that apply to their activities. In particular, they are responsible for deploying and implementing their internal control and risk management systems in accordance with the group's missions and policies, the guidelines laid down by Executive Management, as well as with laws and regulations, national and international professional standards, and any conventions that apply to their activities.

In addition, audits take place at several levels within the risk management process. Through their findings, auditors are also involved in assessing risks. They then verify the measures undertaken to reduce these risks and, in a general manner, perform an assessment of the internal control.

### 2.2.3 Implementation

La Poste Groupe is continually strengthening its internal control and risk management in order to give senior management and shareholders a consolidated and cross-business vision of the control, by its main entities, of the group's strategic, financial, operational and non-compliance risks.

Since 2020, an approach common to all entities has been deployed and makes it possible to prepare an annual profile of the group's operational and non-compliance risks. Since 2021, this has been supplemented by stronger permanent controls as well as harmonised practices for managing significant and recurring incidents, particularly in order to contribute to the reporting to senior executives of the group and of Caisse des Dépôts.

Operational and non-compliance risks are managed using three interdependent components:

- risk management, mainly involving the preparation of a map of operational and non-compliance risks, accompanied by the associated management plans, which enables regular assessment of the level of residual risk to which the group is exposed;

In 2023, La Poste intends to align its risk appetite framework with that of Caisse des Dépôts. This will enable it to explicitly determine the type and level of risk the group is willing to take on. The risk appetite framework will be supplemented by an additional document – the risk appetite statement – which will be updated annually and will include for each risk area:

- the qualitative and/or quantitative indicators monitored;
- any thresholds (information, alerts) and/or limits monitored in the risk appetite framework;
- alert systems and processes for escalating issues when necessary, through the governance structure.

In parallel, numerous actions are being carried out by the group's central departments (compliance department, cybersecurity department, etc.) in order to strengthen the group's risk and internal control culture. More specifically, the Risk Management Department has launched a project to:

- reinforce risk culture at all levels of the organisation (while taking into account the varying business activities and different maturity levels of the business lines, subsidiaries and support departments);
- facilitate the implementation of the new group-wide risk management approach for each of the three components of this approach (risks, control and incident);
- set and coordinate priority actions for awareness-raising, training, coordination and communication, which will be implemented in conjunction with all risk management stakeholders in order to strengthen the overall risk culture;
- ensure the consistency of all actions carried out by internal control and risk management players within the business lines, subsidiaries and support departments.

- permanent controls, designed to regularly check that the control systems for operational and non-compliance risks are working effectively, based on control plans and self-assessments. The use of permanent control plans, instead of self-assessments, was extended to new risk areas in 2022;
- the collection and analysis of significant operational incidents, recurring incidents and reports of non-compliance and fraud, which enables regular reassessment of the level of risk management and adaptation of the corresponding systems where necessary. In 2022, this process was accelerated in order to report more fully to senior executives of the group and Caisse des Dépôts on significant incidents and optimise the related internal control and risk management systems.

## Group risk management approach

The group's strategic and priority risk map is updated annually following interviews with the senior executives of the group's business lines, main subsidiaries and support departments.

This approach is supplemented by a mapping of operational and non-compliance risks carried out with the cross-business risk carriers and the network of correspondents in the entities.

The results of this work are examined by the Risk Committee before being presented to the Executive Committee and then to the group Audit Committee.

In carrying out this work:

- the Risk Department is involved in setting the methodology and consolidating the mapping carried out by the entities. Each year, it updates the group's operational and non-compliance risk profile;
- the group's Control and Management Department carries out an annual review of the permanent control, risk management and incident management systems enabling the business lines, subsidiaries and support departments to formalise their systems and report on significant past and upcoming actions. Each year, it oversees the deployment of the second-level control plans drawn up by the group for its entities and organises a self-assessment campaign of the internal control systems. This department also collects data on, and monitors, significant incidents so that it can re-assess the criticality of risks and adjust the related controls where necessary.

The internal audit function is tasked with objectively and independently assessing the group's risk management, control, corporate governance and IT systems. It contributes to their improvement in terms of compliance, safety, effectiveness and efficiency. Its purpose is to provide reasonable assurance regarding the degree of risk management efficiency to corporate officers, governance bodies and, more generally, managers and senior executives.

## Application to financial and accounting matters

The group's Finance and Development Department is responsible for leading and contributing to the group's strategy, and for defining and implementing its financial, accounting, tax, and purchasing policy.

Risk management is the responsibility of the Executive Vice President in charge of the group's finances and development. This responsibility is transferred by sub-delegation to the directors under their remit.

The permanent control system is based on an assessment of the risks to which the group's Finance and Development Department is exposed. First- and second-level controls, proportionate to the risks, are organised for its activities to ensure risk management.

The main risks to which the group's Finance and Development Department is exposed are incorporated into a specific risk management system.

These permanent control and risk management systems are implemented across all the activities of the group's Finance and Development Department.

The national accounting department reports to the head of the group's Accounting, Consolidation and Standards Department and combines under its authority all of La Poste's accounting units in France. It performs a service mission on behalf of La Poste SA in the field of accounting production and revision. It also provides services in this area for certain group subsidiaries and business lines. The other subsidiaries organise the processing of accounting and financial information themselves; the necessary information is sent to La Poste SA for consolidation of results.

The parent company and consolidated financial statements are prepared by the group's Accounting, Consolidation and Standards Department on the basis of financial statements prepared locally by the entities (the national accounting department and La Poste Groupe's subsidiaries) and restated in accordance with group standards.

Each closing (monthly, half-yearly and yearly) gives rise to the establishment of a work schedule, formalised through accounting revision and consolidation instructions sent to the entities. For the half-yearly and yearly accounts, files allowing an analytical screening of the accounting and financial information are prepared at the level of La Poste SA and the subsidiaries' holding companies. La Poste and the subsidiaries use a consolidation software package with a standard accounting package based on the group's accounting principles manual. A specific tool is used to reconcile intercompany transactions.

The group's Tax Department calculates the group's overall taxable income and prepares the related tax returns.

The group's Financial Control Department produces two types of consolidated financial information derived from the data submitted by the business lines and the head office's support function departments:

- forward-looking information: multi-year plan, annual budget, half-yearly or annual results;
- analyses of the performance carried out for internal and external information.

A dashboard is regularly presented by the Executive Vice President in charge of the group's finances and development to the Executive Committee. It highlights the discrepancies between the data produced and the budgeted data for the main group economic and financial indicators.

### 2.3 INSURANCE AND RISK COVERAGE

The group believes it has reasonable and sufficient insurance coverage.

The group's general policy regarding insurance is based on the following principles:

- risk sharing: wherever possible, a group policy is taken out to provide each entity or subsidiary with optimum coverage commensurate with its own risks, at minimum cost, regardless of their financial resources;
- prioritising intensity risk: frequency risk is not insured as the insurance cost would be too high (for excess, conservation, retention, etc.), with steps taken to make certain that when insurance is taken out it is suited to the financial capacity of the group's insured entities (parent and subsidiaries).

#### Property and casualty insurance

The group's property and casualty insurance programme includes a "Property damage and business interruption" policy, which covers all tangible and intangible assets (except for the exclusions specified in the policy).

#### Cyber insurance

The group has taken out a cyber insurance policy, which is available to the parent company and majority-controlled subsidiaries.

#### Vehicle fleet insurance

In view of the size of the fleet used by La Poste SA (internal combustion and electric vehicles), La Poste has implemented a specific insurance package: service vehicles only have third-party cover, with a high deductible portion.

Fully comprehensive insurance has been taken out for company cars. This insurance has also been taken out for most La Poste Groupe subsidiaries.

The group also offers "work car" coverage to employees using their own vehicles for business purposes.

Lastly, an Assistance policy is available to subsidiaries who wish to benefit from its coverage.

#### Civil liability insurance

The civil liability programme covers the civil liability of La Poste and its French and foreign subsidiaries. The deductibles are adapted to the nature of the risk and beneficiaries of the coverage.

#### Other insurance

The group takes out the following additional insurance:

##### Transport insurance

The group holds an insurance policy to cover liabilities and damages during transport. It breaks down into policies dedicated to:

- activities subject to French postal regulations;
- activities not subject to postal regulations.

##### Building insurance

As a property developer, the group holds construction policies designed to automatically cover any development up to certain limits.

##### Events and exhibitions insurance

This mandatory insurance covers the group's civil liability as both organiser and participant.



# 3.

## ANALYSIS OF FINANCIAL PERFORMANCE

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### 3.1 SIGNIFICANT EVENTS OF THE PERIOD

#### 3.1.1 Economic and financial environment

The group's businesses are influenced by the economic environment and in particular by inflation, which changes consumer behaviour. Oil prices and exchange rates also have a major impact on the group's international activities. Lastly, the group's banking activities are sensitive to changes in interest rates and, to a lesser extent, financial market trends.

##### A resilient global economy in 2022 against the odds

In the first-half of 2022, the global economy had to contend with multiple negative headwinds (war in Ukraine, a spike in inflation, rising long-term interest rates). In this environment, the business outlook in both the United States and Europe led to expectations of a sharp slowdown in the global economy. However, against all the odds, the world's economies have demonstrated a degree of resilience in recent months. GDP growth was clearly positive in the United States in the second half of 2022, driven mainly by a decline in the household savings ratio that helped boost consumption, resulting in an annual average increase of 2.2%. In the eurozone, GDP growth was almost zero in the last quarter of 2022 but still averaged 3.5% for the year as a whole. Several factors have contributed to the relative resilience of European economies despite the afore-mentioned headwinds, including the lifting of pandemic-related restrictions and the adoption of various measures to help households and businesses deal with the energy crisis. In China, 2022 was severely impacted by health policy contingencies, resulting in sluggish growth (3%) when compared to past performances.

##### Inflation is cooling after surging in the early part of 2022

Inflation rose very sharply in 2022. Further up the price formation chain there are signs that the situation is easing. Industrial and food commodity prices have come down from their spring peak, although they remain at high levels. The Brent crude price fell back to around \$85 a barrel at the end of December from a peak of almost \$125 in early June. With an economic slowdown on the horizon, the worsening demand outlook weighed on commodity prices; however, the supply side outlook was encouraging.

US consumer price inflation reached 6.5% in December after peaking at 9% in June. In the eurozone, inflation eased a little in late 2022 (9.2% year-on-year in December, after peaking at 10.6% in October). Europe was particularly affected by the surge in gas prices following the reduction in supplies from Russia, which accounted for about 40% of the region's gas imports. The fall in prices at the end of 2022 has helped to contain inflation. At the same time, tight labour markets gradually drove up wages, more markedly in the United States than in the eurozone, although the increases were well below local inflation rates.

##### In France, the tariff shield is helping to protect the economy

After a disappointing start to the year, marred by a resurgence of Covid-19, the French economy returned to growth in the second quarter with the lifting of Covid-19 restrictions, before tapering off again in the second-half. GDP rose 2.6% for the year as a whole. The tariff shield played an important role in helping France to outperform other eurozone countries. France's inflation rate was one of the lowest in the eurozone (6.7% year-on-year in December according to the harmonised index, 5.9% in December according to the national measure). This performance was attributable for the most part to the freezing of regulated gas tariffs from October 2021 and electricity tariffs from February 2022, and to the fuel rebate. A number of income revaluation measures boosted household income in the second-half of 2022, yet consumption continued to be the weak link in French growth in 2022.

##### Tighter monetary policies and sharply higher long-term interest rates

The central banks tightened their monetary policies in a bid to check spiralling inflation. In the United States, the Fed Funds rate, which had been kept at zero since the end of March 2020, was raised several times as from December 2021, to 4¼%-4½% in December 2022, and the Federal Reserve also took steps to reduce its balance sheet by selling assets. The ECB adopted a more wait-and-see attitude, believing that the inflationary shock came mainly from external factors that would be largely unaffected by monetary policy decisions. It nonetheless responded to spiralling inflation by raising its key rates in July 2022, lifting the refinancing rate to 2.5% in December. Interbank rates reflected the rise in European short-term rates. The €STR reached 1.90% at end-December, compared to -0.58% before the first ECB rate hike, and the 3-month Euribor reached 2.15% compared to -0.57% a year earlier.

Central bank decisions combined with the surge in inflation drove a rapid increase in government bond yields in 2022. The US 10-year rate rose by 230 bps in 2022, to end the year at 3.83%. The recovery of long-term interest rates was even more spectacular in the eurozone. France's 10-year OAT rate, which was still in negative territory in the autumn of 2021, ended 2022 at 3.11%. The ECB's announcement in July that it was setting up a specific tool to combat financial fragmentation has nonetheless helped stabilise credit spreads between the main issuing countries in the eurozone since the summer.

##### Sharp downturn in financial markets

Economic uncertainty and rising long-term interest rates combined to drive down share prices in 2022. The CAC 40 ended the year at 6,474 points, down 9.5% over the year, after a 28.9% rise in 2021. The S&P 500 fell more sharply than the European indices, losing 19.4% over the year. However, when measured in euros, the US index's underperformance was more restrained (down 14.4%).

## Firm US dollar

The Federal Reserve's tighter monetary policy weakened the euro in the first part of 2022. The exchange rate bottomed out at \$0.96 at the end of September (versus \$1.13 at the end of 2021). However, the firm stance adopted by the ECB supported the currency in the latter part of the year and the exchange rate

recovered to \$1.07 as of 30 December 2022. Against a backdrop of political instability, the pound lost ground against the euro during much of 2022, falling to £0.90 per euro at the end of September, before recovering somewhat after the appointment of Rishi Sunak reassured investors.

## 3.1.2 Regulatory environment

### Banking environment trends

#### Revision of interest rates on regulated savings products

Following the recommendations of Banque de France, approved by the French Minister of the Economy, the interest rate of the Livret A savings account was increased from 0.5% to 1% on 1 February 2022, and to 2% on 1 August 2022, as well as the rates of the Sustainable Development and Solidarity Savings Account and the Youth Passbook Savings Account. It had been held at 0.5% since 1 February 2020, a historic low, after having been 0.75% between 2016 and 2020. The National Savings Account interest rate increased from 1% to 2.2% on 1 February, and then to 4.6% on 1 August 2022. This increase in interest rates for regulated savings products follows the sharp rise in inflation.

#### Conditions for granting home loans

On 1 January 2022, the conditions for granting home loans were tightened pursuant to the decision of the French High Council for Financial Stability (*Haut conseil de la stabilité financière* – HCSF) of 29 September 2021 on the basis of paragraph 5 of Article L. 631-2-1 of the French Monetary and Financial Code (*Code monétaire et financier*). The aim was to prevent excessive levels of household debt and thereby reduce the risks that home loans could pose to financial stability.

This decision is legally binding and uses the same criteria as the HCSF recommendation of 27 January 2021, whose provisions were not binding. It provides that mortgage repayments may not exceed 35% of the homebuyer's income and that the maturity of the home loans does not exceed 25 years, with a tolerance of up to 27 years in the event of an initial period of deferred repayments. It also provides for a margin of flexibility: 20% of quarterly loan originations falling within its scope may deviate from the set criteria.

This decision applies to loans disbursed as of 1 January 2022.

#### Termination of capital and leverage relief

On 10 February 2022, the ECB announced its decision not to extend the reduction in capital requirements beyond December 2022 and in leverage ratio requirements beyond 31 March 2022, arguing that banks had obtained sufficient leeway to return to a normal trajectory. At the end of September 2021, the aggregate CET1 of banks under direct ECB supervision stood at 15.47% and their aggregate leverage ratio stood at 5.88%.

Banks are therefore required to:

- include central bank exposures in their leverage ratios as of 1 April 2022;
- comply with Pillar 2 capital requirements as of 1 January 2023.

### Tools for battling inflation

**Policy rates:** on 27 October 2022, the European Central Bank announced a third consecutive increase in the three key interest rates by 75 basis points, effective from 2 November 2022. This put the refinancing rate, the deposit facility rate and the lending facility rate up to 2%, 2.25% and 1.5% respectively. This measure aims to get inflation back down to its target of 2%.

**Recalibration of TLTRO III:** on 27 October 2022, the European Central Bank recalibrated the third series of targeted longer-term refinancing operations (TLTRO III) in order to bring this program into line with current monetary policy. It is part of a wider ECB plan designed to curb inflation as soon as possible and to achieve the target of 2% inflation in the medium term. This recalibration of TLTRO III conditions will reinforce the transmission of ECB policy rates to bank lending conditions. It will also help get banks' financing costs back down to normal levels and in turn ease inflation.

### Non-pricing adjustments for mail and parcels

Since 1 January 2022, following Arcep's favourable Opinion no. 2021-2079 of 5 October 2021, La Poste has marketed books of two pre-paid parcel stamps for sending goods weighing between 0 and 1 kilogram and 1 and 2 kilograms. The solution is intended for individuals and small businesses wishing to send a parcel without having to print a stamp or go to a La Poste retail outlet to send the item. It offers the ease-of-use of a mail stamp and parcel-level service, with discounts for bulk purchases.

On 1 January 2022, La Poste also enriched its Colissimo Eco Overseas offer by providing the option to register the items sent.

On 2 June 2022, Arcep issued its Opinion no. 2022-1139 on the modification of the universal postal service catalogue concerning the new mail range. This change reflects the request made by the Prime Minister to the Senior Monitoring Committee for the Public Service Agreement on 22 July 2021. As such, from 1 January 2023, postal offers are built around three-day deliveries, with a next-day delivery solution for the most urgent items and a two-day delivery offer with high service value. Decree no. 2022-1110 of 3 August 2022 on the universal postal service obligations amended the definition of priority mail as set out in Article R. 1 of the French Postal and Electronic Communications Code, which was necessary for the implementation of the new mail range.

#### Pricing adjustments for mail and parcels

On 1 January 2022, La Poste increased mail prices by 4.7% on average for all mail ranges both within and outside the scope of universal postal service. The price of the first bracket for *Lettre Prioritaire* priority mail (next-day delivery) increased from €1.28 to €1.43, while that of the first bracket for *Lettre Verte* green mail (two-day delivery) increased from €1.08 to €1.16. To take account of customer behaviours, La Poste decided to increase the cost-effectiveness of green mail, which accounted for over 65% of ordinary items sent by individuals in 2021. Green mail was thus made €0.27 cheaper than priority mail in 2022, compared with €0.20 cheaper in 2021.

Within the scope of universal postal service, business mail prices rose by 4.0%, while advertising mail prices increased by 2.3% to ensure mail remained a competitive medium.

On 1 January 2022, domestic parcel prices for individuals increased by 1.5% on average, but the first weight bracket (up to 250 grams) of the *Colissimo France Grand Public* range has been kept at €4.95 since 2018 so that sending small items remains affordable.

These price increases for mainland France, overseas France and international mail and parcels took effect on 1 January 2022 following Arcep Opinion no. 2021-1346 of 8 July 2021. They all comply with the price cap for the 2019-2022 period set by Decision no. 2017-1252 of 26 October 2017, which limits the average change in universal postal service prices to 5% per year.

Due to the change in the universal postal service range on 1 January 2023, La Poste and Arcep both noted that it was impossible to set a price framework for 2023. However, Arcep verified that the pricing set for 2023 complies with the principles of the French Postal Law, such as affordability and cost-oriented pricing. La Poste and Arcep plan to work together in 2023 to establish a multi-year pricing framework for 2024 and 2025.

#### Non-pricing adjustments for press

In accordance with the meeting clause set by the 2018-2022 public service agreement, La Poste and the French State undertook discussions in 2019 to study possible adaptations to the public service mission and to draw up a new multi-year framework.

In addition, the Minister for the Economy, Finance and Recovery and the Minister for Culture commissioned a qualified person, Emmanuel Giannesini, a judge at the French Court of Auditors, to propose scenarios for changes to the public postal transport service for paper press subscriptions for the 2021-2026 period.

In April 2021, Emmanuel Giannesini presented his conclusions to the government in which he proposed a comprehensive reform of press transport. This reform involves in particular:

- the introduction of a single price list for the sending of publications as part of the press transport and delivery public service mission;

- the creation of a copy-based aid reserved for political and general information publications and daily political and general information publications with limited advertising resources or classified advertisements.

On 14 February 2022, the memorandum of understanding on the reform of press transport was signed between the French State, press industry organisations, La Poste and Arcep. This memorandum of understanding sets the conditions for press transport by post until 31 December 2026 and ushers in three measures:

- overhaul of the system of public support for press distribution so as to promote a more even spread of traffic between postal and courier services;
- uniform rates for all press categories;
- reinforcement of the financing of La Poste's public service mission so as to maintain its economic equilibrium.

On 5 December 2022, the European Commission declared that the aid paid by the French State to La Poste in connection with the press transport and delivery mission was compatible with the internal market for the 2023-2026 period <sup>(1)</sup>. The reform came into effect on 1 January 2023.

#### Pricing adjustments for press

For 2022, the French government decided to increase prices for press transport and delivery services provided by La Poste as part of its public service mission by up to 2%, including reference inflation (1.38%), for all categories of press.

La Poste submitted a pricing proposal in line with this decision, which was approved by decision of the Minister for the Economy, Finance and Recovery on 22 December 2021, taken after considering Arcep Opinion no. 2021-2706.

As a result, on 1 January 2022, prices increased by an average of 2% for each category of press, that is, most publications registered with France's CPPAP, political and general information publications, and daily newspapers with limited advertising resources.

From 1 January 2023, the aforementioned memorandum of understanding caps the increase in regulated press rates at 2.0% so as to guarantee the affordability of the prices offered as part of La Poste's public service mission.

#### Amendment to the 2018-2022 public service agreement

The commitments of La Poste and the French State are defined in a multi-year public service agreement. For the 2018-2022 period, the public service agreement, approved by the group's Board of Directors on 19 December 2017, was signed by all stakeholders on 16 January 2018.

On 22 July 2021, the French Prime Minister, accompanied by the Minister for the Economy, Finance and Recovery and the Minister for Regional Cohesion and Relations with Local Authorities, chaired the Senior Monitoring Committee provided for by the public service agreement in force between the French State and La Poste. The main changes to come out of the committee were formalised in an amendment to the 2018-2022 public service agreement, signed on 18 May 2022.

(1) State aid SA.102817(2022/N).



### Universal postal service

At the meeting of the Senior Monitoring Committee, with a view to supporting the transformation of the universal postal service and guaranteeing its sustainability and affordability, the French State undertook to pay La Poste an annual budget allocation to offset part of the additional costs of universal postal service over the 2021-2025 period. This annual compensation will be between €500 million and €520 million, depending on service levels.

The amendment to the 2018-2022 public service agreement specifies the terms and conditions governing this measure for the 2021-2022 period. For 2021, the amount is set at €520 million. For 2022, the amount paid will correspond to the following scale:

<b>Indicator: percentage of Lettre Verte green mail delivered within 2 days</b>	≥94.5%	€520m
	≥93.5% and <94.5%	€510m
	<93.5%	€500m

The first allocation, covering the additional costs incurred by La Poste in 2021, is €520 million. An identical amount for 2022, subject to the aforementioned service level results, is included in the 2023 Budget Law.

### Regional development

The reduction in production taxes, made official by the 2022 and 2023 Budget Laws, applies to the corporate property tax (CFE) and the corporate value-added tax (CVAE) applicable to La Poste. These taxes represent almost the entire local tax rebate base for the regional development mission.

The reform of production taxes entails a reduction in the local tax rebate and, by extension, a reduction in the financing of the national postal territorial compensation fund. To offset this decrease in the financing of the national postal territorial compensation fund and continue meeting the commitments set out in the 2020-2022 local postal coverage agreement, including maximum annual compensation of €177 million, the Finance Acts for 2022 and 2023 provide for funding in the amounts of €74 million and €105 million respectively.

On 10 August 2022, the European Commission declared the changes made to the financing of the regional development mission for 2021 and 2022 (including the introduction of a subsidy to replace a reduction in the CVAE rebate, and an increase in the maximum rate of the rebates provided for in Article 1635 *sexies* of the French Tax Code) to be compatible<sup>(1)</sup>.

### Accessible banking

Article L. 221-6 of the French Monetary and Financial Code, amended by the 2023 Finance Act (law no. 2022-1726 dated 30 December 2022), stipulates that the additional compensation paid to La Banque Postale shall be borne by the State. This new financing arrangement does not change the system of compensation provided for under the Order of 9 August 2021, setting the additional compensation for La Banque Postale with respect to its obligations in terms of distribution and operation of the *Livret A* savings account.

## 3.1.3 Developments, partnerships and acquisitions

### Services-Mail-Parcels

#### Log'issimo

Faced with a significant decrease in mail volumes and, at the same time, an increase in demand for parcel delivery, La Poste has developed Log'issimo, a range of local logistics solutions to meet the fundamental challenges of the first and last mile for businesses and local authorities.

Based on La Poste's powerful local logistics network, this range is structured around five BtoB solutions. The brand serves markets with strong growth potential such as retail, healthcare and food.

#### Acquisition of Happytal

In July 2022, La Poste acquired a majority stake (86%) in Happytal via its Health & Autonomy services division. Happytal specialises in digital hospital pathways and providing patient and carer support. This acquisition aims to build a platform of face-to-face and digital services for hospitalised patients. Happytal generated revenue of €20 million in 2021.

### Geopost

#### Acquisition of CitySprint

In January 2022, DPD UK acquired CitySprint (100%), a specialist in same-day deliveries in the United Kingdom. CitySprint generated revenue of €141 million in 2021.

#### Acquisition of Scalefast

In June 2022, eShopWorld, a world leader in direct-to-consumer e-commerce and a subsidiary of Asendia, acquired Scalefast (100%), a Los Angeles-based provider of global e-commerce solutions. Scalefast generated revenue of around €142 million in 2021.

#### Acquisition of Pourdebon.com

In July 2022, DPDgroup acquired 100% of Pourdebon.com, a food marketplace which it had helped to launch in 2016 via a minority stake. This transaction continues DPDgroup's expansion into the food sector. Pourdebon.com generated revenue of €3.4 million in 2021.

(1) State aid SA.100960 (2022/NN).

## 3 ANALYSIS OF FINANCIAL PERFORMANCE

### Significant events of the period

#### Acquisition of Cool Runnings Transport BV

In October 2022, DPD Netherlands acquired 100% of Cool Runnings Transport BV, a logistics services provider specialising in conditioned transport. The acquisition is part of DPD Netherlands' strategy of expanding into the conditioned transport of fresh produce. Cool Runnings Transport BV reported revenue of €3.6 million in 2021.

#### Acquisition of C Chez Vous

In December 2022, Geopost acquired 95% of C Chez Vous, a company specialising in the transport of bulky goods. C Chez Vous reported revenue of €104 million in 2021.

### La Banque Postale

#### Acquisition of non-controlling interests in CNP Assurances

In the first half of 2022, La Banque Postale gradually acquired all non-controlling interests in CNP Assurances, raising its interest to 100% by 30 June 2022. The main stages of this acquisition were as follows:

- in March, La Banque Postale acquired 6.3% of the capital of CNP Assurances;
- in May, La Banque Postale carried out a simplified tender offer at the price of €20.90 per share (ex-dividend of €1 for non-controlling interests);
- following this offer, a squeeze-out procedure was initiated to become a 100% shareholder.

CNP Assurances' full-year earnings were attributed based on the timing of the acquisition of CNP Assurances' capital over the period.

The success of the transaction marks a new step in the strengthening of La Banque Postale's bancassururer model and in the continuation of CNP Assurances' multi-partner, international expansion.

#### Completion of the sale of La Banque Postale's equity investments in Ostrum and AEW Europe to Natixis IM

In May 2022, La Banque Postale and BPCE, through its subsidiary Natixis Investment Managers (Natixis IM), completed the sale of La Banque Postale's stakes in asset management firms Ostrum (45%) and AEW Europe (40%) to Natixis IM, as announced in late 2021. The two groups also extended their industrial asset management partnerships through to 2030.

#### Confirmation of La Banque Postale's community commitment

- After adopting a purpose in June 2021, La Banque Postale took another step in its transformation by becoming a mission-led company, reaffirming its commitment to a "just transition" by embedding several environmental and social impact objectives in its governance system. This approach is consistent with that of La Poste Groupe, which also became a mission-led company in June 2021.

- La Banque Postale and SFIL, a public development bank, are expanding their range of responsible products and services by providing loans for social housing to local authorities. These loans are refinanced by social or sustainable bonds issued by SFIL. They are for a minimum amount of €300,000 and will be allocated to projects aligned with future social taxonomy regulations.
- In May 2022, La Banque Postale launched *Pass Jeune*, a digital platform offering 10 free non-banking services for 18- to 29-year-olds. Designed in partnership with start-up Wizbii, these 10 free services support young people in their personal and professional development in an innovative and socially responsible way. The solution also reflects the group's inclusive values and mission-led company status.

#### Continued diversification of La Banque Postale

In March 2022, La Banque Postale launched its fintech dedicated to instalment payments, called Django, a wholly-owned subsidiary of La Banque Postale Consumer Finance. Featuring both deferred and instalment payment options, this new consumer loan is intended for retailers and e-retailers as well as consumers in general, whether or not they are La Banque Postale customers.

#### Development of Louvre Banque Privée

La Banque Postale stepped up its diversification with the development of its private bank. This new initiative saw the creation of a private banking unit and BPE change its name to Louvre Banque Privée. Louvre Banque Privée affirmed its commitment to local, positive, community-minded private banking, in line with the values of La Banque Postale, by offering its customers socially responsible products (discretionary management with a 100% SRI label). La Banque Postale hopes to leverage this new offer to win over new customers and attract younger people.

#### International development of CNP Assurances' multi-partnership model

- In September 2022, CNP Assurances signed an agreement to acquire Caixa Seguridade's and Icatu's interests in five companies <sup>(1)</sup> in Brazil, increasing CNP Assurances' stake in these companies to 100%. Completion of the transaction, which is subject to approval of the regulatory authorities in Brazil, will enable CNP Assurances to step up the pace of business development in Brazil by leveraging new open model growth drivers. Acquisition of 100% of CNP Consórcios and Odonto was completed on 17 November 2022 and on 23 December 2022, respectively.
- In October 2022, CNP Assurances finalised two transactions aimed at developing its business model in Italy by restructuring the shareholding of its subsidiaries through UniCredit: CNP Assurances acquired UniCredit's 49% stake in CNP Vita Assicura S.p.A. (CVA) to increase its stake to 100%, and simultaneously sold 6.5% of the shares in CNP UniCredit Vita S.p.A. ("CUV") to UniCredit, while retaining a 51% controlling interest in CUV. This dual operation will enable CNP Assurances to develop its open model in Italy through its wholly-owned subsidiary CVA, while continuing its partnership with UniCredit.

(1) CNP Seguros Participações em Saúde Ltda "Holding Saúde"; Seguros Previdência do Sul "Previsul"; Odonto Empresas Convênios Dentários Ltda "Odonto Empresa", CNP Consórcio S.A. Administradora de Consórcios "CNP Consórcios" and CNP Capitalização S.A. -CNP Cap".

### Acquisition of 100% of the capital of Assurance, a holding company of Filassistance International

In November 2022, CNP Assurances acquired Swiss Life's minority 34% stake in Assurance, a holding company of Filassistance International. It made CNP Assurances the sole shareholder of Assurance, which was previously 66%-owned.

### Acquisition by CNP Assurances of more than 7,600 housing units from CDC Habitat

In March 2022, CNP Assurances acquired from CDC Habitat an 85% interest in SCI Lamartine, which owns a portfolio of more than 7,600 affordable housing units with high environmental quality worth €2.4 billion. This transaction consolidates CNP Assurances' position as a leading player in housing in France and its commitment to a more inclusive and sustainable society.

### Sale of CNP Partners

On 29 December 2022, CNP Assurances completed the sale of its Spanish life insurance subsidiary CNP Partners to Mediterráneo Vida. CNP Partners is mainly dedicated to traditional savings products in Spain and Italy under an open model. As part of its strategic development, CNP Assurances will continue to expand its term creditor insurance and personal risk insurance businesses through its Spanish branch<sup>(1)</sup>.

## Retail Customers & Digital Services

### Start of exclusive negotiations to acquire Maincare<sup>(2)</sup>

After signing a strategic partnership in May 2022 with Maincare, a French specialist in healthcare software, Docaposte has entered into exclusive negotiations with Maincare's shareholders with a view to acquiring the company. By combining Maincare's assets with its own expertise in digital trust services, Docaposte will create a sovereign tech leader for deploying digital transformation solutions in the healthcare industry. Maincare generated revenue of €78 million in 2021.

### Acquisition of HEVA

In April 2022, Docaposte acquired 100% of HEVA, a health research and consulting firm. This acquisition reinforces Docaposte's development strategy in the healthcare market. HEVA generated revenue of €3.6 million in 2021.

### Acquisition of Easyconsent

In July 2022, Docapost acquired Easyconsent, a digitised medical consent solution (SAAS platform) for hospitals. This operation expands Docapost's e-consent offering.

### Trusted cloud services project

In October 2022, La Poste, Banque des Territoires, Dassault Systèmes and Bouygues Telecom teamed up as part of a 100% French consortium to create Numspot, a company dedicated to developing a comprehensive range of European sovereign and trusted cloud services. Numspot's offer should come on stream in 2023 and provide cloud services hosted in France, designed to meet the challenges of data sovereignty and portability and digital architecture security.

## La Poste Immobilier

### The Poste Immo brand becomes La Poste Immobilier

In 2022, Poste Immo changed its brand name to La Poste Immobilier. At the same time, the company added CSR to its strategic priorities, in line with La Poste Groupe's strategic focus.

### La Poste Immobilier launches its first wholly-owned real estate development operation

In February 2022, work began on the La Poste Magenta building in central Paris. It will result in 35 social housing units, 48 low-income homebuyer units, a coworking area, a post office and an urban logistics space. The refurbishment and transformation of the former industrial site also marks the beginning of a new activity for La Poste Immobilier: wholly-owned real estate development, which will focus on housing projects and serviced senior residences.

### Acquisition of Multiburo

In July 2022, La Poste Immobilier acquired 100% of Multiburo, a big player in coworking in France, Belgium and Switzerland. La Poste Immobilier is already a majority shareholder in Startway and this acquisition consolidates its coworking offering. Multiburo generated revenue of €26 million in 2021.

### Sale of La Poste Immobilier's stake in Arkadea

In November 2022, La Poste Immobilier sold its 50% stake in its development subsidiary Arkadea to Icade Promotion.

(1) Corresponding to CNP Caution Sucursal En España and CNP Assurances Sucursal En España.

(2) The transaction was finalised in late February 2023.

## 3.1.4 Bond issues

### Successful inaugural issue of La Poste's sustainable bond

In September 2022, La Poste successfully issued its first sustainable bonds for a total amount of €1.2 billion in two tranches. The first tranche comprises €600 million of notes with a 6-year maturity (September 2028) and a 2.625% coupon. The second tranche comprises €600 million of long-term notes with a 10-year maturity (March 2033) and a 3.125% coupon.

This issue is part of La Poste's social commitment. The funds raised will be used to finance or refinance assets and projects relating to the four social and environmental pillars now included in La Poste's Articles of Association: contributing to the development and cohesion of local areas; fostering social inclusion; promoting ethical, inclusive and sustainable digital services; and working to accelerate the environmental transition for all.

## 3.2 ANALYSIS OF CONSOLIDATED RESULTS

### 3.2.1 Summary of La Poste Groupe's consolidated results

The financial information presented below is taken from La Poste Groupe's consolidated financial statements for the year ended 31 December 2022.

(in € millions)	2022	2021	Change vs N-1		Change at constant scope and exchange rates vs N-1	
			(in €m)	(as a %)	(in €m)	(as a %)
<b>GROUP OPERATING PERFORMANCE</b>						
Operating revenue	35,392	34,609	+783	+2.3	-118	-0.3
Operating profit after share in net profit of jointly-controlled companies	1,197	3,431	-2,235	-65.1	-2,396	-68.8
<i>Operating margin</i>	3.4%	9.9%	-	-	-	-
Net profit attributable to owners of the parent	1,203	2,069	-866	-41.9	-1,267	-61.6
<i>Net margin</i>	3.4%	6.0%	-	-2.6 pts	-	-3.7 pts
<b>Free cash flow</b>	<b>1,530</b>	<b>248</b>	<b>+1,282</b>	<b>n.m.</b>		
<i>Adjusted EBITDA</i>	3,618	2,812	+806	+28.7		
<b>KEY FIGURES – LA BANQUE POSTALE</b>						
Net banking income	8,320	8,017	+303	+3.8	+14	+0.2
<i>Cost-income ratio<sup>(a)</sup></i>	77.5%	78.0%	-	-0.6 pts		

(a) Scope: La Banque Postale and CNP Assurances (including CNP Assurances PPA).

(in € millions)	31 Dec. 2022	31 Dec. 2021	Change vs N-1	
			(in €m)	(as a %)
<b>KEY FINANCIAL INDICATORS</b>				
<b>Net debt</b>	10,191	10,233	-42	-0.4
Net debt/adjusted EBITDA	2.8	3.6		
<b>Equity attributable to owners of the parent</b>	17,546	20,932	-3,386	-16.2
Net debt/equity	58.1%	48.9%	-	9.2 pts
Net profit/equity	6.9%	9.9%	-	-3.0 pts
<b>CET1 ratio</b>	14.7%	19.1%	-	-4.4 pts
<b>LCR</b>	147%	186%	-	-39 pts
<b>NSFR</b>	129%	142%	-	-13 pts
<b>Loan-to-deposit ratio</b>	87.2%	82.2%	-	5.0 pts
<b>SCR coverage ratio</b>	230%	217%	-	13 pts

### 3.2.1.1 Operating revenue

La Poste Groupe's operating revenue amounted to €35,392 million in 2022, up €783 million, or 2.3%, versus 2021, due to the combined impacts of the consolidation of new entities and the currency effect, a year-on-year decline in the activity related to e-commerce and continued decline in traditional mail volumes offset by price increases, and rising interest rates.

(in € millions)	2022	2021	Change vs N-1		Change at constant scope and exchange rates vs N-1	
			(in €m)	(as a %)	(in €m)	(as a %)
Services-Mail-Parcels	10,201	10,620	-419	-3.9	-474	-4.5
Geopost	15,573	14,701	+872	+5.9	+360	+2.4
La Banque Postale	8,320	8,017	+303	+3.8	+14	+0.2
Retail Customers & Digital Services	6,576	6,723	-146	-2.2	-178	-2.6
Other segments and intra-group	(5,278)	(5,452)	+173	-3.2	+160	-2.9
<b>Operating revenue</b>	<b>35,392</b>	<b>34,609</b>	<b>+783</b>	<b>+2.3</b>	<b>-118</b>	<b>-0.3</b>

The positive scope effects amounted to €591 million, mainly driven by Geopost (€316 million, mainly related to the integration of CitySprint, Scalefast, TIPSA, Speedy and the disposal of Tigers), La Banque Postale (€176 million, mainly related to the consolidation of Aviva's Italian life insurance activities), the Services-Mail-Parcels business line (€55 million, comprising CyberCité and TimeOne), Retail Customers & Digital Services (€31 million, including Trust & Sign), and La Poste Immobilier (€15 million related to Multiburo). Favourable currency effects added €309 million to operating revenue and mainly consisted of €144 million on the Brazilian real, €46 million on the rouble, €38 million on the US dollar and €36 million on the Hong Kong dollar.

On a like-for-like basis, the group's operating revenue decreased by €118 million year on year, or by 0.3%.

The decline was mainly due to:

- operating revenue of the Services-Mail-Parcels business line at €10,201 million, down by €474 million, or by 4.5% on a like-for-like basis compared to 2021. After strong growth in

e-commerce last year, 2022 witnessed a slowdown in an adverse macro-economic environment. Mail operating revenue declined by €292 million, or by 4.0%, reflecting a 6.5% decline in volumes<sup>(1)</sup> at equivalent working days, partially offset by the price increase of 3.3%<sup>(1)</sup> on average implemented on 1 January 2022. International business contracted by €55 million due to a fall in e-PAQ traffic. Within the business line, revenue for the Parcels business decreased by €128 million, or 5.7%, including a traffic effect of negative 9.8%<sup>(2)</sup> at equivalent working days mainly due to the high level of activity in the first half of 2021 and the slowdown in consumption since inflation began to rise. The organic change in the revenue of the Mail services subsidiaries was down by €54 million, mainly due to the decline in sales of energy saving certificates;

(1) Based on traffic-generating Business revenue.

(2) Based on the Services-Mail-Parcels scope.

### 3 ANALYSIS OF FINANCIAL PERFORMANCE

#### Analysis of consolidated results

- Geopost revenue of €15,573 million, up €360 million, or 2.4%, like for like. DPDgroup's operating revenue reached €13,032 million, with organic growth of €196 million, or 1.6%, driven by price increases and fuel surcharges, which offset the 3% decline in volumes processed compared to 2021 in more difficult market conditions, and the impact of the decline in e-commerce. Within the business line, Asendia generated revenue of €2,510 million, representing organic growth of €155 million, or 6.9%, driven by its subsidiary eShopWorld;
- La Banque Postale's net banking income (NBI) amounted to €8,320 million, up €303 million, of which €288 million from scope and exchange rate effects, i.e., an organic increase of €14 million. The €162 million decline in the net interest margin (NIM) due to the increase in regulated savings rates was partially offset by the €23 million increase in commissions. Insurance NBI grew by €159 million due to the increase in investment yields and a lower loss ratio in Brazil (€543 million), growth in non-life insurance (€21 million) and a negative PPA impact (€405 million);
- the revenue of the Retail Customers & Digital Services business line, amounting to €6,576 million, was down organically by €178 million, or 2.6%, year on year, due to significantly lower volumes after a year of strong growth in 2021 (Mail and Parcels volumes were down by 12% and 11%,

respectively). Revenue reported by subsidiaries grew by €20 million on a like-for-like basis, driven mainly by Docaposte.

#### 3.2.1.2 Operating profit

Group operating profit (after share in net profit of jointly-controlled companies) amounted to €1,197 million in 2022. Excluding scope effects (a positive €107 million impact, resulting mainly from the first-time consolidation of Aviva and Citysprint) and currency effects (positive €54 million impact, arising predominantly on the Brazilian real), like-for-like operating profit fell by €2,396 million. This decrease includes a number of significant accounting events in 2022 (including impairment of the fixed assets of the Mail parent company, of DPD Russia and of Mediapost) and in 2021 (including a reversal of impairment recorded on Mail parent company assets), which generated an unfavourable variance of €2,141 million in 2022 when compared with 2021. A breakdown of these accounting events is presented in the section analysing net profit attributable to owners of the parent.

Excluding these items, the decline in group operating profit (after share in net profit of jointly-controlled companies) was €255 million on a like-for-like basis.

(in € millions)	2022	Change vs N-1		Change at constant scope and exchange rates vs N-1		
		2021	(in €m)	(as a %)	(in €m)	(as a %)
Services-Mail-Parcels	(767)	1,246	-2,013	n.m.	-2,012	n.m.
Geopost	654	1,057	-403	-38.1	-419	-39.3
La Banque Postale	1,841	1,642	+198	+12.1	+58	+3.4
Retail Customers & Digital Services	199	155	+43	+27.8	+38	+24.7
Real Estate	68	95	-27	-28.1	-27	-28.8
Support & Corporate	(262)	(266)	+4	-1.6	+4	-1.6
Unallocated and eliminations	(536)	(497)	-38	+7.7	-38	+7.6
<b>OPERATING PROFIT AFTER SHARE IN NET PROFIT OF JOINTLY-CONTROLLED COMPANIES</b>	<b>1,197</b>	<b>3,431</b>	<b>-2,235</b>	<b>-65.1</b>	<b>-2,396</b>	<b>-68.8</b>

Operating profit by business line was mainly impacted by the following:

- Services-Mail-Parcels: the business line's operating loss amounted to €767 million in 2022, a sharp €2,012 million negative change at constant scope and exchange rates, of which €1,920 million was attributable to significant accounting events. Net of these events in 2021 and 2022, the decrease was €92 million in an inflationary environment and despite the implementation of cost control measures;
- the Geopost business line posted an operating profit of €654 million, down €419 million, or 39.3%, on a like-for-like basis, due to the combined impacts of lower volumes and higher costs due to inflation, and €149 million in impairment charged against DPD Russia assets as part of the planned disposal;
- La Banque Postale posted operating profit of €1,841 million, up €198 million year on year. Excluding a positive scope effect of €98 million, and a positive exchange rate effect of €43 million, the operating profit of the La Banque Postale business line was up by €58 million, mainly due to a €52 million decline in the cost of risk;
- the operating profit of the Retail Customers & Digital Services business line amounted to €199 million, up by €38 million after restatement for scope and exchange rate effects, mainly due to careful control of Network expenses in a highly inflationary environment;
- other business segments:
  - Real Estate posted operating profit of €68 million, down by €27 million, mainly due to the sale of the Renaudes site in 2021,
  - the Support & Corporate segment, which represented a net expense of €262 million, was up by €4 million mainly due to effective cost containment,
  - the income and expenses of the "Unallocated" segment, which represented a total expense of €541 million, increased by €36 million, mainly due to a rise in the net cost of regional presence.

### 3.2.1.3 Net profit

Attributable net profit came in at €1,203 million, down €866 million overall year on year. After restatement for positive scope effects of €402 million (including €334 million in non-controlling interests related to the takeover of CNP Assurances), and positive exchange rate effects of €2 million, attributable net profit declined by €1,267 million. After restatement for the significant accounting events in 2021 and 2022 described in the section analysing net profit attributable to owners of the parent, it decreased by €281 million year on year at constant scope and exchange rates, in a very challenging macro-economic environment.

### 3.2.1.4 Change in net debt

The group's net debt remained broadly stable at €10,191 million, a slight decrease of €42 million in 2022.

The change in the group's debt is strongly correlated with a free cash flow generated of €1,530 million, covering the net balance of flows related to external growth and financial assets for €862 million, dividends paid for a total amount of €442 million, with a surplus impact on debt of €226 million, partly offset by the €109 million increase in finance lease liabilities.

## 3.2.2 Operating profit/(loss) by segment

### 3.2.2.1 Summary of operating profit by segment

Segment reporting is presented in accordance with IFRS 8 – Operating Segments. An operating segment is a component of the group for which discrete financial information is available and whose operating results are regularly reviewed by group Executive Management to make decisions about resources to be allocated to the segment and assess its performance.

The criteria used for determining operating segments include: the nature of the products and services; the type or class of customer for the products and services; the nature of the production processes; the methods used to distribute the products or provide the services; and the nature of the regulatory environment. Operating segments have been defined based on La Poste Groupe's existing management structure.

2022 reported (in € millions)	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customers & Digital Services	Real Estate	Support & Corporate	Unallocated	Elim.	Total
External revenue & NBI	8,094	15,455	8,289	3,343	91	4	116		35,392
Intersegment revenue & NBI	2,107	118	31	3,233	770	1,232	0	(7,492)	
<b>Operating revenue</b>	<b>10,201</b>	<b>15,573</b>	<b>8,320</b>	<b>6,576</b>	<b>861</b>	<b>1,236</b>	<b>116</b>	<b>(7,492)</b>	<b>35,392</b>
Operating profit/(loss) before share in net profit of jointly-controlled companies	(767)	652	1,812	197	69	(262)	(541)	5	1,166
Share in net profit of jointly-controlled companies	0	2	28	2	(1)	0	0	0	31
<b>OPERATING PROFIT/ (LOSS) AFTER SHARE IN NET PROFIT OF JOINTLY-CONTROLLED COMPANIES</b>	<b>(767)</b>	<b>654</b>	<b>1,841</b>	<b>199</b>	<b>68</b>	<b>(262)</b>	<b>(541)</b>	<b>5</b>	<b>1,197</b>

2021 reported (in € millions)	Services-Mail-Parcels	Geopost	La Banque Postale	Retail Customers & Digital Services	Real Estate	Support & Corporate	Unallocated	Elim.	Total
External revenue & NBI	8,353	14,598	7,992	3,510	36	4	117		34,609
Intersegment revenue & NBI	2,267	103	25	3,213	787	1,255	0	(7,651)	
<b>Operating revenue</b>	<b>10,620</b>	<b>14,701</b>	<b>8,017</b>	<b>6,723</b>	<b>824</b>	<b>1,258</b>	<b>117</b>	<b>(7,651)</b>	<b>34,609</b>
Operating profit before share in net profit of jointly-controlled companies	1,246	1,054	1,553	161	95	(266)	(505)	7	3,344
Share in net profit of jointly-controlled companies	0	3	89	-5	0	0	0	0	87
<b>OPERATING PROFIT AFTER SHARE IN NET PROFIT OF JOINTLY-CONTROLLED COMPANIES</b>	<b>1,246</b>	<b>1,057</b>	<b>1,642</b>	<b>155</b>	<b>95</b>	<b>(266)</b>	<b>(505)</b>	<b>7</b>	<b>3,431</b>

### 3.2.2.2 Services-Mail-Parcels

The Services-Mail-Parcels business line brings together:

- La Poste SA's Business Mail activity (collection, sorting and delivery of correspondence, advertising and press), the e-PAQ activity (small cross-border e-commerce parcels) and new local services (local logistics, local knowledge);
- La Poste SA's Parcels activity, which specialises in express delivery and in the delivery of parcels under 30 kilograms to individuals, BtoC in France and abroad;

- all activities of subsidiaries operating in the diversification markets:
  - direct marketing and data marketing (Mediapost),
  - logistics and e-logistics solutions (Viapost),
  - home healthcare and independence services (Health & Autonomy),
  - energy efficiency and the circular economy (New Services).

(in € millions)	2022	2021	Change vs N-1		Change at constant scope and exchange rates vs N-1	
			(in €m)	(as a %)	(in €m)	(as a %)
Revenue	10,201	10,620	-419	-3.9	-474	-4.5
of which parent company Mail revenue	7,057	7,349	-292	-4.0	-292	-4.0
of which Parcels revenue	2,124	2,253	-128	-5.7	-128	-5.7
of which Services-Mail-Parcels subsidiaries revenue	1,019	1,018	1	+0.1	-54	-5.3
Operating expenses	(10,968)	(9,374)	-1,593	+17.0	-1,538	+16.4
<b>Operating profit/(loss) before share in net profit/(loss) of jointly-controlled companies</b>	<b>(767)</b>	<b>1,246</b>	<b>-2,013</b>	<b>n.m.</b>	<b>-2,012</b>	<b>n.m.</b>
Share in net profit/(loss) of jointly-controlled companies	0	0	0	-	0	-
<b>OPERATING PROFIT/(LOSS) AFTER SHARE IN NET PROFIT/(LOSS) OF JOINTLY-CONTROLLED COMPANIES</b>	<b>(767)</b>	<b>1,246</b>	<b>-2,013</b>	<b>n.m.</b>	<b>-2,012</b>	<b>n.m.</b>

#### Mail activity

Revenue amounted to €7,057 million, down €292 million, or 4.0%, year on year. This change reflects:

- mail traffic decreased by 6.5% at equivalent working days, based on traffic-generating operating revenue, corresponding to a negative volume and product mix effect of €373 million. This decrease was partially offset by the price increase of an average 3.3% that took effect on 1 January 2022, representing a positive impact of €148 million on traffic-generating operating revenue;
- a sharp €55 million decline in international activity, which has been strongly impacted by the decrease in e-PAQ traffic (36 million fewer items than in 2021), mainly due to the entry into force of the 2021 Customs Directive and changing consumer behaviour;
- a €44 million increase due to French the presidential and legislative elections (four rounds of voting compared with two for the regional elections in 2021);
- a €47 million decrease in re-billing by the Retail Customers & Digital Services business line due to lower Retail Customers volumes.

#### Parcels activity

Revenue amounted to €2,124 million, down €128 million, or 5.7%, year on year. The volume of parcels delivered was 409 million items<sup>(1)</sup>, down 9.8% at equivalent working days.

This decrease is attributable to a base effect related to the exceptional momentum of e-commerce during lockdown, especially in the first-half of 2021, and by the general slowdown in e-commerce since the beginning of 2022.

#### Services-Mail-Parcels subsidiaries activity

Revenue was virtually stable year on year (up 0.1%) and came in at €1,019 million. After adjusting for a positive €55 million in scope and currency effects, mainly related to the first-time consolidation of Cybercité, TimeOne, Happytal and St Johns, revenue fell by €54 million like for like, with contrasting trends:

- the activities of the Mediapost division recorded an organic decrease of €3 million, mainly due to a decline in Mediapost France's print advertising activity (down €23 million), partially offset by an increase in Sogec's ticketing activity (up €18 million);
- New Services subsidiaries posted a €58 million like-for-like decline in revenue, mainly due to EDE, weighed down by lower sales volumes for energy savings certificates;
- the subsidiaries of La Poste Santé & Autonomie recorded organic growth of €6 million, thanks mainly to growth in Asten's business.

(1) Services-Mail-Parcels business line scope.



## Operating loss

The operating loss amounted to €767 million, an organic decrease of €2,012 million, mainly attributable to:

- the complete reversal at 31 December 2021 of the €900 million impairment charged against Mail assets that impacted the Mail business in 2020 in the wake of the pandemic;
- recognition of new impairment charged against Mail assets for an amount of €940 million to reflect the lower operating profit outlook for the business in an inflationary environment;
- recognition of goodwill impairment of €80 million for Mediapost at 31 December 2022 to take into account lower business volumes projected for the 2023-2027 period;
- the €46 million decline in Mail and Parcels operating profit (excluding impairment of Mail assets), due to the combined effects of the downturn in business and inflation, partially offset by lower operating expenses;

- the €46 million decline in operating profit for the subsidiaries (excluding impairment recognised against Mediapost), mainly due to the decline in Mediapost France's business and the fall in the price of energy savings certificates on EDE's books.

### 3.2.2.3 Geopost

The Geopost business line<sup>(1)</sup> encompasses:

- DPDgroup, which operates fast and express parcel activities in France and abroad;
- Asendia, which offers cross-border mail solutions;
- Urby, which offers a comprehensive urban logistics solution based on pooling and optimising deliveries in cities;
- Alturing, which provides its parcel IT expertise to the group's entities.

(in € millions)	2022	2021	Change vs N-1		Change at constant scope and exchange rates vs N-1	
			(in €m)	(as a %)	(in €m)	(as a %)
Revenue	15,573	14,701	+872	+5.9	+360	+2.4
of which DPDgroup revenue	13,032	12,500	+531	+4.2	+196	+1.6
of which Asendia revenue	2,510	2,178	+332	+15.3	+155	+6.9
of which Urby revenue	24	15	+9	+60.0	+9	+60.0
of which Alturing revenue	7	8	-0	-5.8	-0	-5.8
Operating expenses	(14,921)	(13,647)	-1,274	+9.3	-777	+5.7
<b>Operating profit before share in net profit of jointly-controlled companies</b>	<b>652</b>	<b>1,054</b>	<b>-402</b>	<b>-38.1</b>	<b>-417</b>	<b>-39.3</b>
Share in net profit of jointly-controlled companies	2	3	-1	-41.7	-1	n.m.
<b>OPERATING PROFIT AFTER SHARE IN NET PROFIT OF JOINTLY-CONTROLLED COMPANIES</b>	<b>654</b>	<b>1,057</b>	<b>-403</b>	<b>-38.1</b>	<b>-419</b>	<b>-39.3</b>

## Revenue

Geopost revenue came in at €15,573 million, up €872 million, or 5.9%, year on year. The positive scope effects of €316 million mainly related to the integration of CitySprint, Tipsa, Speedy, BK Logistics, Fast & Furious, Your Cargo Contact and the disposal of Tigers. The currency impact was for a positive amount of €196 million, including positive €46 million on the rouble, €38 million on the US dollar, €36 million on the Hong Kong dollar, €31 million on the Brazilian real and €24 million on the pound sterling and negative €18 million on the zloty. On a like-for-like basis, revenue grew by €360 million or 2.4%.

DPDgroup's revenue amounted to €13,032 million, an organic increase of €196 million, driven by price increases and fuel surcharges aimed at curbing the impacts of inflation. DPDgroup distributed 2,104 million parcels in the year, a like-for-like decrease of 3% compared with 2021, reflecting the 4.8% decline in BtoC activity at constant scope, driven by lockdowns in the

first months of 2021, and impacted by the drop in consumption as of the start of 2022. The dynamics of the main countries in which DPDgroup operates were as follows:

- revenue in the United Kingdom amounted to €2,472 million, down 3.7% like for like. This decrease was the result of the slowdown in e-commerce activity on the domestic market and an unfavourable impact on the international market following the implementation of the VAT Directive on 1 July 2021;
- revenue in France amounted to €2,195 million, representing organic growth of €66 million, of which 5.4% for DPD France and 2.1% for Chronopost, driven by price increases and fuel surcharges amidst a downturn in business;
- revenue in Germany amounted to €2,244 million, down 1.8% like for like, due to a decline in volumes that could not be offset by price increases in a highly competitive market;
- Italy reported revenue of €1,815 million, an organic increase of €104 million attributable to the recovery of BtoB;

(1) Geopost business line including Urby and Asendia.

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- in Poland, revenue amounted to €803 million, an organic increase of €128 million thanks to domestic BtoC.

Asendia generated operating revenue of €2,510 million, up by €155 million, driven by its subsidiary eShopWorld, whose revenue growth offset the decline in the Logistics business.

#### Operating profit

Group operating profit (after share in net profit of jointly-controlled companies) in 2022 amounted to €654 million, down €403 million compared to 2021. After adjusting for a positive €16 million in scope and currency effects, the like-for-like decrease was €419 million.

The decline was mainly attributable to a base effect compared with 2021, which benefited from the cyclical Covid-related growth in traffic, the slowdown in e-commerce activity due to inflation, lower purchasing power, and impairment of DPD Russia assets for €149 million.

Geopost's net profit group share amounted to €136 million, an organic decline of €535 million, in line with the decline in operating profit and impacted by the €67 million decrease in the share of profit of equity associates attributable to Ninja Van, and the €60 million increase in net financial expense.

#### 3.2.2.4 La Banque Postale

This segment comprises La Banque Postale, its subsidiaries, and the Shared Resources division formed between La Poste and La Banque Postale and governed by a cost-sharing agreement. All expenses relating to the Shared Resources division, which mainly consist of the costs of La Poste personnel working exclusively for La Banque Postale, are re-billed at cost to La Banque Postale.

In 2022, La Banque Postale acquired the non-controlling interests in CNP Assurances, increasing its ownership of CNP Assurances to 100%.

The success of the transaction marks a new step in the strengthening of La Banque Postale's bancassurance model and in the continuation of CNP Assurances' multi-partner, international expansion.

#### Commercial activities

(in € billions)	31 Dec. 2022	31 Dec. 2021 pro forma	Change	
			(in € billion)	(as a %)
<b>CUSTOMER SAVINGS</b>	<b>579.5</b>	<b>551.2</b>	<b>+28.3</b>	<b>+5.1</b>
Demand deposits	83.0	85.4	-2.4	-2.8
Ordinary savings	94.1	89.4	+4.8	+5.3
Home savings	29.2	30.6	-1.4	-4.6
UCITS	14.6	14.4	+0.3	+2.0
Life insurance <sup>(a)</sup>	357.1	330.4	+26.7	+8.1
Other	1.4	1.0	+0.4	+36.5
<b>CUSTOMER LOANS</b>	<b>123.5</b>	<b>115.8</b>	<b>+7.7</b>	<b>+6.6</b>
Home loans	73.2	67.8	+5.4	+8.0
Consumer loans	5.7	5.4	+0.4	+7.0
Other loans	0.7	0.6	+0.2	+29.0
Financing	43.8	42.1	+1.7	+4.1

(a) Including CNP Assurances life insurance.

Commercial activity remained strong in 2022, with stable growth in customer deposits and an 8.0% increase in customer loans compared to the end of 2021.

#### Bancassurance France

Demand deposits grew by €1.5 billion over the year, a 2.0% increase that attested to French savers' confidence in La Banque Postale. Ordinary savings rose by €4.4 billion, an increase of 5.2%. The Livret A regulated savings account continued to play its role as a precautionary savings vehicle. Deposits were stable at €63.6 billion, following two interest rate increases, from 0.5% to 1.0% on 1 February, then to 2.0% on 1 August. The rate hikes, which applied to all regulated savings accounts, followed the sharp rise in inflation.

La Banque Postale's life insurance technical reserves contracted by €5.7 billion to €280.2 billion, a decline of 2.0% vs 2021. Gross new money was down 5.2%, with lower customer investment in traditional savings/pensions products only partly offset by strong unit-linked sales, which lifted the unit-linked weighting by 2.1 points to 30.7%.

Home loan originations by La Banque Postale rose by 21.2% to €14.2 billion, with demand driven by last year's dynamic housing market. Despite the difficulties arising from the application of a government cap on the interest rate charged to home buyers (usury rate), outstanding home loans increased by 8.0% over the year to €68.8 billion.

Consumer finance originations by La Banque Postale Consumer Finance were 10.6% higher, driving 7.1% growth in the loanbook to €5.7 billion, with borrowings under revolving credit facilities up 15.2%.

### International Bancassurance

CNP Assurances enjoyed strong business momentum in its international markets.

In the Europe excluding France region, premium income amounted to €9.4 billion, an increase of €4.2 billion. Savings/Pensions premium income was up by €4 billion, reflecting the €4.3 billion contribution by the newly consolidated Italian subsidiary CNP Vita Assicurazione (CVA). Personal Risk/Protection premium income was boosted by the €118 million contribution of CVA and the €26 million increase in premiums written by CNP UniCredit Vita, reflecting strong sales of its death/disability offer launched in 2021.

In Latin America, premium income totalled €7.3 billion, up 14.9%. Savings/Pensions premium income came to €5.9 billion, up 14.1% as reported but down 2.6% in local currency due to the reduced flow of new money in the fourth quarter. Personal Risk/Protection premium income, at €1.4 billion, was up 18.3% as reported and up 1.3% at constant exchange rates. Caixa Vida e Previdência (CVP) delivered a robust performance in the personal pension plan and consumer credit life insurance segments <sup>(1)</sup>, reflecting the success of the Pronampe campaign launched at the end of July 2022 and the related cross-selling opportunities.

### Wealth and Asset Management

#### Louvre Banque Privée

Louvre Banque Privée (LBP) enjoyed ongoing strong business growth in 2022. Savings deposits rose by 6.5% to €15.0 billion, driven by a 9.1% increase in funds invested in life insurance products to €10.8 billion, thanks in particular to the dynamic flow of new money. Outstanding home loans were up 8.9% at €4.5 billion.

#### Asset Management

La Banque Postale Asset Management and Tocqueville Finance had combined managed assets of €55.8 billion at 31 December 2022. The 7.5% decline compared to 31 December 2021 was mainly due to a negative market effect of €6.5 billion, partly offset by net new money of €2.0 billion.

During the year, La Banque Postale Asset Management sold its stakes in two asset management companies, Ostrum (45%) and AEW Europe (40%), to Natixis Investment Managers, in order to streamline capital ties between La Banque Postale and BPCE.

### Corporate and Investment Banking

The corporate loanbook grew by 4.1% over the year to €43.8 billion at 31 December 2022. In line with its commitment to helping develop France's regions and the real economy, La Banque Postale provides financing for the local public sector and local businesses. This business has grown rapidly since its launch, delivering another strong performance in 2022. At 31 December 2022, outstanding local public sector loans totalled €20.4 billion, up 0.7% over the year, and outstanding loans to SMEs/mid-caps were 14.5% higher at €10.9 billion.

Factoring loans grew by 22.8% to €3.3 billion at 31 December 2022, with receivables purchased over the year up by a strong 21.4% to €20.8 billion.

### Operating performance

La Banque Postale's net banking income (NBI) amounted to €8,320 million in 2022, an increase of €303 million as reported in an inflationary environment shaped by rapidly increasing interest rates.

The net interest margin (NIM) narrowed by €162 million (down 7.3%) to €2,065 million, due to the immediate impact of regulated savings rate hikes (€239 million negative impact) and the lack of comprehensive inflation risk hedges, partly offset by the increase in the loanbook (€43 million positive impact).

Fees and commission were €23 million higher (up 0.9%), with commission on product sales and account administration fees up by €40 million (up 3%), and fees on sales of originated public sector loans to the CAFFIL financing vehicle down by €13 million.

The Insurance business's contribution to net banking income grew by €159 million, reflecting the increase in net investment income and improved loss ratios in Brazil (€543 million positive impact), growth in non-life insurance business (€21 million positive impact) and adjustments to purchase price allocations (PPA) (€405 million negative impact).

La Banque Postale's general operating expenses increased by 2.3% compared with 2021, to €6,343 million. Excluding the €61 million positive impact of adjustments to the CNP Assurances PPA, changes in consolidation scope and the currency effect, general operating expenses were up by €83 million, reflecting expenditure on banking business development projects (new identity, digitisation, investments), the launch of Louvre Banque Privée and the international expansion of CNP Assurances.

La Banque Postale reported gross operating income of €1,976 million in 2022, an increase of 8.7% vs 2021. The cost/income ratio was 77.5%.

At €216 million, cost of risk was €52 million lower than in 2021 despite the persistently uncertain economic environment. The cost of risk/outstanding loans ratio was low, at 16 basis points, reflecting La Banque Postale's limited exposure to the sectors most affected by the current crisis and the low incidence of non-performing loans.

Attributable net profit came in at €1,104 million, up 92.3% as reported (up 25.6% like-for-like).

(1) Previdência and Prestamista products.

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(in € millions)	2022	2021 reported	Change		LFL change	
			(in €m)	(as a %)	(in €m)	(as a %)
Net banking income	8,320	8,017	303	+3.8	14	+0.2
Operating expenses <sup>(a)</sup>	(6,343)	(6,200)	-144	+2.3	21	-0.3
<b>Gross operating profit</b>	<b>1,976</b>	<b>1,818</b>	<b>159</b>	<b>+8.7</b>	<b>35</b>	<b>+1.9</b>
Cost of risk	(216)	(268)	52	-19.5	52	-19.5
Gains and losses on other assets	51.8	4	48	n.m.	48	-
Impact of the contribution of CNP Assurances shares	0	0	0	-	0	-
<b>Operating profit before share in net profit of jointly-controlled companies</b>	<b>1,812</b>	<b>1,553</b>	<b>259</b>	<b>+16.7</b>	<b>135</b>	<b>+8.5</b>
LBP cost-income ratio	77.5%	78.0%		-0.6 pts		
Share in net profit of jointly-controlled companies	28.2	88.711	-60	-68.2	-78	-87.6
<b>Operating profit after share in net profit of jointly-controlled companies</b>	<b>1,841</b>	<b>1,642</b>	<b>198</b>	<b>+12.1</b>	<b>58</b>	<b>+3.4</b>
Income tax	(446)	(593)	147	-24.7	188	-30.5
Share in net profit of equity-accounted companies	0	10	-10	n.m.	0	-
Non-controlling interests	(290)	(485)	195	-40.2	-101	+20.3
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>1,104</b>	<b>574</b>	<b>+530</b>	<b>+92.3</b>	<b>+145</b>	<b>+25.6</b>
<i>of which Bancassurance France</i>	<i>1,261</i>	<i>686</i>	<i>574</i>	<i>+83.7</i>	<i>98</i>	<i>+14.3</i>
<i>of which International Bancassurance</i>	<i>372</i>	<i>163</i>	<i>209</i>	<i>n.m.</i>	<i>31</i>	<i>+17.8</i>
<i>of which Private Banking &amp; Asset Management</i>	<i>123</i>	<i>74</i>	<i>49</i>	<i>+66.2</i>	<i>59</i>	<i>+93.1</i>
<i>of which Corporate &amp; Investment Banking</i>	<i>213</i>	<i>227</i>	<i>-14</i>	<i>-6.2</i>	<i>-14</i>	<i>-6.2</i>
<i>of which Corporate Centre</i>	<i>(864)</i>	<i>(576)</i>	<i>-288</i>	<i>+50.0</i>	<i>-29</i>	<i>+5.0</i>

(a) Operating expenses include a positive effect from the Shared Resources division for €63.2 million in 2022 and a positive effect of €15.4 million in 2021.

#### Bancassurance France

Net banking income, at €6,614 million, was up by 6.3%, driven by 16% growth in the contribution of the insurance business. The lending business's contribution was 4% higher, despite the €232 million unfavourable impact of higher regulated savings rates.

General operating expenses rose 5.0%, reflecting the inflationary environment and spending to support business growth.

Net profit came to €1,261 million, an increase of 83.7% vs 2021 that was attributable to the buyout of minority interests in CNP Assurances; on a comparable scope basis, the increase was 14.3%.

#### International Bancassurance

Net banking income rose by 38.6% as reported (11% like-for-like), to €1,684 million, reflecting improved loss ratios in Brazil and strong sales momentum in the Savings & Pensions business for the Brazilian subsidiary Caixa Vida e Previdência (CVP).

General operating expenses increased by €147.1 million (up 0.7% like-for-like) due to high inflation and the ramp-up of Caixa Vida e Previdência's business in Brazil.

At €372 million, net profit was up 128.5% as reported (up 17.8% like-for-like, reflecting higher margins).

#### Wealth and Asset Management

Net banking income reached €303 million, up 2.3%. Wealth Management net banking income was boosted by the dynamic process of savings diversification (which lifted new money by €1.9 billion), and by buoyant lending activity. Asset Management net banking income contracted due to the €6.5 billion negative market effect, which was only partly offset by the €2.0 billion increase in net new money.

Net income was up 66.2% (an increase of €59 million on a comparable scope basis), reflecting the €58 million gain on the sale of La Banque Postale's interests in AEW and Ostrum.

#### Corporate and Investment Banking

Net banking income, at €915 million, was down by 14.2%, due to the decline in deposits and the negative impact on margins of the government cap on the interest rate charged to local public sector customers (usury rate).

General operating expenses increased by 18%, reflecting spending to support business growth.

Net profit came in at €213 million, down €14.2 million vs 2021.

## Corporate Centre

The change in Corporate Centre results can be explained as follows:

- PPA adjustments had a negative impact of €786 million on net profit versus a €369 million negative impact in 2021, a €417 million unfavourable change after taking into account the €17 million positive PPA impact of the disposal of CNP Partners;

- SRF/FGDR contributions included in general operating expenses were stable, at €94 million vs €96 million in 2021;
- a €19 million gain was recorded on the HTC portfolio in 2022.

## Financial structure

	31 Dec. 2022	31 Dec. 2021	Change
<b>Balance sheet (in €bn)</b>	<b>746</b>	<b>772</b>	<b>-3.5%</b>
<b>Solvency</b>			
Regulatory own funds (in €bn)	17.6	21.6	-18.6%
CET1 ratio	14.7%	19.1%	-4.4 pts
Capital ratio	19.0%	23.7%	-4.7 pts
Leverage ratio	5.6%	7.2%	-1.6 pts
MREL (LRE)	8.3%	9.5%	-1.2 pts
MREL (RWA)	24.1%	27.6%	-3.5 pts
SCR coverage ratio	230%	217%	13 pts
<b>Liquidity</b>			
LCR	147%	186%	-39 pts
NSFR	129%	142%	-13 pts
Loan-to-deposit ratio	87.2%	82.2%	5.0 pts

La Banque Postale has a robust balance sheet, with a Common Equity Tier 1 ratio estimated at 14.7% at 31 December 2022 (down 4.4 points compared to the reported ratio at 31 December 2021). This ratio was above the overall CET1 capital requirement ("OCR") of 8.38% set by the European Central Bank and applicable since 2 April 2020. The year-on-year decline was mainly due to the 3.7% negative effect of gains and losses recognised through Other Comprehensive Income (OCI), reflecting stock market and interest rate volatility.

The total capital ratio amounted to 19.0% (down 4.7 points from 31 December 2021).

The Insurance business's consolidated SCR coverage ratio stood at 230%, an increase of 13.0 points compared to the reported ratio at 31 December 2021 that was mainly attributable to the sharp rise in interest rates over the period.

Effective from 31 December 2022, to comply with the CRR2 Regulation, the leverage ratio excludes 100% of the savings centralised at Caisse des Dépôts. Based on the new method, the leverage ratio stood at 5.6%, down 1.6 points from 31 December 2021 due to sharp fluctuations in gains and losses recognised through OCI.

The balance sheet liquidity position continued to exceed regulatory requirements with a loan-to-deposit ratio of 87.2% reflecting strong financial resources. Liquidity ratios also remained high, with an estimated LCR of 147% and an estimated NSFR of 129%.

Total own funds and eligible liabilities (MREL) were strengthened by several debt issues carried out during the year. These included two Senior Non-Preferred Notes issues for €500 million and €425 million respectively; a Tier 3 Subordinated Notes issue for €500 million and a Tier 2 Subordinated Notes issue for €500 million.

## 3.2.2.5 Retail Customers & Digital Services

(in € millions)	2022	2021	Change vs N-1		Change at constant scope and exchange rates vs N-1	
			(in €m)	(as a %)	(in €m)	(as a %)
Revenue	6,576	6,723	-146	-2.2	-178	-2.6
of which commercial activities	3,367	3,531	-164	-4.6	-195	-5.5
of which activities and services for third parties	3,209	3,192	+18	+0.6	+18	+0.6
Operating expenses	(6,379)	(6,562)	+183	-2.8	+209	-3.2
<b>Operating profit before share in net profit of jointly-controlled companies</b>	<b>197</b>	<b>161</b>	<b>+36</b>	<b>+23</b>	<b>+32</b>	<b>+20</b>
Share in net profit/(loss) of jointly-controlled companies	2	(5)	+7	n.m.	+7	n.m.
<b>OPERATING PROFIT AFTER SHARE IN NET PROFIT/(LOSS) OF JOINTLY-CONTROLLED COMPANIES</b>	<b>199</b>	<b>155</b>	<b>+43</b>	<b>+28</b>	<b>+38</b>	<b>+25</b>

### Revenue

Revenue came in at €6,576 million, down €146 million, or 2.2%, year on year. After adjusting for a positive €31 million in scope and currency effects, of which €24 million for Docaposte's digital subsidiaries (first-time consolidation of OpenValue, Trust & Sign and Heva) and €7 million for LP11 (first-time consolidation of Boxtal), revenue declined by €178 million like for like.

### Commercial activities

Revenue from commercial activities amounted to €3,367 million, down €195 million like for like, breaking down as follows:

- Retail Customers revenue was down €219 million like for like to €2,514 million. This decrease was attributable to the Mail and services activity, down by €154 million due to the 12% decrease in mail volumes, and to the Parcel business, which was down by €64 million in line with the 11% decline in parcel volumes in a context of a slowdown in e-commerce when compared to the record year of 2021;
- the digital subsidiaries (Docaposte, LP11 and LPSAP) recorded like-for-like revenue growth of €20 million to €836 million. This increase was driven by Docaposte (up €39 million), on the back of growth in its digital trust

offering and other solutions to help users and IT services companies manage data. Conversely, LP11 revenue declined by €20 million on a like-for-like basis, mainly due to customer losses at its Marketshot subsidiary;

- the other commercial activities <sup>(1)</sup> recorded growth of €4 million for revenue amounting to €18 million, mainly reflecting the growth in the number of Digiposte digital safes and Digital ID customers.

### Activities and services for third parties

Billing for services performed on behalf of third parties grew by €18 million to €3,209 million, due to higher volumes rebilled to the head office in line with regional development missions, and partially offset by lower volumes rebilled to the business lines.

### Operating profit

Operating profit (after share in net profit of jointly-controlled entities) amounted to €199 million, up €43 million year on year, including a positive €5 million for scope and exchange rate effects. This increase is mainly due to lower network costs. This profit figure includes €31 million in impairment charged against digital assets.

(1) External revenue from Digiposte, Digital Identity and commissions from non-network customers.

### 3.2.2.6 Other segments

#### La Poste Immobilier

La Poste Immobilier comprises the Poste Immo subsidiary and the Real Estate Department of the La Poste parent company.

(in € millions)	2022	2021	Change vs N-1		Change at constant scope and exchange rates vs N-1	
			(in €m)	(as a %)	(in €m)	(as a %)
Revenue	861	824	+37	+4.5	+22	+2.7
Recurring operating expenses	(800)	(765)	-35	+4.6	-21	+2.7
Gains/(losses) on disposals	8	36	-28	-78.5	-28	-78.5
<b>Operating profit before share in net profit of jointly-controlled companies</b>	<b>69</b>	<b>95</b>	<b>-26</b>	<b>-27.4</b>	<b>-27</b>	<b>-28.2</b>
Share in net profit/(loss) of jointly-controlled companies	(1)	0	-1	n.m.	-1	n.m.
<b>OPERATING PROFIT AFTER SHARE IN NET PROFIT/(LOSS) OF JOINTLY-CONTROLLED COMPANIES</b>	<b>68</b>	<b>95</b>	<b>-27</b>	<b>-28.1</b>	<b>-27</b>	<b>-28.8</b>

The operating revenue of the Real Estate division amounted to €861 million, an increase of €37 million (4.5%) compared to end-December 2021, including a positive scope effect of €15 million related to the acquisition of Multiburo. At constant scope and exchange rates, the €22 million increase in revenue was mainly attributable to the start of the property development business for an amount of €24 million.

Operating profit (after share in net profit of jointly-controlled entities) amounted to €68 million, down €27 million compared to the end of December 2021 at constant scope and exchange rates. This lower amount is mainly attributable to a €28 million decrease in proceeds on disposals (especially a negative amount of €24 million related to the disposal of Renaudes in 2021).

#### Support & Corporate

The "Support & Corporate" segment corresponds to the costs of the head office, the departments and shared services, and the vehicle fleet management subsidiary, Véhiposte. These costs are mainly re-billed to the business lines.

(in € millions)	2022	2021	Change vs N-1	
			(in €m)	(as a %)
Revenue	1,236	1,258	-22	-1.8
Operating expenses	(1,498)	(1,524)	+27	-1.74
<b>Operating loss before share in net profit/(loss) of jointly-controlled companies</b>	<b>(262)</b>	<b>(266)</b>	<b>+4</b>	<b>-1.62</b>
Share in net profit/(loss) of jointly-controlled companies	0	0	+0	+0.0
<b>OPERATING LOSS AFTER SHARE IN NET PROFIT/(LOSS) OF JOINTLY-CONTROLLED COMPANIES</b>	<b>(262)</b>	<b>(266)</b>	<b>+4</b>	<b>-1.6</b>

Revenue amounted to €1,236 million, down €22 million year on year. This revenue comprises (i) intercompany income from invoicing services provided to other business lines for €1,144 million, and (ii) head office costs re-invoiced in respect of management fees for €82 million. This reduction reflects the streamlining of La Poste Groupe's cost structure.

The operating loss, after share of the net profit of jointly controlled entities, amounted to €262 million, or an improvement of €4 million compared to the end of December 2021, mainly due to lower Support & Corporate charges.

## Unallocated expenses

(in € millions)	2022	2021	Change vs N-1	
			(in €m)	(as a %)
Net cost of regional presence	(631)	(584)	-47	+8.1
Other operating income and expenses	90	79	+11	+14.3
<b>OPERATING LOSS</b>	<b>(541)</b>	<b>(505)</b>	<b>-36</b>	<b>+7.1</b>

Unallocated expenses comprise the costs of the universal postal service accessibility mission, the costs of the regional development mission, the corresponding local tax allowance and the costs associated with end-of-career benefits considered to be cross-group costs and which are therefore

not allocated to the business lines, as well as the unallocated share of compensation for universal postal service.

The €36 million increase in the operating loss is mainly due to the increase in the net cost of regional postal presence.

## 3.2.3 Other key income statement metrics

### 3.2.3.1 Net financial expense

(in € millions)	2022	2021	Change vs N-1	
			(in €m)	(as a %)
Net interest expense	(213)	(236)	+23	-9.8
Change in fair value including debt credit spread	(1)	3	-4	n.m.
<b>Cost of net debt</b>	<b>(214)</b>	<b>(233)</b>	<b>+19</b>	<b>-8.2</b>
Other financial items	7	31	-24	-77.7
<b>NET FINANCIAL EXPENSE</b>	<b>(207)</b>	<b>(202)</b>	<b>-5</b>	<b>+2.4</b>

Net financial expense increased by €5 million. It represented a total expense of €207 million with a net cost of debt of €214 million, a decrease of €19 million, and other financial items for €7 million, down €24 million.

Net interest expense, standing at €213 million, was down €23 million year on year. This decrease is due to the combined effects of lower interest expense on the group's bonds (fixed rate) and higher income from cash at bank. This improvement was partly offset by interest expense on finance leases, which increased by €7 million.

The change in fair value of debt under the fair value option and related derivatives, which represented a net expense of €1 million in 2022, was down by €4 million year on year.

Other financial items (net income of €7 million in 2022) decreased by €24 million year on year. This decrease reflected a €27 million capital gain recorded in 2021 on the disposal of non-consolidated shares held by the Geopost business line.



### 3.2.3.2 Attributable net profit

(in € millions)	2022	2021	Change vs N-1		Change at constant scope and exchange rates vs N-1	
			(in €m)	(as a %)	(in €m)	(as a %)
Operating revenue	35,392	34,609	+783	+2.3	-118	-0.3
Operating expenses	(34,226)	(31,265)	-2,961	+9.5	-2,205	+7.0
<b>Operating profit</b>	<b>1,166</b>	<b>3,344</b>	<b>-2,179</b>	<b>-65.2</b>	<b>-2,322</b>	<b>-68.4</b>
Share in net profit of jointly-controlled companies	31	87	-56	-64.1	-73	-83.9
<b>Operating profit after share in net profit of jointly-controlled companies</b>	<b>1,197</b>	<b>3,431</b>	<b>-2,235</b>	<b>-65.1</b>	<b>-2,396</b>	<b>-68.8</b>
Net financial expense	(207)	(202)	-5	+2.4	-3	+1.4
<b>Profit before tax</b>	<b>990</b>	<b>3,229</b>	<b>-2,239</b>	<b>-69.4</b>	<b>-2,398</b>	<b>-73.1</b>
Income tax benefit/(expense)	605	(620)	+1,225	n.m.	+1,274	n.m.
Share in net loss of equity-accounted companies	(88)	(12)	-76	n.m.	-67	n.m.
<b>CONSOLIDATED NET PROFIT</b>	<b>1,507</b>	<b>2,597</b>	<b>-1,091</b>	<b>-42.0</b>	<b>-1,191</b>	<b>-45.8</b>
<b>Net profit attributable to owners of the parent</b>	<b>1,203</b>	<b>2,069</b>	<b>-866</b>	<b>-41.9</b>	<b>-1,267</b>	<b>-61.6</b>
Non-controlling interests	304	528	-224	-42.5	+76	+14.0

Net profit attributable to owners of the parent came in at €1,203 million at end-December 2022, down €866 million year on year. After restatement for negative scope and exchange rate effects of €400 million, the decrease was €1,267 million.

The negative scope effects (€402 million) mainly related to the takeover of CNP Assurances by the group (€334 million attributable to minority interests). The exchange rate effects were limited to €2 million.

The main component of this decrease was driven by the operating profit after share of net profit of jointly-controlled entities, which was down organically by €2,396 million, mainly due to a series of significant accounting events in 2022 and 2021 for a total negative amount of €2,141 million, which may be broken down as follows:

- impairment recognised on the assets of La Poste's Mail CGU in 2022 to reflect the unfavourable economic outlook. The same assets had previously been impaired and the impairment charges were written back in 2021. The net balance of these operations in 2022 was for a negative amount of €1,840 million;
- impairment in 2022 for a negative amount of €149 million of the goodwill, property, plant and equipment and intangible assets of the subsidiary DPD Russia, whose assets and liabilities are subject to a proposed sale and have been classified as held for sale;
- impairment amounting to €80 million of part of the goodwill recognised for the Mediapost CGU to reflect an unfavourable long-term market outlook;
- other impairment recognised on digital assets in 2022 to reflect proceeds on the disposal of property and remeasurement of securities in 2021 for a net negative year-on-year impact of €72 million.

Income tax expense increased organically by €1,274 million, of which €1,156 million was generated by the following accounting events:

- the recognition of €903 million in income following the acquisition of non-controlling interests in CNP Assurances, potentially enabling this company to be included in La Poste's tax consolidation group as of 2023 and very significantly improving its taxable income forecasts. Based on best forecasts to date, the tax group's tax loss carryforward may be fully utilised within five years. As a result, in the 2022 financial statements, the group has recognised all deferred tax assets in respect of tax loss carryforwards as well as deferred tax assets in respect of other temporary differences when they are expected to reverse within ten years;
- the recognition of €238 million in income resulting from the impairment of parent company mail assets for an amount of €940 million (€702 million in terms of net profit);
- tax income of €14 million relating to impairment recorded in 2022 and other income.

A financial expense of €207 million, which represents a deterioration of €5 million compared to 2021 (€3 million at constant scope and exchange rates).

The share in the net loss of equity-accounted companies amounted to €88 million, a year-on-year organic increase of €67 million, mainly due to the group's stake in Ninja Van (held by DPDgroup).

Lastly, the share of net profit attributable to non-controlling interests, which decreased by €224 million due in particular to the acquisition of non-controlling interests in CNP Assurances, increased by €76 million at constant scope and exchange rates.

### 3.3 DEBT AND FINANCIAL STRENGTH

The tables below are set out so as to present both banking activities and industrial and commercial activities within the same group and to provide a more economic overview of their respective contribution to group cash generation.

La Poste, as the parent company, provides both funding for industrial and commercial activities and equity for La Banque Postale. For this reason, although La Banque Postale is fully consolidated, it is reported below based on the dividends it pays to its parent company, which are considered cash flows available to the group, once all minimum regulatory capital requirements are met.

Consequently, group net debt does not directly take into account La Banque Postale, for which this concept is not relevant. Group net debt thus varies mainly according to the following:

- the ability of the industrial and commercial activities to generate net free cash inflows (EBITDA, change in working capital requirement, capital expenditure and any external growth);
- dividends paid by La Banque Postale to La Poste (including coupons for AT1 hybrid securities) or from equity-accounted companies and, conversely, any capital increases in these entities;
- the corporate income tax expense resulting in particular from the tax group set up between La Poste and its subsidiaries;
- La Poste's cost of capital employed, measured based on interest paid on net debt and dividends paid out to its shareholders.

#### 3.3.1 Free cash flow

The group generated €1,530 million in free cash flow in 2022. This was €1,282 million higher than at the end of December 2021 due to a €1,383 million increase in dividends

received from equity associates and a favourable change in working capital requirements of €448 million, partly offset by a decrease in EBITDA of €571 million.

(in € millions)	2022	2021	Change vs N-1	
			(in €m)	(as a %)
EBITDA	2,031	2,062	-571	-21.9
Dividends received from equity-accounted companies	1,573	190	+1,383	n.m.
HR provisions excluding end-of-career benefit obligations	14	19	-5	-28.3
<b>Adjusted EBITDA</b>	<b>3,618</b>	<b>2,812</b>	<b>+806</b>	<b>+28.7</b>
Change in WCR	120	(328)	+448	n.m.
Purchases of property, plant and equipment and intangible assets	(1,217)	(1,302)	+85	-6.5
Disposals of property, plant and equipment and intangible assets	121	119	+2	+1.8
Net interest paid (excluding IFRS 16)	(120)	(165)	+45	-27.3
Income tax	(100)	(62)	-38	+60.9
CICE tax credit deducted/generated	0	(0)	+0	n.m.
Repayment of lease liabilities	(814)	(751)	-63	+8.4
Interest expense on lease liabilities	(79)	(75)	-4	+5.2
<b>FREE CASH FLOW</b>	<b>1,530</b>	<b>248</b>	<b>+1,282</b>	<b>N.M.</b>

#### Adjusted EBITDA

Adjusted EBITDA came to €3,618 million in 2022. It increased by €806 million, mainly reflecting the €1,383 million increase in dividends received from equity associates (accrued dividends from previous years from La Banque Postale for an amount

of €1,256 million in 2022), and an unfavourable variance of €571 million in EBITDA (Services-Mail-Parcels business line for a negative amount of €250 million, and Geopost business line for a negative amount of €131 million).

HR provisions excluding end-of-career benefits declined by €5 million.

## Purchases of property, plant and equipment and intangible assets

The cash outflow for purchases of property, plant and equipment and intangible assets decreased by €85 million in 2022 to €1,217 million, reflecting a €35 million increase in capital expenditure and a €120 million favourable change in amounts payable to suppliers of non-current assets.

(in € millions)	2022	2021	Change vs N-1	
			(in €m)	(as a %)
Services-Mail-Parcels	(200)	(249)	+49	-19.7
Geopost	(473)	(562)	+89	-15.9
Retail Customers & Digital Services	(117)	(102)	-15	+15.0
Real Estate	(239)	(212)	-27	+12.7
Support & Other	(187)	(176)	-11	+6.3
<b>Purchases of property, plant and equipment and intangible assets</b>	<b>(1,217)</b>	<b>(1,302)</b>	<b>+85</b>	<b>-6.5</b>
Change in amounts due to suppliers of non-current assets	(103)	17	-120	n.m.
<b>CAPITAL EXPENDITURE EXCLUDING BANKING ACTIVITIES</b>	<b>(1,319)</b>	<b>(1,284)</b>	<b>-35</b>	<b>+2.7</b>

Purchases of property, plant and equipment and intangible assets included:

- Services-Mail-Parcels business line: €200 million, down by €49 million, including a €3 million increase in the Parcels business, a €34 million decrease in the Mail business and a €19 million decrease in the Mail subsidiaries. Investments remained stable overall, with most of the decrease in cash flow reflecting changes in payables to suppliers of non-current assets;
- Geopost business line: €473 million, down €89 million. Projects in 2022 focused on the development of express delivery and delivery processing capacity. The largest related to depot construction (United Kingdom, Germany and Chronopost), expansion of the distribution network and development of new services. However, purchases of property, plant and equipment and intangible assets were lower than in 2021, especially for construction of depots and hubs;
- Retail Customers & Digital Services business line: €117 million, up €15 million. Most capital expenditure in 2021 and 2022 concerned the group's digitisation in France;
- Real Estate division: €239 million, up €27 million. Capital expenditure in this division is designed to support the business lines and group projects, such as the industrial roadmap for the Services-Mail-Parcels business line and regional *Village La Poste* sites;
- Support & Other: €187 million, an increase of €11 million, albeit with a decrease of €14 million on the acquisition of vehicles for the group, arising from delays in deliveries imposed by car manufacturers.

## Disposals of property, plant and equipment and intangible assets

Disposals of property, plant and equipment and intangible assets amounted to €121 million. They remain stable overall year on year (i.e., a small increase of €2 million), albeit with a €22 million increase for subsidiaries of the Mail business (especially the sale of Neolog sites) and a €18 million decrease for the Real Estate division.

## Other items of free cash flow

The change in working capital requirements, which generated positive cash flow of €120 million in 2022, represented a favourable impact of €448 million when compared to 2021. This favourable variance was mainly due to first-time recognition in 2021 of a €520 million receivable for compensation for the universal postal service.

Cash flows generated by taxes represented a net outflow of €100 million, a favourable €38 million change compared with 2021.

The increase in repayments of lease liabilities (€63 million) notably reflected a €109 million year-on-year increase in finance lease liabilities, mainly driven by Geopost.

### 3.3.2 Change in net debt

The group's net debt, which remained relatively stable at €10,191 million, decreased by €42 million in 2022. This mainly reflected excess free cash flow of €1,530 million, offset by a

net negative balance of external growth (€862 million) and dividends paid (€442 million), in addition to the €315 million paid in new shares through a share capital increase.

(in € millions)	2022	2021	Change vs N-1	
			(in €m)	(as a %)
<b>Free cash flow</b>	<b>1,530</b>	<b>248</b>	<b>+1,282</b>	<b>n.m.</b>
Dividends paid	(442)	(33)	-409	n.m.
Acquisitions and net financial assets	(862)	(1,449)	+587	-40.5
Change in finance lease liabilities	(109)	(251)	+142	-56.7
Change in accrued interest on financial instruments	(13)	(1)	-13	n.m.
Capital increases/reductions	14	0	+13	n.m.
Perpetual loans	29	198	-170	-85.5
Impact of changes in scope and exchange rates on debt	(19)	(96)	+78	-80.6
Elimination of HR provisions excl. end-of-career benefits	(14)	(19)	+5	-28.3
Other cash flows from operating activities	(47)	(29)	-18	+64.2
Other changes in net debt	(25)	1	-24	n.m.
<b>Change in net debt</b>	<b>42</b>	<b>(1,431)</b>	<b>+1,473</b>	<b>n.m.</b>
<b>Opening net debt</b>	<b>10,233</b>	<b>8,802</b>	<b>+1,431</b>	<b>+16.3</b>
<b>CLOSING NET DEBT (REPORTED)</b>	<b>10,191</b>	<b>10,233</b>	<b>-42</b>	<b>-0.4</b>

#### Impact of acquisitions and purchases of financial assets on group net debt

Cash flows related to acquisitions and changes in financial assets amounted to a net outflow of €862 million, down €587 million year on year, comprising the following:

- acquisitions of subsidiaries minus cash acquired for €654 million;
- acquisitions of financial assets for €109 million;
- purchases of non-controlling interests for an amount of €139 million;
- disposal of subsidiaries for a net cash amount of €3 million;
- disposals of financial assets for an amount of €43 million.

Most of the external growth was achieved by the Geopost business line with a net amount of €763 million for the year. In particular, DPDgroup acquired CitySprint (100%), a specialist in same-day deliveries. And eShopWorld, an Asendia subsidiary, acquired Scalefast (100%), a Los Angeles-based provider of global e-commerce solutions. DPDgroup also continued to increase its stake in Ninja Van, which now stands at 43.6%.

The acquisitions of Multiburo and Happytal by La Poste Immobilier and the subsidiaries of the Mail business round out the list of the main external growth operations completed in 2022.

#### Dividends paid by the group in 2022

The group paid out €442 million in dividends in 2022, breaking down as follows:

- €409 million paid to shareholders in cash, €270 million for Caisse des Dépôts and €139 million for the French State, in addition to the €315 million paid in new shares through a share capital increase;
- €10 million paid to the group's non-controlling shareholders;
- €23 million recognised as dividends paid and corresponding to the remuneration of perpetual hybrid subordinated notes subscribed in 2018 and recorded in group equity.

### 3.3.3 Change in cash and cash equivalents

The group's cash and cash equivalents rose by €1,642 million in 2022, from €2,895 million at the beginning of the year to €4,537 million at 31 December.

(in € millions)	2022	2021	Change vs N-1	
			(in €m)	(as a %)
<b>Free cash flow</b>	<b>1,530</b>	<b>248</b>	<b>+1,282</b>	<b>n.m.</b>
Dividends paid	(442)	(33)	-409	n.m.
Acquisitions and net financial assets	(862)	(1,449)	+587	-40.5
Proceeds from new borrowings	2,475	2,956	-481	-16.3
Repayment of borrowings (excluding lease liabilities)	(1,045)	(1,789)	+744	-41.6
Capital increases/reductions	14	0	+13	n.m.
Perpetual loans	29	198	-170	-85.5
Change in financial assets held for cash management purposes	(230)	(51)	-179	n.m.
Other cash flows from/(used in) financing activities	(46)	6	-53	n.m.
Impact of changes in exchange rates and accounting policy	(21)	16	-37	n.m.
Intra-group cash flows	302	76	+225	n.m.
Elimination of HR provisions excl. end-of-career benefits	(14)	(19)	+5	-28.3
Other cash flows from operating activities	(47)	(28)	-19	+66.2
<b>Change in cash and cash equivalents</b>	<b>1,642</b>	<b>132</b>	<b>+1,510</b>	<b>n.m.</b>
<b>Opening cash and cash equivalents</b>	<b>2,895</b>	<b>2,763</b>	<b>+132</b>	<b>+4.8</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>4,537</b>	<b>2,895</b>	<b>+1,642</b>	<b>+56.7</b>

The change in cash and cash equivalents mainly reflects the following:

- cash flow generation of €239 million, resulting from the net amount of free cash flow generated, dividends paid, capital increases (Urby) and cash outflows for acquisitions and purchases of financial assets;
- a net increase in cash and cash equivalents of €1,458 million, attributable to proceeds from new borrowings less repayment of borrowings (excluding IFRS 16):
  - €1,200 million sustainable bond issue, comprising a first tranche of €600 million maturing in September 2028, and a second tranche of €600 million maturing in March 2033. This issue was completed by three tap issues of €100 million, €150 million and €100 million. Total cash flow generated from bond issues in 2022 amounted to €1,550 million,
  - €150 million decrease in outstanding commercial paper (€150 million at 31 December 2022), with redemptions of €1,021 million offset by issues of €871 million;
- €302 million in intra-group cash flows, corresponding to the change in the net financial position with La Banque Postale, mainly due to the change in the balance of La Poste SA's current accounts at La Banque Postale to €67 million at 31 December 2022 versus €443 million at 31 December 2021, as well as a €31 million positive change in debt with La Banque Postale under the overall intra-group "debt/receivables" position and a €33 million positive change in borrowings from La Banque Postale;
- a €230 million decrease in cash and cash equivalents from changes in financial assets held for cash management purposes, relating to issue of various securities maturing in more than three months;
- a €46 million net outflow for other cash flows used in financing activities, due mainly to an increase in current bank facilities.

### 3.3.4 Gross debt

The group's gross debt rose by €1,524 million in 2022 to €15,432 million.

Gross debt breaks down as follows:

<i>(in € millions)</i>	<b>31 Dec. 2022</b>	<b>31 Dec. 2021</b>	<b>Change vs N-1 (in €m)</b>	<b>(as a %)</b>
<b>Bonds</b>	<b>10,468</b>	<b>8,991</b>	<b>+1,477</b>	<b>+16.4</b>
Short-term bonds	1,004	0	+1,004	-
Medium- and long-term bonds	9,464	8,991	+473	+5.3
<b>La Poste savings bonds</b>	<b>51</b>	<b>52</b>	<b>-1</b>	<b>-1.4</b>
Short-term La Poste savings bonds	51	52	-1	-1.4
Medium- and long-term La Poste savings bonds	0	0	+0	-
<b>Commercial paper</b>	<b>150</b>	<b>300</b>	<b>-150</b>	<b>-50.0</b>
Short-term commercial paper	150	300	-150	-50.0
Medium- and long-term commercial paper	0	0	+0	-
<b>Deposits and guarantees received</b>	<b>85</b>	<b>78</b>	<b>+7</b>	<b>+8.5</b>
Short-term deposits and guarantees received	36	34	+2	+6.7
Medium- and long-term deposits and guarantees received	48	44	+4	+9.9
<b>Accrued interest</b>	<b>89</b>	<b>77</b>	<b>+12</b>	<b>+15.4</b>
Accrued interest	89	77	+12	+15.4
<b>Subordinated debt</b>	<b>468</b>	<b>440</b>	<b>+27</b>	<b>+6.2</b>
<b>Lease liabilities</b>	<b>3,869</b>	<b>3,760</b>	<b>+109</b>	<b>+2.9</b>
Short-term lease liabilities	766	741	+26	+3.5
Medium- and long-term lease liabilities	3,102	3,019	+83	+2.7
<b>Other items excluding lease liabilities</b>	<b>252</b>	<b>210</b>	<b>+42</b>	<b>+20.2</b>
Other short-term items	99	79	+20	+25.6
Other medium- and long-term items	154	132	+22	+16.5
<b>GROSS DEBT</b>	<b>15,432</b>	<b>13,909</b>	<b>+1,524</b>	<b>+11.0</b>
<b>Short-term gross debt</b>	<b>2,196</b>	<b>1,281</b>	<b>+915</b>	<b>+71.4</b>
<b>Medium- and long-term gross debt</b>	<b>13,236</b>	<b>12,627</b>	<b>+609</b>	<b>+4.8</b>

The group's bond debt at 31 December 2022 amounted to €10,468 million (excluding hybrid bonds but including green bonds) and comprised 14 issues with fixed rates, some of which were swapped to floating rates then swapped back as appropriate depending on interest rate forecasts.

The main movements recorded during 2022 relate to bond debt, which increased by €1,477 million following the sustainable bonds issued in September in two tranches of €600 million each, supplemented by three tap issues in January, May and September for a total amount of €350 million.

Subordinated debt came to €468 million at 31 December 2022 (for a nominal value of \$500 million swapped for euros), up €27 million due to changes in the euro/US dollar exchange rate.

Lease liabilities increased by €109 million year on year to €3,869 million), including a €105 million rise for DPDgroup in connection with the development of its operating activities.

Outstanding commercial paper was down €150 million to €150 million.

It should also be noted that accrued interest not due increased by €12 million and deposits and guarantees received increased by €7 million.

### 3.3.5 Net debt

(in € millions)	31 Dec. 2022	31 Dec. 2021	Change vs N-1	
			(in €m)	(as a %)
Closing gross debt	15,432	13,909	+1,524	+11.0
Cash and cash equivalents	(4,537)	(2,895)	-1,642	+56.7
Other assets	(704)	(780)	+76	-9.7
<b>CLOSING NET DEBT</b>	<b>10,191</b>	<b>10,233</b>	<b>-42</b>	<b>-0.4</b>

The group's net debt stood at €10,191 million at 31 December 2022, down €42 million year on year.

Other assets of €704 million comprised the following:

- debt-related derivative assets with a fair value of €44 million, down €13 million;

- investments with initial maturities of more than three months for €581 million, up €231 million year on year;
- the net financial position with La Banque Postale, which amounted to a credit position of €66 million versus a credit position of €369 million at 31 December 2021.

### 3.3.6 Equity and financial structure

(in € millions)	2022	2021	Change vs N-1	
			(in €m)	(as a %)
<b>Equity attributable to owners of the parent (opening)</b>	<b>20,932</b>	<b>18,390</b>	<b>2,686</b>	<b>+14.6</b>
Capital increases	120	0	120	n.m.
Net profit attributable to owners of the parent	1,203	2,069	-866	-41.9
Dividend payments	(529)	0	-529	-
Remuneration of perpetual hybrid subordinated notes	(144)	(91)	-53	+58.5
Unrealised gains and losses on financial instruments	(4,659)	523	-5,182	n.m.
Translation adjustments	148	4	144	n.m.
Actuarial gains and losses	99	88	11	+13.0
Other	376	(51)	283	n.m.
<b>Equity attributable to owners of the parent (closing)</b>	<b>17,546</b>	<b>20,932</b>	<b>-3,386</b>	<b>-16.2</b>
Non-controlling interests	7,767	11,718	-3,950	-33.7
<b>CONSOLIDATED EQUITY (CLOSING)</b>	<b>25,313</b>	<b>32,650</b>	<b>-7,337</b>	<b>-22.5</b>

Attributable equity amounted to €17,546 million at 31 December 2022, down €3,386 million mainly due to the unrealised gains and losses on financial instruments (net unrealised loss of €4,659 million, primarily for CNP Assurances), dividend payments (€529 million) and remuneration of perpetual hybrid subordinated notes (€144 million), mitigated by attributable net profit (€1,203 million) and translation adjustments (€148 million gain).

The dividend payments of €724 million were deducted from other reserves for €529 million and share premium for €195 million. The €120 million recognised under capital increases includes this €195 million reduction in share premiums and corresponded to a gross amount of €315 million. Non-controlling interests came to €7,767 million, down €3,950 million, including €3,462 million following the acquisition of non-controlling interests in CNP Assurances.

### 3.3.7 Credit ratings

On 26 July 2022, rating agency Moody's started to rate La Banque Postale's credit profile alongside Fitch Ratings and Standard & Poor's. It assigned long- and short-term credit ratings of A2 and P1, respectively, with a stable outlook.

In December 2022, Standard and Poor's downgraded the outlook for CNP Assurances, La Banque Postale and La Poste from stable to negative, following a change in the rating outlook for France that had a knock-on effect on the outlook

for La Poste group. Standard & Poor's reaffirmed La Poste and La Banque Postale's long- and short-term ratings of A+ and A-1, respectively.

Fitch affirmed the A+ rating of CNP Assurances and La Poste with a stable outlook in October 2022 and November 2022, respectively, and the A rating of La Banque Postale with a stable outlook in December 2022.

#### La Poste credit rating

	Rating agency	Long-term rating	Short-term rating	Outlook	Last revised
La Poste	Fitch Ratings	A+	F1+	Stable	5 December 2022
	Standard & Poor's	A+	A-1	Negative	7 December 2022

#### La Banque Postale credit rating

	Rating agency	Long-term rating	Short-term rating	Outlook	Last revised
La Banque Postale	Fitch Ratings	A	F1+	Stable	19 December 2022
	Moody's	A2	P1	Stable	26 July 2022
	Standard & Poor's	A+	A-1	Negative	7 December 2022

#### CNP Assurances credit rating

	Rating agency	Long-term rating	Outlook	Last revised
CNP Assurances	Fitch Ratings	A+	Stable	21 October 2022
	Moody's	A1	Stable	30 May 2022
	Standard & Poor's	A+	Negative	7 December 2022

## 3.4 LEGAL AND ARBITRATION PROCEEDINGS

As part of the normal course of its business activities, La Poste Groupe is involved in a certain number of arbitration, legal and administrative proceedings. These disputes vary in nature and may be specific to the group's various subsidiaries.

A provision is only recognised for the expenses that may result from these proceedings where they are probable and their amount may be either measured or reliably estimated. In the latter case, the amount of the provision corresponds to management's best estimate. Provisions for contingencies and losses recognised for all disputes in which the group is involved amounted to €353 million at 31 December 2022 (versus €363 million at 31 December 2021).

Significant disputes in which the Company is involved are as follows:

#### Competition law

- In the EIC case initiated in 2005, the Paris Court of Appeal ruled on 2 December 2021 that the agreement signed between the banks on cheque imaging exchange had no anticompetitive purpose or effect. As a result,

the €32.8 million fine previously paid by La Banque Postale was fully reimbursed. The Competition Authority lodged an appeal on 31 December 2021 but this is without suspensive effect. The timeline for the procedure has not yet been set.

- In a registered letter sent on 21 November 2018, a submission was made to the French Competition Authority regarding practices in the postal service sector. In Decision 21-D-22 of 15 September 2021, the Competition Authority ruled that the submission was inadmissible. An appeal was filed against this decision with the Paris Court of Appeal.
- By email of 19 January 2021 from the French Competition Authority, La Poste was informed of a submission pertaining to the postal stamp distribution sector. In Decision 22-D-19 of 20 October 2022, the Competition Authority ruled that the submission was inadmissible. The time limit for appeal has not yet expired.



## Employment law

- Since the beginning of the health crisis, La Poste has been involved in more than 100 disputes initiated by health, safety and working conditions committees and/or trade unions. These disputes mainly concern organisational changes made necessary by the health crisis. Although the rulings have been in La Poste's favour in the vast majority of the cases, appeals are underway for some disputes.

To date, to the best of the Company's knowledge, there are no other governmental, administrative, legal or arbitration proceedings that could have a material effect on the group's financial position or profitability, or have had such an effect over the last 12 months.

## 3.5 OUTLOOK AND SUBSEQUENT EVENTS

### Outlook

Global economic growth is expected to decelerate sharply in 2023 amid rising inflation, higher interest rates, reduced investment and disruptions caused by the war in Ukraine. The World Bank anticipates a pronounced slowdown in the world economy (1.7% growth in 2023<sup>(1)</sup>). In the eurozone, growth is expected to be zero<sup>(1)</sup> or around 0.5%<sup>(2)</sup>.

Against this backdrop, the group will press ahead with its strategic plan, "La Poste 2030, committed for you" to successfully transition to a sustainable business model:

- consolidating the group's core historical activities through the launch of the new mail range on 1 January 2023, thereby optimising its industrial organisation and reducing its CO<sub>2</sub> emissions by 25%, while continuing to invest in its network of post offices;
- accelerating the development of growth drivers, by consolidating its position as number 1 in carbon-free parcels in Europe, and also by maintaining the growth and diversification dynamic of La Banque Postale as one of the foremost European bancassurers and the leader in impact finance;
- laying the foundations for future growth in digital trust services with the acceleration of Docaposte activities and the operational launch of the Numspot sovereign cloud. And with the development of new local human services based on reaching out to people and strengthening social ties.

In 2023, La Poste will continue its transformation for the good of the whole community. La Poste will remain a socially engaged group serving global trends and addressing society's needs as it navigates the ecological, digital, regional and demographic transitions ahead.

### Subsequent events

- On 30 January 2023, CNP Assurances announced that it had completed the acquisition of the shares held by Caixa Seguridade in CNP Participações em Seguros Ltda. "Holding Seguros", raising its interest to 100%. Holding Seguros owns 100% of Companhia Seguros Previdência do Sul "Previsul" and 51% of CNP Capitalização S.A. "CNP Cap". On 31 January 2023, CNP Assurances announced the completion of the acquisition of ICATU's stake in CNP Capitalização S.A. "CNP Cap", bringing its stake to 100%. These transactions completed all of the acquisitions in Brazil announced by CNP Assurances on 14 September 2022 for a total amount of BRL 907 million<sup>(3)</sup> using its own resources.
- On 15 February 2023, Bruno Le Maire, Minister of the Economy, Finance and Industrial and Digital Sovereignty, David Lisnard, President of the Association of French Mayors and Presidents of Municipal Groups, and Philippe Wahl, Chairman and CEO of La Poste Groupe, signed the 2023-2025 local postal coverage contract.

This three-year contract provides the framework for La Poste's contribution to the regional development public service mission. It sets out the rules for adapting its network of 17,000 contact points throughout the country and determines the rules for managing the regional equalisation fund. This fund, representing an annual amount of €174 million to €177 million, is designed first and foremost to benefit the areas most in need (rural areas, mountain areas, priority urban neighbourhoods and overseas territories). This sixth local postal coverage contract illustrates the strong commitments made by La Poste, the AMF and the State to guarantee a high quality public service to all French citizens.

## 3.6 ALTERNATIVE PERFORMANCE MEASURES

### Introduction

The group uses a number of alternative performance measures (APMs) that are not covered by International Financial Reporting Standards (IFRS). La Poste Groupe's management team believes that these indicators are useful for measuring and analysing the group's performance. However, the APMs

should be considered as providing additional information. They do not take precedence over the GAAP metrics used in the consolidated financial statements, nor do they replace them. In accordance with French securities regulator AMF position DOC-2015-12, each APM is defined below.

(1) Based on World Bank projections (10 January 2023 press release, <https://www.worldbank.org/>).

(2) Based on IMF projections (<https://www.imf.org/en/Publications>).

(3) €174.5 million at the 13 September 2022 exchange rate.

## APM definitions

### Adjusted EBITDA

Adjusted EBITDA comprises all operating revenue within the scope of consolidation excluding La Banque Postale, less general operating expenses and personnel expenses, excluding additions to end-of-career benefits for the same scope excluding La Banque Postale. To this is added dividends received from equity-accounted companies and dividends received from La Banque Postale during the period in respect of the prior year.

### Free cash flow

Free cash flow comprises the following components: (i) adjusted EBITDA; (ii) change in working capital requirement; (iii) cash flows from purchases of property, plant and equipment and intangible assets net of disposals of property, plant and equipment and intangible assets; (iv) cash flows from taxes; (v) net interest paid; and (vi) repayment of lease liabilities and interest expense on lease liabilities.

The value used for each of the free cash flow aggregates is determined in terms of cash flows (positive for cash inflows and negative for cash outflows).

### Net debt

Net debt comprises all current and non-current debt less cash and cash equivalents and derivative instruments linked to group financing. It also includes liabilities arising from the application of IFRS 16 – Leases, short-term financial investments with no significant risk of a change in value but whose original maturity on the subscription date was greater than three months, and the net financial receivable from La Banque Postale.

Group net debt does not take into account La Banque Postale, for which this concept is not relevant.

### Change at constant scope and exchange rates (like-for-like change)

Change at constant scope and exchange rates refers to the difference between the profit/loss for the reporting period and the profit/loss of a comparative period, following adjustment for any subsequent acquisitions or disposals completed in each of these periods. The two periods may then be compared based on the same scopes of consolidation. Currency transactions for the comparative period are remeasured using the average rate for the reporting period.

### Operating profit/(loss) including share in net profit/(loss) of jointly-controlled companies

Operating profit/(loss) is equal to consolidated net profit/(loss), adjusted for the share in the net profit/(loss) of other equity-accounted companies, the income tax expense and the net financial income/(expense).

### Net debt/equity

The net debt/equity ratio is calculated by dividing the group's net debt by attributable equity.

### Net debt/adjusted EBITDA

The net debt/adjusted EBITDA is calculated by dividing the group's net debt by adjusted EBITDA.

### CET1 ratio

The CET1 ratio is calculated by dividing CET1 capital by total risk exposure (i.e., total risk-weighted assets – RWA – for credit and counterparty risk, market risk and operational risk).

The CET1 ratio is used by supervisory authorities to assess banks' solvency. This ratio is calculated solely for La Banque Postale.

### Liquidity Coverage Ratio (LCR)

The LCR is a monthly short-term liquidity ratio which measures a bank's capacity to withstand a severe deterioration in its financial situation for up to 30 days in a systemic shock environment. Target LCR must be greater than 100%.

This ratio is calculated by dividing the sum of unencumbered, high-quality liquid assets by the liquidity requirement in a stress environment over a 30-day period. This ratio is calculated solely for La Banque Postale.

### NSFR

The NSFR guarantees that banks have sufficient stable resources (i.e., resources with an initial maturity of more than one year) to fund their activities. This long-term structural liquidity ratio calculated over a one-year period aims to ensure a sustainable structure of asset and liability maturities.

The NSFR corresponds to the amount of available stable funding in relation to required stable funding. This ratio should be at least 100% at any time. This ratio is calculated solely for La Banque Postale.

### Cost-income ratio

The cost-income ratio is calculated by dividing operating expenses by net banking income adjusted for doubtful interest. Operating expenses represent the sum of general operating expenses, net depreciation and amortisation, and impairment of property, plant and equipment and intangible assets. This ratio is calculated solely for La Banque Postale.

### SCR coverage ratio

The SCR coverage ratio is calculated by dividing eligible own funds held to cover the SCR by the SCR. It is an indicator of an insurer's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses. This ratio is calculated solely for CNP Assurances.



# 4.

## SUSTAINABLE AND RESPONSIBLE DEVELOPMENT

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This Universal Registration Document (URD) complies with the regulatory and legal frameworks governing the content of the URD (Regulation (EU) 2017/1129 of 14 June 2017, or "PD III"), the law on the duty of care and the law on the Consolidated Non-Financial Statement (CNFS). This content is contained in this URD as follows:

- chapter 1 presents the group's strategic priorities, its business model, and its anti-corruption and anti-tax evasion policies;
- chapter 2 set out the material risks specific to the group, the mitigation measures in place to address those risks and their net criticality; the risks covered include all CSR risks faced by the group;
- the CNFS, as defined in paragraph 1 of Article L. 22-10-36 of the French Commercial Code, whose requirements are listed in the cross-reference table in Section 8.4 of this document, sets out the main non-financial risks to which the group is exposed and the associated mitigation policies; in accordance with the regulations, the CNFS is reviewed each year by an independent auditor, whose report is provided in Section 4.4.3 "Report by an independent third party on the CNFS";
- lastly, the duty of care plan is presented in Section 8.1 of the URD.

### Identification of CSR risks

La Poste Groupe is exposed to major CSR-related risks, which are described in Section 2.1 "Main risk factors" of this Universal Registration Document. These CSR-related risks are identified and managed as part of the group's risk management system. These major risks are identified and assessed as part of a process involving all levels (Executive Management, business lines, subsidiaries and branches) and coordinated by the group's Risk Department. The risk mapping and management plans resulting from this approach are presented to the Executive Committee and then to the Audit Committee (see Section 2.2 "Internal control and risk management systems").

Based on a review of the group's mapping of its major risks, eight CSR-related risk factors were selected for discussion in the CNFS pursuant to Order no. 2017-1180 of 19 July 2017. They are listed in the table below. Adaptation risk in respect of environmental and societal challenges is a cross-cutting risk that allows the group's Risk Committee and its governance bodies to consider any significant item, including weak signals, liable to upset the achievement of commitments in this area. The description of risks draws on collective analysis carried out internally, in addition to the risk rating matrices of the various non-financial rating agencies with which the group collaborates, and on the work of the Climate/TCFD<sup>(1)</sup> Committee (physical risks and transition risks).

### Summary CNFS table

Major risks with a CSR dimension	Policies implemented	Key indicators
Changes in carbon regulations in the Express sector	<ul style="list-style-type: none"> <li>■ Develop activities in the field of "green" delivery using low-carbon vehicles (see Section 4.3.4, under "Committed to the climate")</li> <li>■ Implement a responsible purchasing policy that includes environmental criteria in calls for tender to select subcontractors using low-carbon delivery vehicles (see Section 4.3.1)</li> <li>■ Build up a portfolio of carbon offset projects to increase the share of sequestration projects (see Section 4.3.4, under "Committed to the climate")</li> <li>■ Reduce carbon emissions in various ways, both operational (optimisation of loading/transport) and technological (development of biogas and/or hydrogen as fuels)(see Section 4.3.4, under "Committed to the climate")</li> </ul>	<ul style="list-style-type: none"> <li>■ Energy consumption of buildings and transport</li> <li>■ Relative weight of electric vehicles/total fleet</li> <li>■ Carbon footprint of buildings and transport (scopes 1, 2 and 3)</li> </ul>
Development of the employability of postal workers	<ul style="list-style-type: none"> <li>■ A responsible and inclusive employer (see Section 4.2.1)</li> <li>■ Promote the employability of La Poste employees (see Section 4.2.2)</li> <li>■ Develop an approach for anticipating employment needs (see Section 4.2.2)</li> <li>■ Facilitate mobility and career paths (see Section 4.2.2)</li> <li>■ Invest and innovate in the development of employees' skills (see Section 4.2.2)</li> <li>■ Implement a comprehensive compensation policy and a wide range of benefits packages (see Section 4.2.4)</li> </ul>	<ul style="list-style-type: none"> <li>■ Percentage of employees having attended at least one training course during the year</li> <li>■ Percentage of employees having attended a digital training course during the year</li> </ul>

(1) TCFD: Task Force on Climate-Related Financial Disclosures.

Major risks with a CSR dimension	Policies implemented	Key indicators
Transformation of the group's networks and production tools	<ul style="list-style-type: none"> <li>■ Contribute to the development and cohesion of local areas (see Section 4.3.1)</li> <li>■ Promote ethical, inclusive and sustainable digital services (see Section 4.3.3)</li> </ul>	<ul style="list-style-type: none"> <li>■ Physical access points</li> <li>■ Proportion of the population which is less than 5 km or less than 20 minutes by car from a retail outlet</li> <li>■ Number of digital identity and electronic safe users</li> </ul>
Adaptation to environmental and societal challenges	<ul style="list-style-type: none"> <li>■ Strengthen the group's social commitment policy (see Section 4.1.1)</li> <li>■ Structure ESG governance at all levels of the group (see Sections 4.1.2 and 1.1.3)</li> <li>■ Follow an ambitious decarbonisation pathway through to 2040 (see Section 4.3.4, under "Committed to the climate")</li> <li>■ Improve air quality (see Section 4.3.4)</li> <li>■ Become a leading player in the rational management of resources (see Section 4.3.4)</li> <li>■ Commit to climate action (see Section 4.3.4)</li> <li>■ Protect biodiversity (see Section 4.3.4)</li> <li>■ Contribute to the development and cohesion of local areas (see Section 4.3.1)</li> <li>■ Promote social inclusion (see Sections 4.3.2 and 4.2.1)</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-financial ratings</li> </ul>
Non-compliance	<ul style="list-style-type: none"> <li>■ Roll out the whistleblowing system (see Section 1.3.3.2)</li> <li>■ Implement the anti-corruption plan (see Section 1.3.3.2)</li> <li>■ Carry out the GDPR compliance programme (see Section 1.3.3.2)</li> <li>■ Combat tax evasion (see Section 1.3.3.3)</li> </ul>	<ul style="list-style-type: none"> <li>■ Number of reports processed</li> <li>■ Number of employees who have received anti-corruption training</li> <li>■ Number of employees trained in conflicts of interest</li> <li>■ Number of people trained in personal data protection</li> </ul>
Business disruption in the event of a major crisis	<ul style="list-style-type: none"> <li>■ Align the definition of the climate ambitions and roadmap with the TCFD recommendations (see Section 4.3.4)</li> </ul>	<ul style="list-style-type: none"> <li>■ TCFD table (see Section 4.4.1)</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>■ Continue prevention initiatives (see Section 4.2.3)</li> <li>■ Improve well-being at work (see Section 4.2.3)</li> </ul>	<ul style="list-style-type: none"> <li>■ Number of days of absence due to workplace or commuting accidents or occupational illness</li> <li>■ Frequency rate of workplace accidents with time off</li> <li>■ Severity rate of workplace accidents with time off</li> <li>■ Rate of absence for sickness</li> </ul>
Service levels as perceived by customers	<ul style="list-style-type: none"> <li>■ Prioritising customer satisfaction and responsible customer relationships (see Section 4.3.5)</li> </ul>	<ul style="list-style-type: none"> <li>■ Satisfaction survey results (NPS)</li> </ul>

## 4.1 A GROUP WITH A POSITIVE IMPACT

ESG challenges, driven by major transitions, are both risks and opportunities for the group, which has accordingly made them central to its strategy (resilience, transformation, development) and its commitments to society as a whole (as a mission-led company).

### 4.1.1 A stronger commitment to society

#### A group undergoing transformation

With its four public service missions, La Poste is by nature a company that is committed to serving all and doing what it takes to make a positive impact, thereby fostering transformation within society as a whole. In 2021, La Poste was one of the first public-sector companies to become a mission-led company (*entreprise à mission*)<sup>(1)</sup>, as defined by France's PACTE law of 22 May 2019. In 2022, its subsidiary La Banque Postale also became a mission-led company, making its community foundations the driving force behind its performance in the service of a fair transition.

These recent developments have made social, societal and environmental responsibility central to La Poste Groupe's business model. La Poste Groupe has embarked on extensive transformations to adapt to major changes in its economic environment and the world at large. The group's social commitment policy was and remains more than ever both a major pillar of this transition and a strategic priority reaffirmed in La Poste Groupe's strategic plan<sup>(2)</sup>. These advances and transformations serve all employees and are at the same time embodied by them.

The group therefore pursues long-term objectives which create value for all its stakeholders and preserve the group's resilience by:

- contributing to the development and cohesion of local areas;
- fostering social inclusion;
- promoting ethical, inclusive and sustainable digital services;
- working to accelerate the environmental transition for all.

For each of these objectives, La Poste Groupe's social commitment is guided by exemplarity and a priority shared by all within the group: customer satisfaction. This societal commitment informs the daily work of La Poste's employees and is built on a robust governance model that prioritises transparency and open exchange. All of the group's bodies are instrumental in promoting this strategy and they take care to act in the interest of all stakeholders.

#### A commitment based on prominent international initiatives

As a pioneer in the field of social commitment, La Poste Groupe is a signatory to major international initiatives in this area. This backs up its commitment to collective and shared benchmarks, allowing the group to play its part in the global quest for sustainability:

- the UN Global Compact;
- the Universal Declaration of Human Rights;

- the OECD guidelines;
- the fundamental conventions of the International Labour Organization (ILO);
- the UN Guiding Principles on Business and Human Rights.

As part of its membership in the United Nations Global Compact, the group publishes an annual communication on its progress at the advanced level. Six goals have been identified as priority goals for the group, keeping in mind that the group supports 14 of the United Nations' 17 sustainable development goals (SDGs) as part of the 2030 agenda.

La Poste Groupe sets out its commitments based on the following guidelines:

- in terms of combatting climate change, protecting the environment and biodiversity:
  - RE100 (2016),
  - IPC sector commitment (date),
  - CDP signatory (2015),
  - French Climate Pledge (2015),
  - TCFD (Task Force on Climate-related Financial Disclosures) supporter (2019),
  - Corporate Engagement Program, SBTi (2021),
  - Science Based Targets initiative (2019 for La Poste SA and July 2022 for Geopost/DPDgroup),
  - the SBTi Business Ambition for 1.5°C pledge (2021),
  - cooperation with WWF France for zero carbon delivery (2021),
  - Business for Nature, Act4Nature (2022),
  - "Logistics and transport to combat illegal wildlife trade" - initiative promoted by WWF France (2022);
- in the digital sector:
  - Responsible Digital Technology Charter (2019),
  - Inclusion Manifesto (2019),
  - Planet Tech'Care manifesto (2020);
- social commitments are set out in the Compliance Plan (see Section 8.1).

La Banque Postale (a La Poste Groupe subsidiary) and its subsidiaries LBP AM and CNP Assurances are also publicly committed to numerous sector-based initiatives in favour of more sustainable finance<sup>(3)</sup>. In 2020, La Banque Postale was the first bank to have its SBTi pathway validated. It represents European banks in the Net Zero Banking Alliance.

(1) See Section 1.1.3 "A mission-led company", which presents La Poste Groupe's purpose and the various indicators monitored in this capacity.

(2) See Section 1.1.4 "Strategic priorities".

(3) See Section 1.2.3 "La Banque Postale".

## Proven non-financial performance

For several years, La Poste Groupe has been committed to a proactive approach to assessing its non-financial performance and is regularly assessed by six organisations<sup>(1)</sup>. It was also assessed for the first time by Standard & Poor's (Corporate Sustainability Assessment) in 2022. This enables it to ensure the quality of its overall corporate social responsibility approach and to remain vigilant about all ESG requirements and issues. In 2022, the ESG rating agencies once again

praised La Poste Groupe's momentum in terms of progress. This recognition is even more important to the group since the composite index compiling ratings from CDP, EcoVadis and Moody's ESG Solutions has become one of the indicators for tracking progress in the new strategic plan since 2021. As a component of the management roadmap, business ethics, climate change, responsible customer relations, human capital and social commitment are part of the group's performance measurement.

## NON-FINANCIAL PERFORMANCE

MOODY'S | ESG Solutions

**No.1** worldwide,  
across all sectors

Score: 77/100 in October 2021



**Leadership – A List**

Intermodal transport  
and logistics

Score: A in December 2022

ecovadis

**Platinum**

Top 1% of suppliers

Score: 78/100 in October 2022

### 4.1.2 Structured governance

To support the renewal of its social commitment and confirm its leadership role across the entire range of ESG issues, La Poste Groupe further strengthened its governance in 2022. This approach informs Board decisions, employee training and goal-setting by giving stakeholder expectations greater weight in the definition of the group's strategy. In 2022, the materiality matrix was updated in anticipation of the new Corporate Sustainability Reporting Directive (CSRD) requirements.

#### ESG approach applied at all levels of the group

Year after year, La Poste Groupe has built up and consolidated a governance system that cements its leadership in sustainability. Its aim is to ensure that ESG practices spread gradually throughout the company's functional and operational processes and that each business line and subsidiary – and with them all postal workers – are on board, thereby giving them the chance to contribute to the commitments in ways specific to their activities. The governance bodies are responsible for defining the group's CSR policy. The transversal nature of the environmental, social and societal issues included in the policy help achieve both the group's positive impact and stakeholder satisfaction. The policy is supported by all Company levels and functions.

A series of defining decisions aimed at transforming the group were approved by the Executive Committee in 2022. The integration of ESG criteria into group policies and processes mainly concerned:

- variable compensation mechanisms for Executive Committee members (see below);
- responsible purchasing policy<sup>(2)</sup>;
- acquisitions and disposals policy;
- La Banque Postale's financing policy;
- adoption of a human rights policy<sup>(3)</sup>.

The definition of a group policy that aims to include ESG criteria in the management compensation policy is another way of promoting non-financial performance. The Chairman's roadmap includes compensation criteria that break down as follows:

- 25% of the variable compensation of Executive Committee members;
- 35% of the variable compensation of other senior management and key executives at the head office;
- 10% of the variable compensation of other senior and strategic managers in the business lines (in the Services-Mail-Parcels business line, ESG criteria account for at least 30% of the collective share of all employees).

(1) La Poste Groupe's non-financial ratings can be consulted on [www.lapostegroupe.com](http://www.lapostegroupe.com).

(2) See Section 4.3.1 "Contributing to the development and cohesion of local areas".

(3) See Section 4.2.1 "A responsible and inclusive employer".

The criteria used depend on the achievement of objectives set out in the new strategic plan. ESG criteria account for 50% of the Chairman's roadmap and comprise two main components:

- achievement of the "group committed for you" objective (30%), of which:
  - customer satisfaction (6%),
  - A reduction of the group's net greenhouse gas (GHG) emissions and the implementation of SBTi-certified pathways (6%),
  - the share of retail and business customer online sales (6%),
  - the engagement survey for monitoring the perception of "Well-being at work" (6%),
  - improvement in ratings from the main ESG agencies (6%);
- achievement of the "agile, attentive and skills-based group" objective (20%), of which:
  - digital training for all postal workers (5%),
  - the ability to adapt/organizational agility (10%),
  - decrease in the frequency of workplace accidents (5%).

CSR matters have been included in the group's acquisitions and disposals policy since February 2022. Criteria covering all environmental, social and governance issues are taken into account from the non-binding study phase. These criteria also include a focus on the climate strategy. In the steps following the study phase, the prospective target's performance is screened against the group's social commitment objectives, together with its ability to align. Roughly fifteen prospective acquisitions provided the basis of the first shared tools in 2022.

For several years, a CSR management system has been part of the Services-Mail-Parcels business line's system of excellence<sup>(1)</sup> monitored at the highest level to ensure respect for the group's commitments. As such, the strategic decision-making process includes an assessment of a project's environmental (climate, resources, biodiversity), social and societal performance, and targets set for individual employees include criteria relating to the business line's CSR performance. For Geopost, an innovative country-based carbon budget management system is used to monitor and ensure the implementation of the GHG reduction pathway.

Lastly, governance of the customer experience policy has been reinforced with the formation of the France Customer Coordination Committee (FCCC) and measures linking it with the Quality and Sustainable Development Committee of the Board of Directors and the group Quality Committee. This last committee, which brings together decision-makers from each business line and the group Strategy and Social Commitment Departments on a monthly basis, defines and oversees the cross-functional approach underlying the business lines' "customer experience" policies. Its work is prepared and driven by the group Quality Committee, which brings together the business lines' customer experience and customer relationship managers. An equivalent system exists at La Banque Postale.

## Ongoing stakeholder dialogue

La Poste Groupe's social commitment is based on a rich and complex ecosystem of stakeholders. Regular dialogue and the identification of stakeholder expectations enable La Poste Groupe to extend its responsibility throughout its value chain.

The participative approach is a strategic system for La Poste Groupe. In recent years, it has been reflected in extensive consultations:

- in 2020,
  - with all La Poste stakeholders as part of the preparation of the new "La Poste 2030, committed for you" strategic plan. A total of 140,000 people, from postal workers and customers to partners, elected officials, citizens and suppliers, took part in the process;
  - led by the Social Commitment Department to help draft the Company's purpose (*raison d'être*), involving some 30 employees and 100 external stakeholders (individual customers, micro enterprises, SMEs, mid-caps, large corporates, elected representatives and local authorities, elected members of Parliament, partners and suppliers), as well as internal stakeholder representatives;
- in 2021, as part of the launch of an impact project, providing an overview of the notion of the group's positive impact and how to measure it. This assessment exercise helped to define certain "mission-led company" indicators<sup>(2)</sup>.

At the end of 2022, La Poste Groupe updated its materiality matrix with the aim of collecting the opinions of its stakeholders and continuing to adapt its strategy to the material challenges facing society. The double materiality<sup>(3)</sup> approach was used to reappraise the materiality matrix in December 2022. The study identified 25 priority challenges, ranked according to their importance for internal and external stakeholders and their financial impact on the group.

This framework of challenges (risk, opportunity, impact) drew on benchmarking broken down by sector (financial activities, transport and delivery, as well as digital activities) and on the leading reference frameworks and reporting standards<sup>(4)</sup>.

More than 5,300 internal and external stakeholders from all group stakeholder categories were asked to take part: shareholders, members of the Executive Committee, members of the Mission Committee;

- employees and trade unions;
- customers: individuals, micro enterprises/non-profit organisations, SMEs/mid-caps, large corporates and local authorities;
- suppliers and subcontractors, including social economy actors and other Dynamic Alliance partners;
- regulators, rating agencies and certifiers;
- elected officials, NGOs;
- press and media.

(1) See the dedicated focus in Section 1.2.1.2 "Main transformation areas for the business line".

(2) See Section 1.2.3 "A mission-led company".

(3) In line with the main principles related to the transition from NFRD - Directive 2014/95/EU on the disclosure of non-financial information - to CSRD.

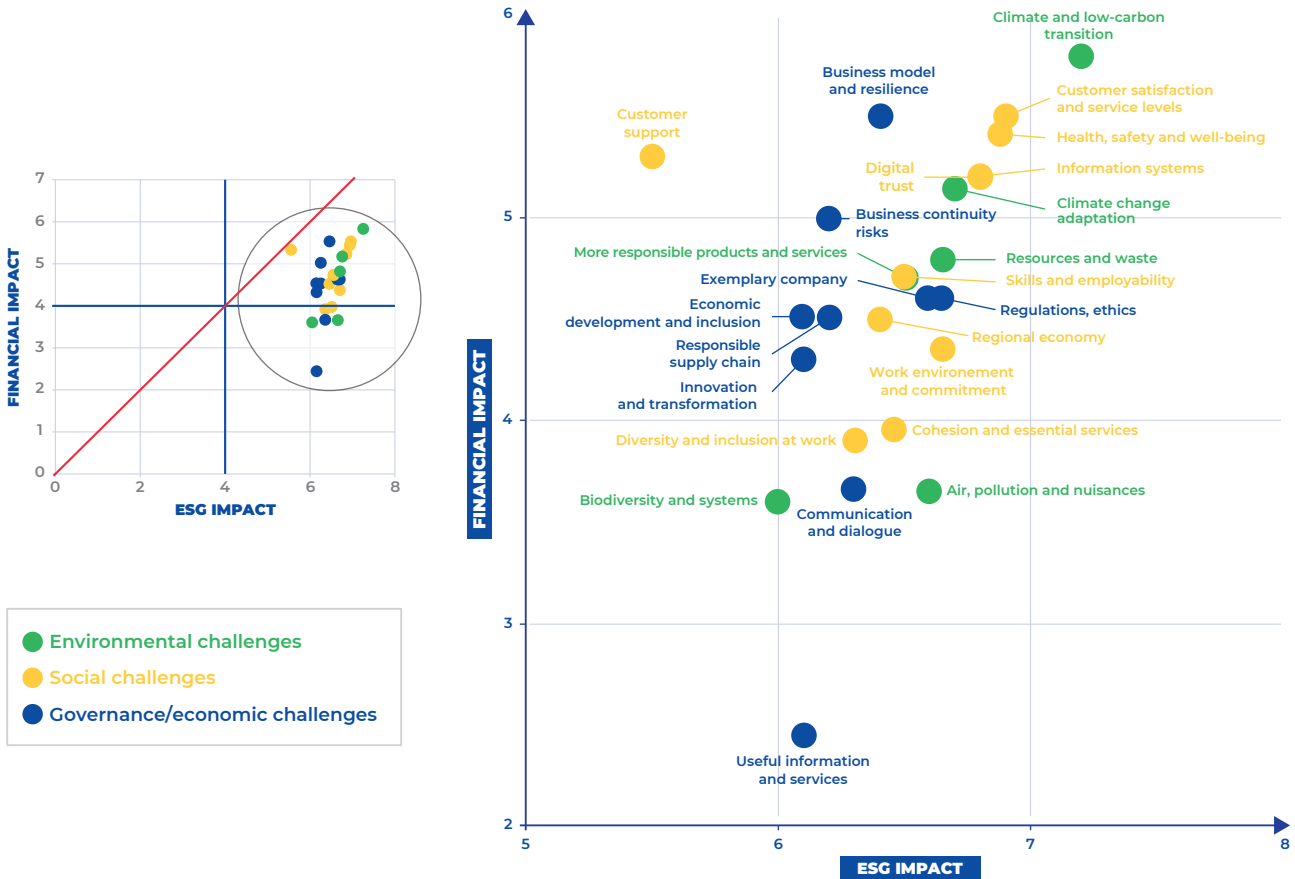
(4) Reference frameworks and reporting standards, both general, sector-based and thematic (SDG, GRI, SASB, TCFD, UNPRI, etc.).



The double materiality approach is based on an analysis of negative and positive impacts and risks and opportunities. It is directly inspired by the recommendations contained in the draft European Sustainability Reporting Standards (ESRS)<sup>(1)</sup> published by the European Financial Reporting Advisory Group (EFRAG) in connection with the upcoming CSRD. The criticality of financial impact is also assessed based on ESRS and

adapted to La Poste Groupe’s various business lines. This matrix has identified three key challenges: “climate and low-carbon transition”, “customer satisfaction and service levels” and “health, safety and well-being”. These three pillars dovetail perfectly with the group’s strategy and the four social commitment missions.

**Double materiality matrix**



(1) The ESRS provides a framework for reporting on ESG issues at the European level.

## 4.2 SOCIAL POLICY TO DRIVE DEVELOPMENT

Every day, 238,000 postal workers come together to serve customers in France and internationally. The human resources policy aims to reconcile service levels for customers with performance, engagement and pride for postal workers. It covers five areas:

- anchoring the responsible employer policy at the heart of actions;
- developing the employability of postal workers;
- improving well-being at work and protecting occupational health and safety;
- implementing a fair and high-quality compensation and benefits policy tailored to the needs of employees;
- promoting ongoing and constructive social and economic dialogue with employee representatives.

The employee agreement, "La Poste, committed with postal workers", aims to support employees during La Poste's transformation. It was signed on 4 May 2021 by the CFDT, the Osons l'Avenir union group (CFE-CGC/CFTC) and UNSA-Postes and is valid until the end of 2023. The agreement offers opportunities to every employee within the Company and

excludes any collective forced departure system. With this agreement, La Poste is committed to quality employment that prioritises well-being at work and the development of skills and career paths. It is a major step in the group's commitment to society.

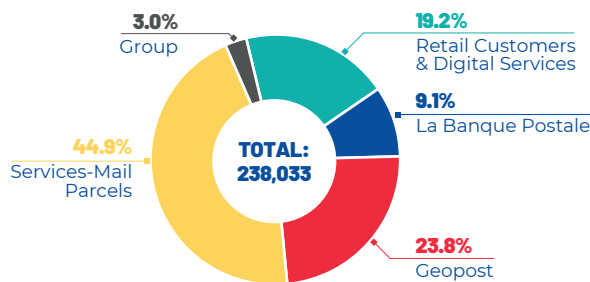
### Changes in the group's workforce

	2022	2021	2020
La Poste Groupe*	238,033	244,980	248,906

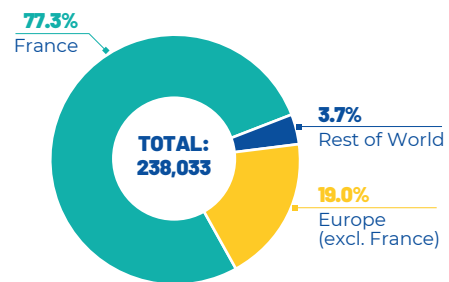
\* Civil servants, permanent contracts, temporary contracts, including vocational training contracts for La Poste, excluding vocational training contracts for subsidiaries (full-time equivalent (FTE), on average).

La Poste Groupe had an average of 238,033 full-time equivalent employees in 2022, a decrease of 2.8% compared to 2021. The change in headcount reflects the difference between natural departures (mainly as a result of retirement) and new hires.

### Breakdown of the workforce by business line

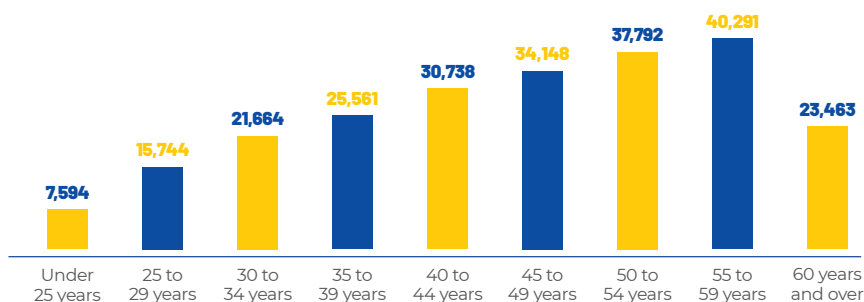


### Breakdown of the workforce by geography



### Age pyramid of La Poste Groupe in Europe <sup>(1)</sup>

Number of employees (civil servants and permanent employees) at 31 December 2022 <sup>(2)</sup>



(1) La Poste Groupe in Europe includes La Poste SA (parent company), the group's subsidiaries in France and the group's subsidiaries in other European countries.

(2) The breakdown by age does not include DPD Russia employees.

## 4.2.1 A responsible and inclusive employer



### 4.2.1.1 Ambition

La Poste Groupe's diversity and inclusion policy stems from the company's core values of openness, consideration, fairness, accessibility, proximity and service.

La Poste Groupe operates throughout the country, every day and for everyone, and contributes to social cohesion in all regions through its services and its commitment to corporate social responsibility (CSR). It reflects the diversity of broader society and creates an inclusive framework that enables each postal worker to find his or her place in the company and to be a driving force for innovation and performance. Equal opportunity and diversity are cornerstones of the group's HR policy.

### 4.2.1.2 Policies and actions

#### Promoting the development of responsible employment

La Poste Groupe is one of the leading players in the French employment market (among France's 10 biggest recruiters). La Poste Groupe is committed to a responsible and inclusive employment policy in an economic climate characterised by a decline in mail volumes and a drop in post office footfall, but also by a steep increase in parcel volumes and the development of the digital business.

#### Promoting the integration of young people into the workforce

A leading recruiter on work-study programmes:

- La Poste has for many years been firmly committed to a policy of training young people and integrating them into the workplace, by proposing apprenticeship contracts and vocational training contracts leading to degrees and/or professional qualifications, from the *certificat d'aptitude professionnelle* (Professional Ability Certificate qualification – CAP) through to master's level. It relies in particular on its three Formaposte part-time education centres (*centres de formation en alternance* – CFA). Created by La Poste and dedicated to its work, these centres meet La Poste's needs to train work-study students, particularly for its core business lines (postal carriers, parcel operators and distributors, customer service representatives, and banking advisors). Today, they support nearly 70% of La Poste's work-study students;
- In 2022, La Poste remained the leading recruiter of work-study students in France with 3,474 new apprenticeship and professional training contracts signed (versus 4,224 in 2021). More than 23% of these work-study employees come from priority urban neighbourhoods (more than 37% in some areas);
- La Poste is a partner of the *Fondation Innovations pour les Apprentissages* (FIPA). The objective is to work in conjunction with other companies to develop all forms of work-study training (apprenticeships, vocational training contracts, work-study integration schemes, work-study guidance and continuing vocational training schemes), in particular for new jobs and certain in-demand jobs (IT, data, artificial intelligence (AI), etc.).

A proactive internship onboarding policy:

- La Poste welcomed 4,068 interns in 2022 with a special focus on young people from priority urban neighbourhoods (more than 23% in 2022), as well as on young people with disabilities;
- lastly, more than 849 middle school students (12% from schools in disadvantaged neighbourhoods) were given work experience in La Poste entities in 2022.

La Poste Groupe works alongside public authorities in support of 16 to 25-year-olds as part of the *Un jeune, une solution* (one young person, one solution) plan. The group offered 8,000 solutions to young people in 2021 (recruiting young people on work-study contracts and vocational training contracts, or on permanent or fixed-term contracts to train and employ young people and offer them opportunities within La Poste Groupe).

As part of this plan to promote the integration of young people into the world of work, La Poste Groupe volunteered to be a partner of the *Un jeune, un mentor* scheme. This scheme aims to increase the number of young people who, during their school career, in their career choices or when entering the workforce, benefit from mentoring. This initiative is free and accessible everywhere to everyone. It gives employee volunteers the opportunity to act as mentors.

La Poste Groupe has long been committed to helping disadvantaged neighbourhoods throughout France, through the National Commitment for Youth Employment in Priority Urban Neighbourhoods, signed in 2008. La Poste also strives to include young people from disadvantaged areas in the workforce through its dynamic recruitment policy and a range of partnerships:

- in 2022, the group recruited 515 people living in priority urban neighbourhoods on permanent contracts, i.e., 6.5% of all permanent hires;
- in 2023, the group wants to maintain its ambition to promote equal opportunities and recruit people from disadvantaged neighbourhoods.

#### Enhancing gender equality at all levels of the Company

La Poste signed an agreement on workplace equality on 21 July 2022 which sets out new commitments for the 2022–2025 period. The agreement aims, in particular, to offer the same career opportunities to women and men, by strengthening gender balance in all business lines and by developing a policy giving women access to the highest-level positions in the Company (strategic and senior executives, management), but also through actions to combat sexism and violence and promote equal rights, regardless of sexual orientation, as well as gender identity.

As a result of its active gender equality policy, in 2022, women represented 52.7% of all La Poste employees and 52.4% of management positions. Within the Group in the France scope, women represented 35.5% of senior executive positions and 38.4% of the Management Board. In its strategic plan, the group has committed to having 40% women among its senior executives by 2025. For the fifth consecutive year, La Poste obtained a score of 94/100 on the gender equality index.

A network known as *Réseau Un.e* helps to advance and promote gender equality within the company. It brings together those who are committed to advancing gender equality and thus promoting change, innovation and the values of progress in the service of Company performance.

La Poste aims to ensure equal pay for women and men. Thanks to equal pay measures implemented over several years, 2022 saw equal pay between the sexes (median pay for women was slightly above that of men).

To continue its commitment to fight violence against women, La Poste has joined *OneInThreeWomen*, the leading European network of companies committed to combatting domestic violence, as an active member of *Fondation Agir Contre l'Exclusion* (FACE). It has signed the Charter of commitment against gender-based violence. La Poste has also partnered with France's National Federation of Women's and Family Rights Information Centres (*Fédération Nationale des Centres d'Information sur les Droits des Femmes et des Familles - FNCIDFF*), which is committed to helping women needing to regain their financial independence and facilitating access to victim support structures.

La Poste is also a signatory of the United Nations Global Compact, the CEO commitment to gender equality worldwide and a framework agreement for the number of women on governance bodies.

## Continuing to welcome and integrate people with disabilities

Policies have been put in place for people with disabilities to ensure good working conditions whatever their profession, to offer them an attractive career path and to combat all forms of discrimination towards them. A seventh DRIETS-approved agreement<sup>(1)</sup> was signed for the 2019-2022 period. La Poste has allocated a €23 million budget to the disability policy over the duration of the agreement, of which 60% is dedicated to maintaining employment. With nearly 14,000 employees with disabilities, La Poste is the leading employer of people with disabilities in France. And this rate is increasing every year. In 2022, it was 8.77% (versus 8.66% in 2021). It also hires work-study students and temporary workers with disabilities. An eighth agreement was signed by all the trade unions on 6 January 2023 for the 2023-2025 period and approved by the DRIETS on 2 February 2023.

La Poste also takes part in initiatives to promote the employment of people with disabilities and has an active awareness-raising and communication policy. In 2022, as part of the European Week for the Employment of People with Disabilities (SEEPH), La Poste once again took part in *DuoDay* and offered 159 discovery internships to people with disabilities to help them learn more about La Poste jobs. Awareness-raising of neuro-atypical profiles was conducted within the company.

La Poste has 150 disability advisors present in all its businesses and throughout the country to support employees. Four advisors promote the accessibility of digital tools.

## Promoting diversity, inclusion and equal opportunities

Ten years ago, La Poste introduced a Recruitment Charter where it commits to providing equal opportunities, considering all applications and showing objectivity and respect in the recruitment process. It uses several methods to promote diversity in its recruitment processes (recruiting in priority urban neighbourhoods, vocational training contracts, apprenticeship contracts and simulation-based recruitment). As a signatory of the Charter for Diversity since 2006, the group also has a Code of Ethics and internal rules of procedure, which detail its commitments towards preventing discrimination.

La Poste is resolutely committed to preventing and combatting sexism. It does so through training and communication initiatives, the appointment of designated works council officers and the provision of a whistleblowing system allowing postal workers to report sexist behaviour and comments. It is involved in the #StOpE initiative aimed at combatting everyday sexism in the workplace, which counts 200 participating companies. An enhanced system for preventing and handling incidents of harassment has also been rolled out throughout the company, with the support of a network of trained officers.

La Poste renewed its commitment to families by signing the Well-Being at Work Observatory (*Observatoire de la Qualité de Vie au Travail*) Parenthood Charter, which aims to promote a positive image of parenthood in the Company, create a favourable conditions for working parents, in particular for pregnant women, and respect for the principle of non-discrimination towards the professional development of working parents.

In 2022, La Poste received two awards for its policy in favour of employees who are also carers, one from the Well-Being at Work Observatory for the parenthood awards, and the other from AFL Diversity and Mixity for the first Diversity & Inclusion Grand Prize.

In March 2022, La Poste signed the first inter-company commitment agreement in France, at the initiative of the Club Landoy, for the over-50s in companies. Its commitments span recruitment, training, job retention, support for career development, well-being at work, retirement and awareness-raising of age-related stereotypes. To promote diversity within the company, La Poste has also run a new communication campaign on stereotypes related to gender, sexuality, origin and disability. The goal is for the group to reaffirm its commitment to the fight against all forms of discrimination. For example, the Services-Mail-Parcels business line renewed the Diversity label to recognise its active policy in favour of equal opportunities and combatting discrimination. A communication campaign was rolled out in 2022.

Lastly, La Poste awarded 11 All Different All Successful trophies. Open to all of the group's entities and subsidiaries, this competition recognises and rewards teams that implement original initiatives in the fields of diversity, inclusion and disability.

(1) Interdepartmental regional directorate for the economy, employment, labour and solidarity.

## Ensuring respect for human rights and fundamental freedoms

La Poste Groupe continues its ongoing commitment to respecting human rights and fundamental freedoms, whether these are the rights of its employees, its customers or its business partners, in all of the regions where it operates. In its activities and its sphere of responsibility, the group adheres to and promotes the principles of international human rights treaties, and also the provisions of the fundamental conventions of the International Labour Organization (ILO) and the United Nations guiding principles related to companies and human rights.

It has been a member of the United Nations Global Compact since 2003 which entails committing to the respect of freedom of association and the right to collective bargaining, helping to eliminate of all forms of forced and compulsory labour, working

towards the effective abolition of child labour, and working to eliminate discrimination related to employment and occupation. For example, Geopost, which is growing internationally, signed the UNI Global Union global agreement in 2017 on fundamental human rights and freedom of association. The agreement applies to all of its entities and confirms the group's commitments to respecting human rights.

In line with these commitments, the group also deploys prevention policies to promote the rights of its employees. For example, since 2020, La Banque Postale has analysed all of its funds and mandates using a matrix that includes human rights criteria.

Lastly, the group's duty of care plan takes into account the assessment of risks of serious violations of human rights and fundamental freedoms in its activities (see Section 8.1 "Duty of care plan" of this Universal Registration Document).

### 4.2.1.3 Results

	La Poste Groupe in Europe	
	2022	2021
Workforce on permanent contracts (as a %)	95.7	94.0
Revenue (as a %)	10.5	9.0
New hires on permanent contracts	22,321	17,925
Hires of people aged under 25	5,175	3,933
Work-study students	5,117	5,743
Rate of hires with BOE status (as a %) <sup>(a)</sup>	8.77	8.66
Proportion of women in the Company (as a %)	47.3	47.4
Proportion of women in the top 10% of positions of responsibility (as a %) <sup>(a)</sup>	44.9	44.8
Gender pay gap (as a %) <sup>(b)</sup>	(5.1)	(5.7)

(a) La Poste SA scope.

(b) Partial consolidation of Geopost's European subsidiaries in 2021 and 2022, based on available data.

## 4.2.2 Developing the employability of postal workers



### 4.2.2.1 Ambition

In a context of digital, environmental, demographic and regional transitions, La Poste Groupe supports employees in adapting their activities and skills to accelerate the development of new growth drivers for the benefit of society as a whole. It is developing forward-looking human resources management to support changes and offer employees new career paths.

La Poste Groupe is also strengthening its commitment and policy in terms of managing the employment and career paths of its employees by giving priority to internal mobility. The fluidity of internal employment is one of the major components of the "La Poste, committed with postal workers" agreement signed on 4 May 2021, which creates the conditions and gives each

employee the means to have a progressive career path and to prepare for new activities under development within the group. Equal opportunities and diversity accordingly rank as founding principles of the group's HR policy and guide the actions of the managers and HR teams that contribute to employee recruitment, mobility and development.

Training has always been a priority means for developing the employability of postal workers. The agreement of 4 May 2021 reaffirms this ambition and provides each employee with access to training throughout their career and tool to cope with changes in the working environment for the benefit of all customers.

### 4.2.2.2 Policies and actions

#### Developing an approach that anticipates employment needs

La Poste has adopted a policy of anticipating employment needs:

- the role of the Jobs, Skills and Qualifications Observatory has been strengthened to better anticipate changes in job profiles and skill development guidelines. It is chaired by the group's Human Resources Department and is made up of the business lines' HR departments and trade union representatives. The work of this observatory is reflected in concrete initiatives: awareness-raising among employees on the links between certain professions; identifying the training available to progress and reach a desired position; attracting new talent through opportunities identified within the Company; promoting professional development opportunities. The annual meeting of the Jobs, Skills and Qualifications Observatory was held in November 2022;
- to promote work-life balance, La Poste implements an employment and career path management plan at the local level. The aim is to match recruitment needs with postal workers' career development expectations. The group's Mobility and Recruitment Spaces have become more professional without abandoning their regional roots. The aim is to provide end-to-end local support, with easier access to expertise and information on all the professional development opportunities available to postal workers throughout the group (parent company and subsidiaries);
- to support the group's transformation challenges, La Poste has set up a talent management policy. The goal is to support management in identifying key positions in the organisation, anticipating needs by identifying and preparing employees for high-stakes positions and preparing holders of key positions and their successors through professional development initiatives and opportunities.

#### Promoting mobility and career paths

The group offers various professional development opportunities:

- La Poste encourages employees to be proactive in their professional development and creates the conditions for them to do so: a fluid internal job market, open calls for applications on the Job Exchange, common internal mobility rules, an intranet site dedicated to professional development. The group Recruitment and Mobility Department, whose teams are spread throughout the country, supports managers, HR teams and postal workers in their local area, to meet recruitment needs and assist postal workers in their mobility plans. The volume of job offers on the Job Exchange and the number of postal workers enjoying professional development are changing, in a tight job market. In 2022, 18,368 offers were made to postal workers and 20,641 postal workers obtained professional development during the year (12.2%). Some 12,816 new postal workers received professional development support from the mobility and recruitment teams in 2022. In addition, 9,275 applications are already being reviewed. Support is provided in the form of group or individual workshops, depending on the theme. In 2022, 18,614 employees participated in these workshops;

- in 2022, the group launched a wide-ranging mobility survey of 36,500 employees in the various business lines and subsidiaries, excluding Geopost. 25% of them responded, and the process served to identify the key success factors for mobility, its main obstacles and the best way of lifting them. The main areas of improvement in terms of mobility in 2023 have been clearly identified: support for applicants; transparency and fair treatment; cross-functionality within the group; application tools and compensation;
- La Poste is innovating and improving the employee experience. It has set up virtual job fairs in all regions to promote the professional development of employees. Employees were also able to exchange views with job counsellors by chat. These virtual fairs are five times more popular than face-to-face job forums. National and local mobility fairs are scheduled for March 2023 to promote jobs in the group and give participants all the visibility and support they need;
- La Poste precisely identifies postal workers' career development wishes during annual interviews with managers. Human Resources and managers also support employee mobility by sharing information related to financial support for mobility in advance;
- using the new internal mobility mechanisms to support the recruitment process, facilitating mobility between the companies of the group (i.e., "signposted paths" and "pioneer paths"), La Poste rolled out some 20 new paths in a wide range of jobs in 2022. A total of 569 postal workers used these paths in 2022, allowing them to change careers more easily;
- in line with a human resources management policy focused on skills development, in 2021, La Poste simplified access to internal promotion by making promotion systems more functional and focused on recognising employee skills. In 2022, 16,283 employees were promoted, i.e., a promotion rate of 8.2%. La Poste also supports employees who wish to transfer into other activities;
- in response to employee requests for transfers to one of the three public functions (State, regional and hospital), La Poste has implemented a support system for its civil servants and contract staff. In 2022, La Poste helped 141 employees transfer to the public sector;
- La Poste also has an active policy to support its employees' own entrepreneurial projects (creation or takeover of a business). The policy includes support from specialist advisors, access to training, adjusted working hours, financial assistance, post-set-up monitoring, and the right to a smooth return to work, if needed. In 2022, 224 employees successfully set up or took over a business;
- La Poste also helps employees transfer into the growing social and solidarity-based economy (SSE), which offers a wide range of roles. The Dynamic Alliance partnership has supported several types of project: professional development for SSE organisations or end-of-career commitment to a public interest cause, for example. Several events were held in the regions to mark the solidarity-based economy month, to inform and guide postal workers interested in getting involved.

## Investing and innovating for employee skills development

La Poste is committed to investing at least €200 million per year over the term of the “La Poste, committed with postal workers” employee agreement to support vocational training.

To better support employees in developing their skills and to improve the clarity of the training available, in 2022, La Poste continued to simplify access to training. In this way, La Poste is improving the employee experience by providing individual postal workers in all business lines with a tailored training programme.

La Poste Groupe’s skills development priorities cover four main areas:

- accelerate digital transformation, develop digital trust services and contribute to digital inclusion;
- facilitate, support and advance the managerial culture embodied by each manager in the company;
- promote and embody the customer culture, and spread it among teams and employees;
- raise awareness of CSR issues among postal workers so as to emerge as a leader in the environmental transformation.

In 2022, La Poste obtained Qualiopi certification for all of its training organisations. This includes the group Institute, the School of Banking and Networking, the Services-Mail-Parcels business line university and the Formaposte centres, which train work-study students in La Poste Groupe’s businesses. Qualiopi certification is valid for three years and is renewable. It is issued by the French Accreditation Committee (Cofrac) and attests to the quality of the skills development process.

The roll-out of major training programmes was strengthened in 2022. They facilitate the transformation specific to each business lines and the development of new offerings for customers. This training is provided by:

- the Banking and Network School, which supports the development of the business skills of employees of La Banque Postale, Financial Services and the Retail Customers & Digital Services business line. In 2022, more than 2.2 million hours of training were provided;
- the Services-Mail-Parcels University, which supports the development of the business line towards the jobs of tomorrow. In 2022, more than 1.4 million hours of training were provided,
- the Group Institute also supports and accelerates the professionalisation of the support departments on cross-functional topics such as project management, cross-functional management and customer focus, as well as on business topics such as risk management, finance and real estate skills, purchasing and HR. In 2022, 677,026 Group Institute training courses (e-learning, face-to-face, virtual classes, conferences, etc.) were attended by 86,683 postal workers, representing 660,947 hours of training:

- training for management skills offered by the Group Institute. This training meets the expectations of the new management culture, which embodies La Poste’s values, is a source of commitment and a lever for the success of the strategic plan. Priority has been given to seven key attitudes: Be customer-centric, give meaning, cooperate, empower, develop, recognise and promote innovation. At the end of 2022, 9,903 managers had taken part in one of the Group Institute’s programmes (i.e., 24,297 training sessions). In addition, 1,299 new managers have been hired under the New manager programme since the beginning of the year,
- a cross-functional training offering for all employees, aimed at reinforcing the Company culture and its values in different areas. These training courses are offered online and are accessible from the library of digital resources.

Expanding the management culture is one of the secrets to the success of the “La Poste 2030, committed for you” strategic plan. Of the seven key attitudes of the managerial culture (being customer-centric, giving meaning, cooperating, empowering, developing, recognising, promoting innovation) cooperation was chosen as a priority. La Poste is rolling out a new, structured approach demonstrating a determination to change attitudes, practices and culture in favour of a more cross-cutting approach and heightened cooperation. In 2022, the scheme covered the group’s 140 top managers. It will be extended from 2023. It is a win-win approach for all stakeholders, improving well-being at work and engagement among postal workers while at the same time enhancing the customer experience.

Through the *Cap Compétences Numériques* programme, La Poste continued to support employees in developing their digital skills in 2022. The programme provides each employee with training adapted to his or her needs in terms of digital, artificial intelligence and data skills. In its strategic plan “La Poste, committed for you”, La Poste has set itself the target of training all employees in digital technology, AI and data by 2025. More than 50,000 postal workers have already received training since 2021.

In June 2022, to extend its pool of over 400 data and AI experts, La Poste Groupe launched its Data and AI School, which will enable group employees to train for strategic jobs in high demand in the market. In 2023, Data-IA will offer certified courses to some 50 employees (19 postal workers will be trained to become data analysts, and over 30 work-study students (apprenticeship and vocational training contracts) will receive training to become data engineers or data scientists. Ultimately, 250 people from all walks of life (postal workers, job seekers and young people on work-study programmes) will be able to join this school.

### 4.2.2.3 Results

	La Poste Groupe in Europe	
	2022	2021
Total number of training hours	4,789,118	5,518,097
Proportion of employees having attended at least one training course during the year (as a %)	86.9	92.3
Number of training hours per employee	22	24
Promotion rate (as a %)	8.2	8.3
Proportion of employees having attended at least half a day of training during the year (as a %)	80.0	82.0
Training expenditures as a proportion of payroll (as a %) <sup>(a)</sup>	4.1	4.8
Proportion of employees having attended a digital training course during the year (as a %) <sup>(a)</sup>	20.8	N/A

(a) La Poste SA scope.

	La Poste Groupe in France	
	2022	2021
Number of employees who have progressed professionally	20,641	18,532
Offers on the Job Exchange	18,368	21,559
Number of employees supported by the Mobility and Recruitment teams	12,816	27,918

## 4.2.3 Improving well-being at work and protecting occupational health and safety



### 4.2.3.1 Ambition

Well-being at work drives performance for La Poste Groupe and commitment for employees. Improving well-being at work and protecting occupational health and safety for employees is the primary focus of the “La Poste, committed with postal workers” employee agreement signed on 4 May 2021.

The group offers a range of measures to develop the well-being at work and the engagement of postal workers, keeping pace with employees’ changing expectations. While keeping a watchful eye on the quality of their employee experience, it measures the well-being at work of postal workers each year (engagement survey). This policy is supported by management, human resources managers, occupational health services, prevention specialists and social workers throughout the company, all working closely with employee representatives.

### 4.2.3.2 Policies and actions

#### Improving well-being at work

Improving well-being at work contributes to the Company’s performance and employee commitment.

La Poste is stepping up actions to promote well-being at work in all entities:

- the Well-Being at Work Essentials approach aims to provide concrete responses to situations in which teams experience stress and difficulties in doing their jobs well. This can cover any aspect of day-to-day work, from work organisation, autonomy and recognition to change management and working relationships. Postal workers are involved in this process through working groups in place to analyse the causes of the risks identified and propose solutions. The Well-Being at Work Essentials approach has been launched in all business lines and will continue each year. It

contributes to the prevention of psycho-social risks in the Company and the Occupational Health, Safety and Working Conditions Committees are also involved;

- in 2022, the setting up of work discussion areas as part of the *ParlonsZen* approach continued in the operational departments and in the support functions. These discussions give teams and their direct managers the opportunity to discuss everyday work and working conditions. They lead to ideas to support teams, give value to their work and improve things that are not working well. Managers are trained to lead these discussions. The topics are proposed by team members and selected ideas resulting from the discussions are intended to be implemented and monitored;
- with more than 50,000 people joining La Poste or changing jobs each year, welcoming new arrivals and postal workers changing jobs is key to their engagement and team performance. The “Welcome to La Poste” approach, including a digital onboarding programme, is available to introduce people to the company and help them find their feet;
- the development of remote working: on 15 September 2022, La Poste and the trade unions signed a second amendment to the employee agreement to extend the current arrangements on remote working. La Poste and the signatory trade unions wanted to capitalise on the hybrid work experiences developed during the health crisis. At end-2022, 38,832 employees had to option of working remotely;
- La Poste reaffirms the right to disconnect. While taking into consideration the structure of the Company, which operates 24 hours a day, this right is organised on the basis of a reference disconnection time determined for each employee with a blanket disconnection window across all employee work stations;



- La Poste applies a change management method when implementing major projects that change how work is organised: from project launch to post-completion assessment, this method involves the sharing of meaning, discussing projects with employees, and providing ongoing information on project progress to employees. The method also involves an impact study where individual employees give feedback to the Company about their working conditions and work-life balance;
- measures are available to support employee caregivers, including the possibility of obtaining days from a caregiver solidarity fund endowed by La Poste, the publication of a guide for caregivers and a dedicated telephone helpline to provide them with personalised support and advice. La Poste was awarded the Grand Prix Diversity and Inclusion 2022, organised by AFL Diversity with the support of Mixity, for its policy in favour of carers;
- efforts to improve workplace mediation have also yielded encouraging results: 87% of cases were settled out of court in 2022 (up 5% on 2021) and the number of training initiatives doubled. In addition to individual mediation, La Poste has developed collective mediation. In 2021, La Poste became the first company to have its community of mediators certified by the Paris Mediation and Arbitration Centre (CMAP); 12 postal workers subsequently received their individual diplomas, also issued by CMAP, in 2022;
- lastly, La Poste each year measures postal workers' perceptions of well-being at work through its engagement survey. It extended the process to the group level in 2022. The score has been improving steadily since 2016.

### Ongoing prevention initiatives

The prevention of psychosocial risks and hardship is a key focus of the "La Poste, committed with postal workers" employee agreement to enable all employees to feel at ease at work.

In concrete terms, La Poste's prevention policy is reflected in:

- reinforced prevention of workplace accidents and musculoskeletal disorders: deployment of work equipment to reduce risks (elimination of motorised two-wheeled motorcycles and use of three-wheeled Stabys to reduce

driving risks, use of warehouse assistance tools or exoskeletons and other equipment adapted for post offices, etc.), launch of a study on workstations under authentic conditions in conjunction with CNAM<sup>(1)</sup>; this policy has significantly reduced accidents;

- protective equipment and preventative measures for service-sector workstations (adjustments and advice on ways to reduce fatigue and other negative effects of working at a screen);
- training modules for managers and employees on reducing handling and posture risks at work, preventing rude behaviour and external aggression, prevention training programmes for the prevention function, site managers and CHSCT chairs, and the continuation of accreditation schemes for all employees whose jobs involve driving;
- the deployment of a plan on customer interaction and managing disrespectful behaviour. Its aim is to promote actions geared towards reducing the rude behaviour faced by postal workers in their jobs in the most highly exposed post offices. A new action plan was launched in 2022, providing for strong, short-term actions to noticeably contain incidents in the post offices most affected by aggressive behaviour in terms of recurrence and severity. La Poste will file a complaint alongside the postal worker in the event of physical assault;
- better consideration of physically taxing career paths for employees to avoid the risk of partial or total incapacity;
- support for people who are absent from the Company for an extended period of time, which includes facilitating their return to work;
- a telephone-based listening and psychological support system accessible to all employees 24 hours a day and another phone number specifically intended for HR managers and employees.

La Poste has its own healthcare service team to monitor the occupational health of employees and a support service for employees who are experiencing difficulties in their professional and/or personal life. At the end of 2022, it had more than 543 people dedicated to medical and social support (occupational health doctors, occupational nurses, occupational healthcare assistants and social workers).

### 4.2.3.3 Results

	La Poste Groupe in Europe	
	2022	2021
Rate of absence for sickness (in days)	7.2	6.7
Number of days of absence due to workplace or commuting accidents or occupational illness <sup>(a)</sup>	796,568	833,316
Workplace accidents with time off	7,952	8,635
Frequency rate (as a %) <sup>(b)</sup>	19.3	20.2
Severity rate (as a %) <sup>(c)</sup>	1.36	1.41

(a) Based on the number of employees excluding fixed-term contracts; days of absence are counted in calendar days.

(b) Based on the number of civil servants, permanent and fixed-term contracts (excluding trainees); number of workplace accidents (excluding commuting accidents) with time off per million hours worked, calculated on the basis of the average number of employees multiplied by the number of annual working hours; method of calculating the frequency rate as at 31 December, with one month of consolidation.

(c) Civil servants, permanent and fixed-term contracts; number of days off due to workplace accidents (excluding commuting accidents) per thousand hours worked. The days lost for workplace accidents are counted in calendar days. The number of workplace accidents with time off as well as the number of days off due to accidents were taken from the HR management systems on 31 December.

(1) National Health Insurance Fund.

## 4.2.4 Offering a wide range of compensation and benefits packages



### 4.2.4.1 Ambition

In its transformation, La Poste Groupe strives to apply a fair and high-quality compensation policy conceived in a long-term approach and reflecting the performance, level of responsibility and professional environment of each postal worker. The compensation policy fits into a broader approach to career support and professional development. It is a driver of engagement and motivation for each postal worker, and a source of recognition for their work.

Aligned with the group's ambitions and values, the compensation policy has five key principles:

- **fairness:** La Poste Groupe ensures that postal workers receive fair pay in keeping with their career paths and expertise;
- **recognition of performance and contribution:** items of compensation are adjusted according to each individual's contribution, performance and skills development;
- **gender equality and non-discrimination:** women and men enjoy the same career opportunities, and any pay gaps are corrected. Each year, the group allocates an amount to correct pay gaps between women and men. A special measure for that purpose is included in mandatory annual wage negotiations;
- **transparency:** to ensure that each employee understands his or her compensation, the principles and rules of management exist in writing. They can be accessed by all employees and are distributed widely. La Poste Groupe is gradually rolling out an individual social bulletin (ISB) for each postal worker;
- **employability and attractiveness:** the group assesses each employee's compensation in view of internal and external practices and ensures that changes in compensation match the group's economic position, and opportunities for mobility and career development.

### 4.2.4.2 Policies and actions

#### Implementing a comprehensive compensation policy

The compensation and benefits policy is based on La Poste's values: fairness, diversity, recognition of skills and reflecting the performance and responsibilities of each employee.

#### Wage policy

Special measures apply to civil servant employees in the public sector (point accumulation system).

For contract staff, the compensation policy is set out in the Company agreement (Convention commune) and through mandatory annual negotiations. The compensation policy primarily comprises an annual negotiated increase as well as a certain progression in level of seniority to recognise expertise developed on the job. It is supplemented with possibilities for promotion which add value to career paths and making progress. Additional compensation to help cover certain family responsibilities takes into account changes in employees' personal lives.

In 2022, in a challenging economic environment, La Poste introduced a series of measures geared towards easing cost-of-living constraints for postal workers and rewarding their commitment to the group's ongoing transformation. As such, since October 2021, the first levels on the pay scale (first five levels 1.2, first three levels 1.3 and first level 2.1) have been raised several times, bringing the average wage increase to 7.2% by the end of 2022.

For senior executives, the compensation policy includes both changes in fixed compensation based on individual contribution and potential and in the variable portion based on annual targets, both quantitative (economic result) and qualitative (ESG indicators, such as occupational health and safety, well-being at work, management, social responsibility, sustainable development/CSR/ESG).

The sales force (Mail and Parcels sales people and banking advisors, i.e., more than 10,000 people) benefits from a variable compensation system adapted to the commercial action policy of the business and retail services for the banking, insurance, digital, media, healthcare, Services-Mail-Parcels, logistics and telephone markets.

#### Optional employee profit-sharing

On 22 June 2021, an optional employee profit-sharing agreement for the 2021-2023 period was signed by La Poste, the CFTD and FO trade unions, the *Osons l'Avenir* CFE-CGC/CFTC union group, and UNSA-Postes. This plan draws on the fundamentals of profit-sharing by aligning the interests of La Poste SA employees with those of the group. The calculation of the basic amount under the profit-sharing scheme is based on the net profit attributable to owners of the parent, which includes the results of La Poste and its various subsidiaries, prorated in line with the parent company's equity interest. In addition, the agreement provides for four new indicators varying the basic amount of profit-sharing: three NPS (Net Promoter Score) indicators and the rate of digital training for postal workers.

In order to strengthen the unity of the Company, this agreement, like the previous ones, provides that each full-time employee present for a full year, regardless of their grade or business line, receives the same profit-sharing amount.

Based on the group's 2022 results, all postal workers will receive a €958 gross profit-sharing bonus in 2023 (full-time equivalent amount for an employee who worked full time).

most of the group's French subsidiaries also have employee profit-sharing agreements. Throughout the Covid-19 crisis, La Poste maintained the full net salary for its employees who could not perform their normal duties (for health or childcare reasons) and were unable to work remotely.

#### Employee savings

In December 2006, La Poste and five trade unions (FO, CFTD, CFTC, CGC and UNSA Postes) signed two agreements: the group savings plan (*Plan d'épargne groupe* - PEG) and the collective retirement savings plan (*Plan d'épargne pour la retraite collectif* - PERCO). By signing on 10 September 2020 an amendment with the trade unions (CFTD-F3C, FO-COM, *Osons l'Avenir* CFE-CGC Groupe La Poste/Fédération CFTC Média+ list and UNSA-Postes), La Poste has enabled postal workers to benefit from the PERCOL (collective retirement savings plan), which replaced the former PERCO fund on 1 October 2020.

These collective savings plans set up by La Poste are also open to certain French subsidiaries that meet the conditions for membership. To date, 17 subsidiaries have chosen to join La Poste SA employee savings schemes.

La Poste makes a contribution on top of the amounts that employees pay into their PEG and PERCOL accounts. The subsidiaries which have signed up to the plans are free to set their own contributions. The amounts paid into the PEG and the PERCOL are invested into a diverse range of socially responsible investment (SRI) employee mutual funds, exclusively dedicated to La Poste Groupe. La Banque Postale Asset Management (LBP AM) is responsible for the financial management of these funds.

In terms of governance, a joint Supervisory Board has been set up for all La Poste mutual funds. This board comprises an equal number of employee shareholder representatives and group employer representatives who are also participants in the employee savings plans.

**Statutory employee profit-sharing programme:** currently, there is no statutory employee profit-sharing programme in place at La Poste. Article 12 of French law no. 2010-123 of 9 February 2010 provides for its possibility under the conditions provided for by decree of the French Council of State (*Conseil d'État*), but its implementation remains subject to the intervention of a decree (provision of Article L. 3321-1, paragraph 2 of the French Labour Code). The subsidiaries, however, are required to operate employee profit-sharing programmes.

**Employee share ownership:** Article 1 of French law no. 2010-123 of 9 February 2010 stipulates that La Poste's share capital shall be held by the French State and by other public sector shareholders, except for any shares that may be held under employee ownership schemes.

**Pension plan:** the pension scheme applicable to La Poste employees depends on their employment status: civil pension scheme for civil servants, general scheme for contract staff. For the civil servant pension scheme, the group pays employer contributions in full discharge of its liability for pension payments pursuant to French law no. 2006-1771 of 30 December 2006. Under the competitively fair rate principle, the rate of this payment is calculated in such a way as to equalise the levels of wage-related social security and tax charges between La Poste and other companies under ordinary social security arrangements, applying this principle to risks common to contract staff and civil servants.

**Supplementary social security cover plan:** an obligatory group supplementary pension and healthcare cost payment plan has been in place for contract staff since 2006 via an agreement dated 19 May 2006. Given that the contributions are spread over the whole scheme, this assists families and employees with lower incomes. In the case of civil servants, a healthcare cost repayment scheme has been in place since 1 January 2012, pursuant to French law of 9 February 2010 (Law no. 2010-123 of 9 February 2010 on the La Poste public sector company and postal business).

In 2022, nearly 291,000 people covered were able to benefit from mandatory collective health benefits: contract staff, civil servants, spouses and eligible children. Staff from the subsidiaries are covered by plans specific to each company.

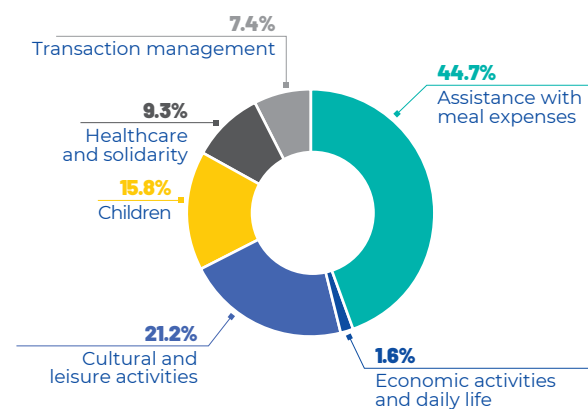
## Adapting benefits to the daily lives of employees

La Poste's policy on benefits in kind is co-developed with trade unions and associations. Its aim is to promote the work-life balance of employees in support of and adapted to the needs of each individual.

The in-kind benefits offered to all La Poste SA employees represented a total budget of €183 million in 2022 (versus €186 million in 2021) and respond to the everyday needs of employees:

- assistance for parents with childcare, stays at summer camps and academic support;
- assistance with meal expenses;
- offers for holidays and leisure and sport activities.

## Breakdown of spending on benefits in kind



## Providing housing for postal workers

To do their job in satisfactory conditions, postal employees need accommodation close to their place of work. Local management lines are also confronted with the issue of affordable housing, especially in areas where market prices are high. That is why La Poste is extending its housing offering to include intermediate housing and home ownership, with associated services (guarantees, financing and assistance for renovation work). This approach demonstrates La Poste's role as a committed employer and extends the list of solutions offered to postal workers, adapted to each stage of their residential, professional or personal life.

The employee housing policy is now an important element of La Poste Groupe's employment policy. La Poste is the main contributor to the PEEC scheme: employer contribution to the construction effort (*Participation de l'employeur à l'effort de construction*). It has implemented a proactive policy under a series of agreements negotiated and signed with all trade unions. The policy is based on the range of services offered by Action Logement and a historic stock of over 17,100 social housing units for working and retired populations, managed by the Poste Habitat group. In addition to the compulsory contribution to the PEEC scheme, La Poste also makes voluntary investments through housing agreements.

The agreement on La Poste's employee housing policy, signed for the 2020-2022 period, perpetuated the assistance already in place and ushered in new offers to support employees depending on their situation (energy efficiency improvements and renovation work, adaptation of housing to PRM<sup>(1)</sup> accessibility standards, changes in the family structure, etc.).

The housing offers (temporary housing, rent controlled housing, access to intermediate housing, home ownership) and the related services (advice, guarantees, home loans, construction project loans, financial assistance), as well as new support for energy efficiency adaptation and renovation projects, enable La Poste to offer solutions tailored to employee needs at each

stage of their housing experience, their professional development or their personal life. Thanks to this policy, over 10,950 postal workers received assistance in 2022. Of them, 2,502 were given access to housing (in 2,116 of the cases (19.4%) concerned rent-controlled housing). Overall, these results are up compared with those of the last five years, especially for employee access to social housing.

In addition, through the social housing fund, La Poste has signed over 56 agreements with social housing providers throughout France, enabling postal workers in regional areas to benefit from new offers.

In 2022, 10,950 employees benefited from housing solutions.

### 4.2.4.3 Results

	La Poste Groupe in Europe	
	2022	2021
Average annual gross compensation (in €) <sup>(a)(b)</sup>	34,848	33,693
Number of employees with a group savings plan (PEG) and/or a collective Company retirement savings plan (PERCOL) <sup>(c)</sup>	168,984	169,518
Net contribution paid by the Company (in €m)	38	33
Proportion of socially responsible investments in employee saving plans (PEG & PERCOL) (as a %)	88	88

(a) Calculation based on the gross fixed compensation paid. The average compensation includes monthly compensation but does not include variable bonuses. The number of employees taken into account is the average number of FTE employees for the year.

(b) Partial consolidation of Geopost's European subsidiaries in 2021 and 2022, based on available data.

(c) La Poste and some subsidiaries, such as Mediapost, are members of the group savings plan (PEG) and collective Company retirement savings plan (PERCOL). La Banque Postale has its own employee savings schemes (PEG and PERCOL).

	La Poste Groupe in France	
	2022	2021
Change in average annual gross compensation YoY (as a %) <sup>(a)</sup>	+3.8	+2.2
Employee profit-sharing payment (La Poste SA) (in €m)	181.3	125.5

(a) Calculation based on the gross fixed compensation paid. The average compensation includes monthly compensation but does not include variable bonuses. The number of employees taken into account is the average number of FTE employees for the year.

## 4.2.5 Maintaining ongoing dialogue with employees



### 4.2.5.1 Ambition

La Poste Groupe is committed to constructive social and economic dialogue in keeping with the company's values and constraints.

In a period of considerable transformation, the group brings together the entire workforce to develop a shared project based on ongoing and constructive employee dialogue that respects diversity of expressions.

### 4.2.5.2 Policies and actions

#### Employee agreements in support of Company development

Reflecting dynamic social dialogue with all representative trade unions, 16 agreements<sup>(2)</sup> were signed in 2022. They focus especially on job quality, well-being at work, and skills and career development. La Poste's commitments include the following:

- a guarantee of full pay for employees forced to reduce their workload (vulnerable people);
- an amendment to the remote working agreement;

(1) People with reduced mobility.

(2) This figure does not include the agreement on methodology.

- an agreement on gender equality in the workplace covering a period of three years, signed with the CGT, CFDT, FO, CFE-CGC/CFTC *Osons l'Avenir* list and UNSA-Postes unions on 21 July;
- an eighth agreement on the employment of people with disabilities, signed in early January 2023. This three-year agreement will allow La Poste to continue expanding its commitment to facilitating the working life of postal workers with disabilities by introducing robust innovations in terms of working conditions for all postal workers concerned, regardless of their disability;
- an agreement resulting from the mandatory annual negotiations and an amendment signed on 15 September 2022 to the 9 March wage agreement;
- business line agreements: the *Réussir Ensemble* (Succeeding together) agreement for the financial services business line, the "Reciprocal commitments" agreement for the Retail Customers & Digital Services business line, and an amendment to the "Agreement for postal carriers, supervisors and delivery and processing employees" for the Services-Mail-Parcels business line.

In addition to these agreements signed within La Poste SA, 160 agreements were signed at the level of the group subsidiaries in France, 116 at the level of the group subsidiaries in Europe and 37 in the rest of the world. 100% of group employees in France are covered by employee agreements.

## Monitoring the commitments of current agreements

La Poste relies on a professional HR Department to support the management line and ensures the proper implementation of the commitments made in employment agreements through the following:

- agreement monitoring commissions who share results with trade unions and employees;
- an HR department that works closely with operational staff and contributes effectively to improving the employee experience. Local human resources managers are present in all postal establishments. They improve the employee experience in all aspects of professional life, while respecting the confidentiality and freedom of expression of all. Specifically, they:
  - inform and handle HR management issues and facilitate communication by being available via an HR chatbot accessible to all employees and on all media (smartphone, etc.),
  - inform and advise on professional development and support managers in this regard,
  - act as trusted advisors for employees experiencing difficulties, regardless of whether they are professional or personal.

## Bringing employee dialogue to life

### Status of staff

Made up of both civil servants and contract staff, La Poste strives to apply common HR rules to everyone, with each Company establishment comprising both civil servants and contract staff at the same workstations.

Since 2002, new employees have been hired by the group exclusively as contract staff. The number of employees governed by public sector legislation has been in steady decline and represented 21.2% of the group's entire headcount at the end of 2021 (24.3% in 2020).

According to French law no. 90-568 of 2 July 1990, civil servants fall under the general civil service regulations of the State and contract staff are subject to collective agreements. Law no. 2010-123 of 9 February 2010, relating to La Poste as a public sector company and to postal business, did not affect the provisions on the status of staff.

## Employee dialogue and representation

### Employee representative bodies at La Poste

They are governed largely by civil service law, with the exception of the Health, Safety and Working Conditions Committees (*Comités d'hygiène, de sécurité et des conditions de travail* - CHSCT), established at La Poste on 15 November 2011, and to be maintained until the Social and Economic Committees (*Comités sociaux et économiques* - CSE) are formed in 2024.

Because several personnel categories (civil servants, public contract employees and contract staff) work alongside one another, consistent representation and employee dialogue rules need to be ensured across the Company, as set forth in the 1990 law mentioned above. The law authorising the implementation of Social and Economic Committees at La Poste was passed by the National Assembly on 14 November 2022.

The collective representation of La Poste's employees will change accordingly by 31 October 2024 at the latest. Negotiations on the prospective changes are ongoing.

### Individual representation

The individual representative bodies are joint committees at national and local level (CAP for civil servants and CCP for contract staff and public contract employees). The elected representatives are called upon to give their opinion on the individual situations of staff, particularly in disciplinary matters. The most recent elections to the CAP and CCP took place in December 2022. Turnout for the CAP elections was 59.61%. The new terms of office will begin on 1 February for a four-year period.

The votes in the nationwide CAP elections were added to the results of the civil service elections to determine the representativeness of the various trade unions on the Civil Service Council.

### Collective representation

Pending the establishment of the Social and Economic Committees, the collective representation bodies for postal workers are unchanged:

- **Technical Committees (CT):** the elected representatives review issues such as the organisation and functioning of services, statutory regulations, workforce and skills management, training, skills development and professional qualifications, professional equality, gender equality and combatting discrimination. A National Technical Committee (*Comité technique national* - CTN) reviews national issues and projects and has access to specialised information, such as employment reports, but Local Technical Committees (*Comités techniques locaux* - CTL) at each operational delegation level (*niveau opérationnel de déconcentration* - NOD) are responsible for topics pertaining specifically to that NOD.
 

Since the Decree of 25 February 2016, the technical committees have been responsible for occupational health services at La Poste;
- **Health, Safety and Working Conditions Committees:** introduced in November 2011 in establishments with at least 100 employees, these committees cover all La Poste employees, whether civil servants or contract staff. The appointment of staff representatives to the CHSCT is based on the results of the last Local Technical Committee elections.

## 4 SUSTAINABLE AND RESPONSIBLE DEVELOPMENT

### An ambitious social commitment policy

#### Employee dialogue bodies

In addition to the aforementioned representative bodies, La Poste also offers several other forums for information, consultation and negotiation:

- the La Poste Employee Dialogue Committees (*Commissions de Dialogue Social de La Poste – CDSP*), which are composed of trade union representatives at the national or local level (business line and operational delegation level). Management shares information and/or engages in dialogue with these committees on various subjects. They also meet to negotiate collective agreements;
- the Group Strategic Employee Dialogue Committee (*Comité de dialogue social stratégique Groupe – CDSG*), created as a part of the 21 June 2017 agreement, covers La Poste and all of group subsidiaries with registered offices in France. This new body aims to provide trade unions with better information on the group's economic, social and financial situation and strategy.

#### Workplace elections

Elections were held in December 2018 and the four-year terms began on 1 February 2019. However, the law aimed at allowing the introduction of French Social and Economic Committees at La Poste extends these terms until 31 October 2024 at the latest. Turnout for these elections was 73%.

#### The Board of Directors

The seven employee representatives on the La Poste Board of Directors were elected by electronic vote from 7 to 10 December 2020 (participation rate of nearly 51%).

Elected for five years, they sit alongside the other 14 directors. (See Section 5.1.1 "Board of Directors")

The distribution of votes and seats is as follows:

- CFDT: 25.08% and two seats, including that for management grade employees;
- CGT: 23.96% and two seats;
- FO: 19.29% and one seat;
- SUD: 18.25% and one seat;
- CFTC/CFE-CGC: 13.42% and one seat.

#### The right to strike

	2022	2021	2020
Number of days of strikes per postal worker	0.3	0.4	0.4

## 4.3 AN AMBITIOUS SOCIAL COMMITMENT POLICY

Strengthened by its adoption of mission-led company status, which reinforces its action in terms of positive impact on society, La Poste continued to work hard in 2022 to meet its four commitments: contribute to the development and cohesion of local areas, foster social inclusion, promote ethical, inclusive and sustainable digital services, and work to accelerate the environmental transition for all.

### 4.3.1 Contributing to the development and cohesion of local areas



#### 4.3.1.1 Ambitions

Through its human proximity and technological maturity, La Poste helps tackle regional inequality. It gives local authorities the resources to act, enables retailers and companies to grow and gives citizens more freedom. To contribute to regional development and cohesion, La Poste is committed to:

- adapting its physical formats to local needs;
- supporting local authorities in their transitions;
- supporting local economic players in their development;
- developing a responsible purchasing policy;
- innovating to support regional ecosystems.

#### 4.3.1.2 Policies and actions

##### Adapting postal formats to local needs

La Poste Groupe aims to consolidate its physical footprint across France, with 40,000 postal service access points by 2025. By being ever more present thanks to the combined power of its physical, digital and human networks serving customers and citizens, La Poste is committed to combatting the regional divide. Through all of these channels, La Poste is in contact with:

- over 800,000 customers per day via its network of retail outlets;

- 23 million unique online visitors per month via [www.laposte.fr](http://www.laposte.fr), ranked among the leading French sites in terms of audience.

The 17,321 La Poste retail outlets offer their services within five kilometres, or 20 minutes by car, of more than 97% of the French population, in accordance with its public service mission. (see Section 1.3.2 "Regulations applicable to the public service missions").

The retail postal outlets comprise 7,001 post offices and 10,320 outlets operated in partnership with local authorities, retailers or associations.

Through its outlets operated in partnership, and especially the 402 accredited *France Services* counters, La Poste provides local support and maintains a presence as a large public operator in rural areas. This type of presence made it possible to assist 300,000 people with their online administrative procedures in 2022, on the sites of the nine partner public operators (*Caisse d'allocations familiales* for family benefits, *Pôle Emploi* for jobseekers, *Ameli* for healthcare, etc.).

La Poste also has 1,782 post offices in priority urban neighbourhoods.

## Supporting local authorities in their transitions

By offering numerous services in response to the challenges faced by local authorities, La Poste supports their public policies related to demographic, environmental and digital transitions in their regions. Thanks to its knowledge of the regions and their inhabitants, the group can offer numerous services to local authorities. It facilitates decision-making by elected representatives in the major areas of local public service activities by providing graphic and cartographic regional overviews on six themes: demographics, housing, the economy, health and autonomy, mobility and regional development.

As part of its development strategy and in keeping with its commitments to society as outlined in the Public Service Agreement, La Poste will contribute to the *Action Publique 2022* public action plan. This contribution includes simplifying access to services for all citizens in the regions, involving them in the co-design of public service activities and to promoting their digital inclusion.

La Poste also actively participates in the *Action Cœur de Ville* programme launched in December 2017. For the 222 participating cities, La Poste provides support for their strategies by mobilising physical and digital services in line with the new urban dynamics. These services focus on four major issues observed in the regions of participating cities:

- real estate and the hybridisation of services. La Poste proposes adapting existing locations to incorporate new services, such as serviced senior residences;
- revitalising local shops by providing digital tools to retailers in city centres using the *Ma Ville Mon Shopping* service;
- involving residents and all stakeholders in the life of the city: from the project design phase right through to project financing, and by using interactive tools such as the Cap Collectif participative platform that was used in the *Grand Débat*;
- supporting transitions towards sustainable cities through new forms of mobility (thanks to the Citizen's Bike offer, for example) and access to digital services, controlling and reducing energy consumption, in particular with the *Sobre Energie* tool.

In 2022, La Poste Groupe raised €1.2 billion through the issuance of a sustainable bond to fund environmental projects (clean transport, renewable energy, green buildings, energy efficiency, circular economy) or social initiatives (access to essential services, employment of the young and the disabled, job creation and development).

As the leading bank for local public sector financing and a long-standing partner of social housing landlords, La Banque Postale is the bank of choice for local authorities. It is:

- the bank of eight in ten social housing providers, accounting for 90% of France's social housing stock (5.3 million units);
- the second largest lender in the social housing market thanks to a full range of products and services, from cash and deposit management (rent collection solutions, *Livret A*, etc.) to short- and long-term banking and bond financing solutions.

It granted the local public sector €17 billion in financing to over 6,520 regional organisations (local authorities, social housing landlords, local public enterprises and healthcare establishments).

## Supporting local economic players in their development

By developing local services and appropriate financing solutions, La Poste supports local economic players and is a major player in regional economic development.

La Poste is developing a local offering for retailers, tradespeople and local businesses to support them in their development, through, for example:

- Proxi Courses: courier delivery of groceries, medication or cultural media to the home; this offering is a way to reach the most isolated households, particularly people with reduced mobility;
- Proxi Equip: assistance from postal carriers in setting up small equipment items and devices; this offering helps to reduce the digital divide and expand home services;
- Proxi Equip POS: installation of point-of-sale (POS) advertising for advertisers of consumer goods and for local authorities running prevention campaigns;
- *Ma Ville Mon Shopping*: an online sales platform providing an easy way for retailers, tradespeople, local producers and restaurateurs to offer their products.

La Banque Postale also finances non-profits, SMEs and other companies, supporting 7,500 micro enterprises, SMEs and mid-caps in this way. In addition to offering a complete range of products for SMEs, La Banque Postale has also become the leading bank for pension funds. It provides half of all supplementary pension payments in France.

La Banque Postale's Corporate and Investment Bank (CIB), created on 1 January 2022, has positioned itself from the start as a CIB endowed with a social purpose. In keeping with La Banque Postale's purpose, it is already implementing its ambition for society, notably through:

- its active role in funding the energy transition (green loans, impact loans, funding of renewable energy, soft mobility and energy-efficient building projects);
- its range of investment products;
- the creation of the Sustainable Banking hub to further develop its CSR offering among CIB clients;
- its deep roots in the regions and the funding of essential services for the population, regional development, healthcare and social housing;
- its commitment to non-profits, notably the Red Cross/AFM Telethon and Pièces Jaunes, a charity collecting donations of small change.

La Banque Postale also supports the collaborative economy and crowdfunding, in particular, which it is very active. KissKissBankBank & Co, a wholly owned subsidiary of La Banque Postale, is one of the leaders in crowdfunding in Europe.

## Developing a responsible purchasing approach

As an essential driver for the group's social commitments, the purchasing policy must convey values of leading by example, responsibility and commitment to all stakeholders. It addresses a volume of purchases exceeding €15 billion in France and internationally, from over 100,000 suppliers of all sizes and in all sectors.

As part of the "La Poste 2030, committed for you" strategic plan, the roll-out of the purchasing policy roadmap continued with the launch in March 2022 of a plan to strengthen the responsible purchasing approach at group level. This project has resulted in the reaffirmation of the group's commitment to this fundamental issue through:

- renewed commitment to the Responsible Supplier Relations Charter (RSRC);
- publication of the Responsible Purchasing Policy on the group's website in November 2022.

This policy rests on four fundamental and complementary pillars:

- enforce and promote human rights throughout supply chains;
- reduce the negative environmental impact of our purchases and suppliers, and encourage positive impacts;
- promote social inclusion and contribute, through our purchases, to the development of the regional economic and social fabric;
- build more responsible and ethical relationships with our suppliers.

Each of these pillars comes with binding targets and performance indicators. The policy is intended to be implemented through operational measures and action plans covering the entire purchasing process (see Section 8.1 "Duty of care plan").

As a local player, La Poste Groupe aims to reach €40 million in purchases from the sheltered and inclusive workplace sectors by 2025. To that end, the Purchasing Department and its members worked tirelessly throughout 2022 to allocate purchases of certain types of goods or services – printing or cleaning services, upkeep of green spaces, small maintenance equipment – in whole or in part, to social economy or economic integration players.

Lastly, in 2022, the purchasing policy made progress in its objective of formalising the environmental and social requirements and criteria used in the supplier selection process.

## Contributing to the vitality of local ecosystems

La Poste Groupe's socio-economic footprint, including its employment footprint<sup>(1)</sup>, reflects its local roots and contribution to the vitality of local ecosystems. The group's purchases and workforce support the equivalent of more than 446,000 jobs and represent a value creation of €15 billion. The purchases and wages of the six surveyed entities support 0.6% of French GDP and 2.0% of jobs.

## Innovating to support regional ecosystems

By developing local alliances with players in the social and solidarity economy, La Poste contributes to a more sustainable and inclusive economy to better meet the specific needs of each region.

Through its subsidiary Nouvelle Attitude, a company that promotes social integration through economic activity, La Poste helps people removed from the world of work return to employment. Through its Nouvelle Attitude in situ programmes, employees on integration programmes join La Poste Groupe's partner structures or take up positions among local economic players.

To develop partnerships and shape new behaviours, it calls widely on its private equity funds, including La Poste Ventures, launched in 2021, and 115K, launched by La Banque Postale in June 2022. The 115K fund, which will ultimately be endowed with €150 million, is dedicated to fintech, insurtech and cybersecurity start-ups. These new funds complement the open innovation mechanisms in place within the group: start-up acceleration with the French IoT programme, La Banque Postale's platform58 incubator, and the KissKissBankBank crowdfunding platform.

(1) Employment footprint: indicator adopted for assessing a mission-led company. Study carried out by a firm specialised in footprint analysis based on the purchases and workforce of six group entities – La Poste SA, La Banque Postale, La Poste Immobilier, ViaPost, DPD France and Médiapost.



### 4.3.1.3 Results

	2025 targets	2022	2021	2020
<b>Adapting regional formats</b>				
Physical access points <sup>(1)</sup>	40,000	35,600	35,313	32,400
Proportion of the population which is less than 5 km or less than 20 minutes by car from a La Poste retail outlet (as a %)	>90 <sup>(2)</sup>	97.0	97.1	97.1
<b>Supporting local authorities in their transitions</b>				
Financing of the local public sector (in €bn) <sup>(3)</sup>	-	17.0	17.0	15.0
Green loans to local authorities (in €m)	2,000 <sup>(4)</sup>	949	1,981	1,161
<b>Contributing to regional economies</b>				
Employment footprint (direct, indirect and induced) <sup>(5)</sup>	-	446,350	N/A	493,000
Proportion of micro enterprises, SMEs and mid-caps as suppliers (as a %) <sup>(6)</sup>	-	80	87	84
Value of purchases made from inclusive and sheltered workforce sectors (in €m)	40	35 <sup>(7)</sup>	29.7	25.7
Number of Dynamic Alliance partnerships		209	172	N/A

(1) Concerns centre-offices, post offices, including postal carrier-counter clerk offices and areas bearing the France Services label, local postal agencies, La Poste Relais, Pickup Points, including lockers and business areas.

(2) Indicator monitored as part of the group's regional development public service mission.

(3) La Banque Postale data.

(4) Target set for 2023.

(5) Study conducted in 2022.

(6) Number of micro enterprises, SMEs and mid-caps compared to La Poste's total number of suppliers.

(7) Data estimated on the basis of first-half 2022 results.

## 4.3.2 Fostering social inclusion



### 4.3.2.1 Ambitions

In order to promote social inclusion, La Poste Groupe develops useful, innovative and inclusive local services for all. Ageing and the movement of populations towards the suburbs can lead to feelings of isolation, or even exclusion. Young people also face difficulties integrating into society, for example. The group therefore supports young people in their entry into the workforce, and it also supports seniors in ageing well at home. It ensures accessible banking for the most disadvantaged and promotes the integration of people excluded from employment as a responsible employer (see Section 4.2.1 "A responsible and inclusive employer") and through a responsible purchasing policy. It also supports integration and equal opportunities through the community outreach commitment of its employees.

### 4.3.2.2 Policies and actions

La Poste Groupe aims to develop useful, innovative and inclusive local services. To promote social integration, La Poste is committed to:

- ensuring the accessibility of post offices;
- launching inclusive offerings;
- promoting the employment of young people and equal opportunities;
- implementing a philanthropic and public interest policy.

### Ensuring accessibility of post offices and websites

The Retail Customers & Digital Services business line is committed to a major modernisation programme to facilitate the accessibility of post offices, products and services to people with disabilities.

As part of the planned accessibility schedule (Ad'AP), the La Poste Network has committed to making post offices accessible by 2024. At end-2022, 89% of post offices had a sales area accessible to people with all types of disabilities, and 66.5% had an accessible sales area (exterior access) adapted for persons with reduced mobility. In addition, 98% of automated teller machines (ATMs) are either directly accessible to people with reduced mobility or located in the immediate vicinity of another accessible ATM. The accessibility of La Banque Postale's self-service ATMs and self-service terminals for the blind or visually impaired increased by 1.5 points in one year, rising to 95.3% at end-2022. Lastly, 100% of the ATMs located inside branches are accessible to people with disabilities.

La Poste Groupe is responsible for making all its digital media, websites and extranet accessible. Its teams are working to make them easy to access, intuitive and responsible. The www.laposte.fr website is accessible to visually impaired people and complies with current standards; adapted access is also provided for deaf and hearing impaired users.

## Offering inclusive services

Operated by postal workers or through partnerships, inclusive local services are a strategic development driver for the group, particularly through the offerings of the La Poste Health & Autonomy division of the Services-Mail-Parcels business line.

Supporting health, well-being and ageing well at home is a major social issue throughout France. La Poste offers a range of services, particularly, but not exclusively, aimed at seniors, in conjunction with an ecosystem of local players. The personalised nature of the services is ensured by a dedicated La Poste employee assigned to an individual to provide a permanent physical reassurance and specific services adapted to each individual's needs (remote assistance, digital tablet, postal carrier visits to maintain social interaction, courier meal and medication delivery, etc.). The Watch Over My Parents (*Veiller sur mes parents*) local service for seniors is emblematic of the diversification undertaken by La Poste since 2015. In the field of home healthcare, the group is leveraging its skills as a logistics provider, insurer and banker, as a local network operator and as a trusted digital third party. The group positions itself as an operator and partner for:

- beneficiaries of healthcare and other health services;
- public sector healthcare providers (*Caisse Nationale de l'Assurance Maladie*, hospitals, etc.);
- the private sector (insurance companies, etc.).

Making banking and insurance services accessible to all is one of the specific features of La Banque Postale. It is the only bank entrusted with an accessible banking mission as defined by the 2008 law on the Modernisation of the Economy. This commitment was confirmed by the 2018-2022 public service contract.

La Banque Postale must also prevent over-indebtedness and promote microcredit. It therefore works to inform and raise awareness among people experiencing financial difficulties and offers them products and services adapted to their needs. These include access to modern and inexpensive payment methods as well as local services. It develops citizen banking products to facilitate home ownership through loans adapted to low income earners. In addition to its banking accessibility missions, La Banque Postale serves 1.7 million customers experiencing financial difficulties.

La Banque Postale develops and implements specific initiatives, including a microcredit offering, an early detection system for identifying vulnerable customers, a budget assistance platform called *L'Appui* and joint actions with Action Tank *Entreprise et Pauvreté*.

Lastly, La Poste has set up certain post offices as examination centres for taking the driver licence theory test. Since the creation of this activity, La Poste has led the market for testing on behalf of the Ministries of the Interior and of the Sea<sup>(1)</sup>.

## Promoting jobs for young people and equal opportunities

Developing a services offering adapted to young people is a strategic challenge for the group and is one of the five acceleration projects launched in line with the new strategic plan. To become a partner supporting the independence of young people and attract the customers and employees of tomorrow, the group is working to distribute its current solutions more widely (driver licence theory test, online banking, e-CtoC and e-education, etc.), along with building new combined and dedicated offerings.

### 4.3.2.3 Results

	2022	2021	2020
<b>Offering inclusive services</b>			
Proportion of <i>Livret A</i> accounts with a balance of less than €150 (as a %) <sup>(a)</sup>	50	50	49
Personal microcredits disbursed (including housing microcredits) <sup>(a)</sup>	1,500	1,203	1,027
Number of clients supported by <i>L'Appui</i> (budget assistance) <sup>(a)</sup>	30,121	33,303	29,870
<b>Promoting jobs for young people and equal opportunities</b>			
Number of driving theory tests taken at La Poste <sup>(b)</sup>	915,514	1,060,673	935,170

(a) *La Banque Postale* scope.

(b) *Car, motorbike and boat licences*.

(1) Since 2016, La Poste has been an approved administrator for the French driving theory test by the Ministry of the Interior. In 2020, it was also authorised by the ministry to administer the motorbike theory test. Since 1 June 2022, La Poste has been hosting the boating license theory test on behalf of the Ministry of the Sea.



### 4.3.3 Promoting ethical, inclusive and sustainable digital services

#### 4.3.3.1 Ambitions

The health crisis has reinforced the omnipresence of digital technology, transforming interactions with customers (from multi-channel to omnichannel). In 2021, La Poste Groupe set itself the goal, through its 2030 strategic plan and as a mission-led company, to promote digital technology that is:

- **ethical:** fostering respectful and exemplary principles, values and practices in the fields of digital transformation and digital technologies (societal and environmental impacts, protection of personal data and the free will of individuals, principle of non-discrimination, etc.);
- **inclusive:** enabling as many people as possible to have access to digital tools (people with disabilities or who are structurally isolated due to digital illiteracy);
- **sustainable:** reducing the environmental impact of digital technology (greenhouse effect, waste, resource depletion, etc.), despite the pace of change in practices.

#### 4.3.3.2 Policies and actions

##### Acting for ethical and sustainable digital technology

La Poste Groupe has undertaken a number of initiatives to contribute to the development of ethical digital technologies with a range of players. In 2019, La Poste Groupe was one of the first signatories of the Responsible Digital Charter of the Institut du numérique responsable (INR)<sup>(1)</sup>. A guide setting out the Charter's details has been issued to foster an understanding of its commitments and use among all postal workers.

The Responsible Digital Committee brings together the entity IT departments, the group's Social Commitment Department, the business line CSR departments and the Strategy Department to discuss major digital challenges and drive change through best practices; it coordinates the entities on the path to be taken, enriches them collectively and collects the results.

Significant progress was made through working groups in 2022:

- **Purchasing:** continuation of the responsible purchasing approach for IT purchases by including CSR requirements in project specifications, CSR criteria in the call for tender and digital responsibility criteria in the tender file;
- **Digital Responsibility label:** certification obtained by the i-TEAM<sup>(2)</sup> in February 2022 (Level 2, very mature) for three years, preparation for the labelling of the Services-Mail-Parcels IT Department, the Banking and Insurance IT Department and Docaposte;
- **Responsible design of digital services:** introduction of the INR GR491 benchmark on best practices to limit the footprint of a digital service over its entire life cycle. The implementation of this framework will provide IS Architecture Committees with strategic information for choices that promote responsible digital technology;

- **Measurement of the equipment footprint:** launch of a new measurement of the footprint of La Poste Groupe's digital assets, including an inventory of equipment, its environmental footprint, analyses by business line and action plans.

In 2022, the group was also involved in various other initiatives:

- led by CIGREF<sup>(3)</sup> on digital and energy efficiency;
- led by the Ministry of the Economy and Finance, including a contribution to the French Tech Corporate Community;
- via the INR on extending the Digital Responsibility label to local authorities and digital service companies, and on responsible design, AI, the label for reconditioning and the metaverse.

In order to guarantee digital trust, including the ethical use of AI in customer relations, the group has strengthened the following:

- **the framework:** the AI Ethics Charters of La Poste, La Banque Postale and CNP Assurances have been articulated and aligned with the group's AI Charter, which was approved in December 2021. The governance framework for ethical AI was implemented during the year, and ethical assessment tools were developed and tested:
  - the Trusted AI Committee met twice in 2022,
  - the AI Operational Committee, comprising representatives from all business lines and subsidiaries, meets monthly to coordinate the roll-out and implementation of AI ethical evaluation tools,
  - a pre-screening matrix has been finalised to prioritise algorithms eligible for ethical review at all stages of algorithm development, from design to production,
  - an AI ethical assessment grid incorporating respect for the different ethical principles contained in the charter, particularly those related to transparency, bias prevention, explainability and stakeholder reporting, was tested on several AI projects in 2022;
- **human capital:** the oath of respect for correspondence and money entrusted to postal workers was extended to the digital domain in 2016;
- **technical capital:** shared infrastructure (data lake). Its very design (security, traceability, consent, retention periods, etc.) results in projects that comply with the Data Charter and the GDPR<sup>(4)</sup> by default;
- **skills capital:** an AI expertise centre with around 300 people from the Retail Customers & Digital Services business line (Docaposte, Probayes and Open Value) reinforces the group's AI skills and know-how to support the business lines in their activities (traffic predictability for Geopost, fraud detection, *Mon timbre en ligne* chatbot, etc.).

(1) The Responsible Digital Charter has several components focused, in particular, on the environmental impact of digital technology, the incorporation of environmental and societal aspects into the design of applications and digital ethics.

(2) The operational entity of the group's Information Systems Department.

(3) An association of major French companies and public administrations whose purpose is to more effectively integrate and master digital skills.

(4) General Data Protection Regulation.

Several programmes have also been put in place to improve customer knowledge. The segmentation of customers based on knowledge of their habits, the analysis of their multi-channel experience, customer indicators and the annual customer survey are carried out in full compliance with the group's fundamentals and the Data Charter.

The "Tech & Trust by Docaposte" label that appears on the solutions proposed by La Poste guarantees its commitments. This label attests to the value placed in La Poste Groupe by trusted third parties, such as the companies and the public sector departments that host their data on the group's servers.

### Acting for inclusive digital services

La Poste Groupe is implementing action plans at various stages of the digital inclusion value chain, in five areas: detection, support, training, equipment and access for people unfamiliar with digital technology.

Thirteen million French people experience difficulty with digital technology, half of whom do not have internet access, and the other half using it rarely. Thanks to its extensive networks, its proximity and its know-how in terms of inclusion, La Poste Groupe is positioned as a privileged partner of the French government and local authorities in accelerating the implementation of initiatives to reduce the digital divide. La Poste is supporting the momentum launched by the French government by actively contributing to the *France Services* digital advisor system. La Poste plans to deploy 100 digital advisors in 57 selected departments with the French National Agency for Regional Cohesion (ANCT).

La Banque Postale has set up a digital banking inclusion plan with the support of the social start-up WeTechCare. This programme aims to identify customers without access to digital technologies, provide them with the necessary support in the post office and direct them to the most suitable digital advisor near the post office via a specific training workshop (2,500 customers trained in 2022).

The mobilisation of areas bearing the *France Services* label is another means of assisting and supporting people excluded from digital technology:

- In 2022, more than 300,000 people were assisted in their online administrative procedures by customer service representatives at the 402 areas bearing the *France Services* label, located primarily in rural areas;
- depending on the level of digital autonomy of each customer, the *France Services* agent supports them in browsing institutional sites, finding information relating to their file, carrying out online procedures, using the video conferencing service and performing other useful tasks.

La Poste is supporting the momentum launched by the French government by actively contributing to the *France Services* digital advisor system. In 2022, it deployed 93 digital advisors in 57 departments selected with the French National Agency for Regional Cohesion (ANCT), and provided 25,700 people with basic training in digital technology. It also offers certified digital training (e.g., CléA Numérique)<sup>(1)</sup>.

La Poste facilitates access to digital practices:

- digital inclusion also means secure access to documents, from any location, every day. The Digiposte digital safe is an easy way of storing and accessing administrative documents. To enable everyone to access these tools, La Poste is working with social action organisations to tackle exclusion by making its digital safe available, entirely free of charge, to all financially vulnerable groups;
- moreover, a digital identity has become an essential component of daily life. La Poste provides an easy way for all citizens to have a digital identity, which is verified in person by a postal carrier or a post office counter clerk. This initiative has simplified administrative procedures.

### 4.3.3.3 Results

Acting for inclusive and ethical digital technology	2025 target	2022	2021	2020
Number of people identified, supported, trained and equipped in the use of digital technology <sup>(a)</sup>	1 million per year	473,734	236,085	250,000
Number of active Digiposte and Digital Identity customers		9,631,154	6,547,641	4,627,979

(a) Number of individuals suffering from digital illiteracy who receive support from La Poste and its partners.

### 4.3.4 Working to accelerate the environmental transition for all



#### 4.3.4.1 Ambitions

La Poste Groupe has reaffirmed the strategic energy and environmental transition dimension of its strategic plan "La Poste 2030, committed for you". For the group, the aim is to strengthen its position as a leader in the environmental transformation, capitalise on its strengths, meet the

expectations of its customers and reaffirm its positive impact and its usefulness to society. The group's environmental policy is built on three pillars: a resources policy backed up by a waste policy, an energy policy underpinning a climate policy and, since the end of 2021, a biodiversity policy.

(1) An inter-professional certification that recognises proficiency in basic digital skills in a work environment.

## Becoming a leading player in the rational management of resources

La Poste has set itself the goal of being the first company to have a certified "SBT for resources"<sup>(1)</sup> pathway by 2030. The group aims to ensure that resources are managed rationally at all levels of the company and has set itself the following goals:

- **operations:**
  - reuse or recycle 75% of its waste by 2030,
  - reuse 100% of its reusable IT equipment by 2030;
- **products and services:**
  - La Poste Mail and Parcels packaging: incorporate 50% recycled materials by 2025 and 60% by 2030; maintain full recyclability; aim for zero single-use plastic packaging by 2025,

- La Poste Mobile: reconditioned phones to account for 10% of sales by 2025; offer phone repair, reuse and recycling,
- support the development of CtoC platforms for second-hand goods by 2030,
- become a leader in new local circular economy logistics services by 2030.

## Committed to the climate

As part of its climate policy, La Poste Groupe is striving to reach "net-zero"<sup>(2)</sup> by 2040. The group's various entities have defined ambitious medium- and long-term decarbonisation pathways for 2040, based on Science Based Targets initiative (SBTi) recommendations.



## CARBON NEUTRALITY AND NET-ZERO

Carbon neutrality involves – after measurement and reduction – offsetting residual emissions with an equivalent volume of avoided emissions through offset projects (sequestration projects that remove CO<sub>2</sub> from the atmosphere, or intensity projects that avoid GHG emissions).

"Net-zero" is defined by the SBTi and implies a 90% reduction in emissions by 2050, as well as the offset of all residual emissions by sequestration projects (intensity projects cannot be included in the net balance calculation).

With regard to GHG emissions reduction pathways, La Poste Groupe's ambition is to reach "net-zero" by 2040, and all business lines have already made commitments in this regard:

- Geopost is committed to reducing its scopes 1, 2 and 3 greenhouse gas (GHG) emissions by 43% by 2030 and by 90% by 2040 compared with the 2020 baseline. These Near Term (2030) and Long Term (2040) pathways were submitted to the SBTi in July 2022 and approved in February 2023. This new target comes with annual carbon budgeting work for all Geopost subsidiaries to ensure that the investments and initiatives planned are consistent with the level of ambition needed;
- The Services-Mail-Parcels, Retail Customers & Digital Services and Corporate business lines have committed to a shared medium-term pathway aimed at reducing their emissions by 42% (scopes 1 and 2) and 25% (scope 3) by 2030 compared with 2021 and, in the longer term, by 90% between 2021 and 2040. These Near-Term (2030) and Long-Term (2040) pathways were submitted to the SBTi in December 2022.

In terms of bancassurance, La Banque Postale had its decarbonisation pathways and alignment with the Paris Agreement validated by the SBTi in October 2021. It has committed<sup>(3)</sup> to the following:

- reducing its scopes 1 and 2 greenhouse gas emissions by 46% by 2030, compared with 2019;
- continuing to use 100% renewable electricity until 2030;
- achieving science-based targets (SBTi) for 85% of its total financing and investment portfolio by 2030.

To reach "net-zero", the group is investing in carbon reduction and sequestration projects<sup>(4)</sup>. The group's ambition is to gradually increase the share of sequestration projects in its portfolio of offset projects.

(1) In other words, it has adopted a resource pathway compatible with planetary limits, defined and validated using an internationally recognised SBT (Science Based Targets) reference system.

(2) "Net-zero" as defined by the SBTi implies a 90% reduction in emissions by 2050 and the neutralisation of any residual emissions through sequestration projects.

(3) CNP Assurances, a wholly owned subsidiary of La Banque Postale, is also committed for 2025. For further information, please refer to the CNP Assurances Universal Registration Document.

(4) Sequestration projects aim to create carbon sinks to capture greenhouse gases from the atmosphere through natural solutions (reforestation, agroforestry, mangroves, etc.).



## ALIGNMENT OF THE GROUP WITH THE PRINCIPLES OF THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

La Poste Groupe bases the definition of its ambitions and roadmap on TCFD recommendations. The Climate/TCFD Committee, formed in 2020 under the management of the group's Social Commitment Department, carried out the work of identifying and assessing climate risks and building climate scenarios with the support of specialised consulting firms (EcoAct and I4C). The group has mapped its climate risks and opportunities.

Based on an impact and probability analysis, the Climate/TCFD Committee prioritised two transition risks, three adaptation risks and one opportunity. The three adaptation risks are integrated into three strategic climate scenarios in order to vary their impact and intensity according to the conditions of risk occurrence (see Section 4.4.1 "TCFD – Transition and adaptation risks").

### Improving air quality

In terms of air quality, La Poste Groupe is one of the few companies to have adopted a very ambitious pathway for reducing local air pollutant emissions by 2025:

- in its scope, which includes the entire internal fleets of the group's two logistics business lines (Services-Mail-Parcels and Geopost), plus its entire subcontracted fleet;
- in the commitments made for the 2021-2025 period, namely reductions of local air pollutants: 41% for carbon monoxide (CO), 60% for nitrogen oxides (Nox), 6% for PM2.5 particulate matter and stability for PM10. These targets are based on the measurement of CO, NOx and particulate matter (PM10 and PM2.5) emissions over the entire scope, for which the group used robust and recognised methods (COPERT<sup>(1)</sup> and HBEFA<sup>(2)</sup>).

The group's ambition is to ensure low-emission delivery in 350 European cities, including 102 French cities by 2025.

That of the Services-Mail-Parcels business line is to ensure low-emission deliveries in all 44 French urban areas by 2025. The aim is for low-carbon deliveries to account for one in every two parcels by 2025.

In France, as part of the cycle logistics plan launched by the French Ministère de la Transition écologique, La Poste Groupe's objective is to use cycle mobility solutions to deliver parcels to city centres in the largest 40 cities in France.

### Preserving biodiversity

The Executive Committee has included this challenge in the group's strategy and drawn up its biodiversity roadmap for 2022 and 2023. The roadmap is built on three ambitions:

- establish biodiversity governance within CSR governance;
- reduce the pressure on biodiversity caused by the group's activities in France and internationally. The group faces biodiversity challenges in three main areas:
  - land footprint and artificialisation of land across the group (reducing the impact of new buildings, regenerating existing sites and buildings, bringing suppliers on board),
  - transport (optimising the impact of transport, supporting subcontractors, making biodiversity a criterion in the choice of emission offset projects, combatting the illegal transport of wild and invasive species),

- La Banque Postale's financial activities (extension of the scope of impact measurement by implementing the Global Biodiversity Score in 2022 and 2023 for La Banque Postale, La Banque Postale Asset Management, CNP Assurances and Louvre Banque Privée);
- contribute to mobilising the community to protect biodiversity in mainland and overseas France.

### 4.3.4.2 Policies and actions

#### Becoming a leading player in the rational management of resources

La Poste Groupe aims to integrate the circular economy at all levels, from its operations to its products and services. It accordingly acts through its purchasing and consumption of resources, and strives to extend the life of its equipment and supplies (electrical and electronic equipment, vehicles, building materials, paper, water, etc.). It reduces and recovers its hazardous and non-hazardous waste.

In addition to products such as envelopes, parcel packaging and mobile phones, the group is developing services to support its customers (companies, local authorities, individuals) in the environmental transition, particularly in the fields of second-hand purchases, recycling, reuse and repair. It is facilitating the development of CtoC platforms for second-hand goods. It combines its logistics offerings with reverse logistics, collection and delivery services to promote the reuse and recycling of everyday objects. La Poste's major contribution to the circular economy is its ability to capture and direct resources scattered among a multitude of users, both businesses and individuals. The group also provides support for the circular economy in regional areas through innovative financing solutions (including crowdfunding) and insurance.

Among the group's companies offering services to improve resource management, two subsidiaries are dedicated to the circular economy, namely Recygo and Nouvelle Attitude. At Recygo, postal carriers helped the 2,500 largest offices of the Retail Customers & Digital Services business line collect and recycle 414 tonnes of paper and 202 tonnes of cardboard in 2022. This process enables sites to dispose of their waste paper as they go, while using the reverse logistics of carbon-free vehicles.

(1) COPERT (COmputer Program to calculate Emissions from Road Transport) is software developed by the European Environment Agency to calculate air pollutant emissions from road transport.

(2) HBEFA (Handbook of Emissions Factors for Road Transport) is a European database that provides emission factors, i.e., pollutant emissions in grams per kilometre for all categories of road vehicles.

In 2022, La Poste Groupe continued its work to support the transition to the circular economy:

- **operations:**
  - overhaul underway of the group's waste management organisation (internal audit in 2022, publication of the waste policy on its website),
  - with the support of specialised service providers, preparation of optimised processes promoting the reuse of IT equipment (implementation scheduled for 2024);
- **products and services:**
  - in its range of postage paid packaging for retail customers, La Poste replaced all single-use plastic Colissimo pouches in 2022 with dual-use pouches that are fully recyclable and made from 70% recycled material,
  - launch of new services (an initiative by Nouvelle Attitude and Urby to prepare and deliver baskets of about-to-expire fruit and vegetables with start-up horsnormes.co).

## Committed to the climate

La Poste Groupe has implemented a series of policies and actions to raise awareness of climate challenges among its customers and employees, to significantly reduce its emissions, to promote energy efficiency and to encourage the use and development of new energies.

### Raising awareness among customers and employees

Developed in collaboration with Eco-act and WWF France, and with the support of Ademe, the ecological score enables the group's retail customers to calculate the environmental impact of sending and receiving their mail and parcels. Impact indicators have been identified throughout the sending and receiving process, in three areas:

- climate change (GHG emissions);
- air quality (air pollutant emissions);
- circularity (packaging eco-design and recyclability).

At each stage, the tool gives consumers tips on how to improve their score and reduce the environmental footprint of their mail or parcels.

To raise awareness among its employees and encourage them to act, La Poste began providing Climate Fresk training to its teams in June 2022. The group aims to train 12,000 of its employees by the end of 2023, and 50,000 by 2024.

Louvre Banque Privée offers its wealth management and asset management clients a wide range of structured products that favour a sustainable investment strategy, enabling them to make their commitment to the environmental transition a reality.

### Reducing emissions

In the group's logistics business lines, 15,000 low-emission delivery vehicles, 6,700 charging points and 250 urban depots in target cities are in place to help achieve them. In France, this will be reflected in the doubling of the number of electric commercial vehicles by 2025 (15,000 light commercial vehicles, up from 7,000 at present) to decarbonise first- and last-mile deliveries in cities.

La Poste has also formed partnerships with local authorities and economic players and created Urby, a subsidiary specialised in urban logistics that sets up shared centres for storing goods and ensures last kilometre deliveries using

low-emission vehicles. Through these solutions, the group is anticipating future regulatory changes and taking advantage of the new possibilities that they will offer, such as the French Mobility Orientation Act, which sets 2040 as the end date for internal combustion vehicles; the possibility for local authorities to set up Low Emission Zones; and the implementation of an ambitious bicycle plan.

Another of the group's transformative projects is Movivolt (70% owned by Banque des Territoires and 30% by La Poste Groupe), which aims to roll out a fleet of 10,500 electric vehicles by 2025, for leasing to companies and local authorities. Its creation is a response to a dual challenge: helping the latter adapt to LEZs and accelerating the shift to soft mobility throughout the country.

La Poste has also undertaken to use low-carbon energy for 50% of its transport trucks by 2030. It is therefore diversifying the fleet of long-distance transport vehicles operating on its behalf to include vehicles adapted to alternative energies such as biogas, biofuel, electricity and hydrogen. It has also adopted a multi-energy strategy starting with the use of transitional energies (biogas and biofuels) and tests of target energies (electric and green hydrogen) over the 2022-2035 period, ahead of a gradual switch to these two target energies for the 2035-2050 period.

In particular, Geopost has joined the international EV100+ initiative, which brings together companies committed to replacing their entire truck fleets with electric vehicles by 2030. Geopost is also seeking to reduce its carbon emissions through a range of measures, both operational (loading/transport optimisation) and technological (development of biogas and/or hydrogen fuels).

La Banque Postale has committed to exiting the coal, oil and gas sectors by 2030, except for those companies that have adopted a transition plan and which have committed to exiting these sectors by 2040, thereby becoming the first bank in the world to aim for a complete phase-out of fossil fuels by 2030. In 2022, La Banque Postale Asset Management (LBP AM) set itself the target of aligning 80% of its total assets under management with a carbon neutrality objective by 2030. The subsidiary has also adopted an oil and gas sector policy to spur its alignment with carbon neutrality. Through this policy, LBP AM aims to achieve sector exposure that is fully aligned with the 2030 Paris Agreement objectives.

Meanwhile, CNP Assurances strengthened its sector policy in 2022 by terminating all further direct investment in companies developing new fossil oil or gas exploration or production projects.

La Poste Groupe's greenhouse gas emissions amounted to nearly 2.4 million tCO<sub>2</sub>eq in 2022, a decrease of 11% over the prior year (2.7 million tCO<sub>2</sub>eq in 2021). The 290,000 tCO<sub>2</sub>eq reduction is due to the combined effect of a change in the reporting methodology, the group's revenue growth momentum and the impact of decarbonisation, i.e.:

- an improvement in the reporting methodology and the data consolidation procedure within the group accounted for almost 37% of the reduction (air transport emission factors and extrapolated GHG savings);
- the pursuit of an ambitious sustainable real estate policy (7%);
- further optimisation of road transport, both in-house and subcontracted (20%);
- a decline in air transport in 2022 (36%).

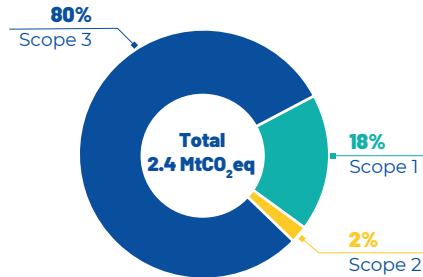
## 4 SUSTAINABLE AND RESPONSIBLE DEVELOPMENT

### An ambitious social commitment policy

In 2022, Parcel-related GHGs declined by 6%.

All of the group's residual emissions are voluntarily offset by financing offset projects.

#### Analysis of the Group's GHG emissions in 2022



#### Implementing energy efficiency

In April 2021, La Poste Groupe's commitment to reducing energy consumption was recognised through the renewal of ISO 50001 certification for the group's 196 buildings. This certification is the culmination of the group's energy management system (EMS), which is being rolled out with subsidiary Sobre Energie.

This year, the group continued to roll the EMS out across its entire property portfolio with the Puissance 10 000 project, which aims to reduce the energy and carbon footprint of La Poste's 10,000 buildings. The aim is to achieve a 20% reduction in final energy consumption by 2030. This will involve a 35% reduction in property-related emissions.

La Poste is also relying on its energy management system to rapidly achieve the 10% reduction in energy consumption over two years, as announced for by the government in September 2022. The group's energy savings plan breaks down into four areas:

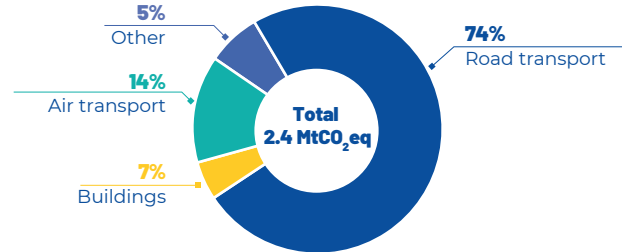
- reduce infrastructure and vehicle energy consumption. La Poste Immobilier invests between €15 million and €20 million each year on energy renovation work on its buildings. In addition, the group has planned €5 million in work to replace lighting systems;
- capitalise on the engagement of postal workers, notably by setting temperatures at 19°C and by applying eco-gestures promoted extensively within the company;
- ensure business continuity in a context of tension on energy supplies (central measures of the EcoWatt plan);
- develop the visibility of La Poste's responsible commitment, notably by promoting the EcoWatt initiative among employees and customers via screens in post offices.

Energy-saving measures have also been implemented in Geopost's European subsidiaries to reduce consumption from heating, air conditioning, lighting and the use of IT and electronic equipment. Training in best practices is also provided.

La Poste is leading the *Baisse les Watts* (Lower the Watts) programme<sup>(1)</sup> to help micro enterprises and SMEs save energy. By drawing on its expertise in energy efficiency and its regional

With regard to La Poste SA's SBTi pathway commitment, its level of achievement was -27% at the end of 2022, for a target of -30% in 2025 compared with 2013.

#### Sources of the Group's GHG emissions in 2022



footprint, La Poste aims to help a large number of small businesses, among the 700,000 micro enterprises and SMEs that consume the most energy across all business sectors, by 2025. To that end, it is rolling out a system blending a digital approach and human support to offer a means of reducing energy consumption (electricity, gas, fuel oil) adapted to each customer's business by helping develop its skills and independence.

#### New energies

Since 2016, La Poste has been supplying all the buildings managed by La Poste Immobilier with electricity from renewable sources. The group has set itself the target of bringing renewable electricity consumption to 100% at its sites, parent company and subsidiaries by 2025 (versus 85% today). La Poste Immobilier is also pursuing its policy of producing its own renewable energy. Since 2008, its partnership with Urbasolar has resulted in the creation of 54 solar farms, including seven self-consumption plants producing 8 GWh per year, with 400 more potential sites (20 MWp of power) under study. In 2020, La Poste Immobilier commenced work on two self-consumption projects (Nantes HP and Boulazac).

#### Green finance

In terms of green financing, in 2020 La Banque Postale Asset Management became the first non-specialised asset manager to offer an all-SRI product. All open-ended funds managed for individual and business customers are therefore aligned with the trend towards responsible management. The programme of green loans, launched in 2019 to support local authorities' efforts to transition to a greener future, and extended to the private sector in 2020, was reviewed in 2022 to ensure its alignment with the European Union's Green Taxonomy. They will be available in the first quarter of 2023. In addition, La Banque Postale has a team dedicated to financing renewable energy projects, energy optimisation of buildings, and infrastructure (fibre, water network, heating, public buildings, mobility, public transport).

(1) In partnership with its subsidiary Economie d'Énergie (EDE) and its partners Énergies Demain, the French Chamber of Commerce and Industry and the French Chamber of Trade and Crafts.



Since the end of 2015, La Banque Postale has also supported its individual customers in their own social engagement through its *Gamme Verte* (Green Range). The latter offers financing solutions for housing (including zero-interest energy renovation eco-loans, loans to improve energy efficiency and zero-interest home improvement eco-loans). Through Lendopolis, Louvre Banque Privée offers its clients the chance to use their savings to become direct players in the energy transition. Since 2017 and its shift towards renewable energy, Lendopolis has funded more than 350 projects (investments totalling €171 million). Thanks to La Banque Postale and Louvre Banque Privée customers, these projects have avoided more than 113,000 tonnes of CO<sub>2</sub> emissions.

## Improving air quality

Measuring air quality requires the development of innovative solutions:

- in 2022, La Poste and Airparif renewed their partnership to strengthen air quality monitoring and information for the population of Greater Paris;
- Geopost has undertaken to use low-emission vehicles for its deliveries in 350 cities by 2025, aiming to reduce local air pollutant emissions by 83%;
- since the end of 2019, Geopost has deployed sensors in its delivery fleet, as well as in its urban storage depots and Pickup points (drop-off and pick-up points), and has shared the results of its air quality measurement programme with urban authorities and citizens through an online interface called Air Diag. The aim of rolling out the programme in 20 European cities has been exceeded, with 27 cities equipped by the end of 2022;
- in France, with its subsidiary Geoptis, La Poste Groupe deploys mobile (on its vehicles) or fixed (on buildings) air quality sensors that provide data used to support the definition of public policies.

La Poste Groupe is taking active steps to reduce atmospheric pollutants through its vehicle selection policy and its urban logistics approach.

- Between October 2021 and September 2022, Chronopost added more than 330 alternative vehicles to its fleet, bringing the total to over 1,300 in the 63 cities where deliveries are made exclusively with low-emission vehicles. At the end of September 2022, Chronopost had 90 natural gas and 112 biofuel (HVO) delivery vehicles.

- In 2022, the Services-Mail-Parcels business line added 1,000 low-emission vehicles to its existing fleet, bringing the total to over 35,300 vehicles (including electric bikes). At the end of 2022, 20% of Colissimo deliveries were made using electric vehicles or environmentally friendly transport in 22 cities.
- The logistics fleet will be completed by 2025 with 1,000 trike-type cargo bicycles and electrically assisted trailers allowing transport of larger loads which has become necessary due to the rise in e-commerce purchases.

## Preserving biodiversity

To manage its biodiversity policy, La Poste has formed a group Biodiversity Committee that meets four times a year with the biodiversity managers of all business lines and structures concerned. The heads of the CSR departments of all structures also monitor the biodiversity policy within the group CSR Committee. Lastly, the Executive Committee's monitoring of the group strategic plan is to be extended to include the biodiversity action plan.

In 2022, the group undertook two major initiatives stemming from its biodiversity policy. It joined the *Entreprises Engagées pour la Nature* (Act4Nature) programme, supported by the French Biodiversity Office (*Office français de la biodiversité* - OFB). Its aim is to make biodiversity an integral part of the company's value chain, production processes and investment decisions.

La Poste has also joined the WWF France "Logistics and transport to combat illegal wildlife trade" initiative, which brings together various logistics and transport operators committed to action on this issue.

Lastly, to contribute to mobilising people in favour of biodiversity, La Poste is committed to publicising the achievements of its sites, and supports programmes including "Nature 2050" and the funding of "Low Carbon Label" projects.

In 2022, La Banque Postale Asset Management, with the support of CNP Assurances, launched a thematic global equity fund, Tocqueville Biodiversity ISR, to promote the preservation of the living world. In December 2022, LBP AM also announced six cross-cutting commitments to integrate biodiversity into its asset management work and to contribute to the objectives of the post-2020 global biodiversity framework.

### 4.3.4.3 Results

#### Becoming a leading player in the rational management of resources

	Targets	2022	2021	2020
Recovery rate of waste electrical and electronic equipment (as a %) <sup>(a)</sup>		90	93	94
Reuse of computers, mobile phones and digital tablets <sup>(b)</sup>		33,846	25,100	21,375
Proportion of recycled material incorporated in Mail and Parcel packaging sold (as a %) <sup>(c)</sup>	50% in 2025, 60% in 2030	40.5	40.1	38.6
Sales of reconditioned mobile phones (as a %) <sup>(d)</sup>	10% in 2025	4.7	2.7	N/A
Quantity of materials collected by Recygo and Nouvelle Attitude, 98% of which reused or recycled (in tonnes) <sup>(e)</sup>		107,111	115,674	110,970

(a) La Poste Groupe scope.

(b) La Poste SA and La Banque Postale scope.

(c) La Poste SA scope.

(d) La Poste Mobile scope.

(e) Recygo and Nouvelle Attitude scope.

#### Committed to the climate

	2022	2021	2020
Energy consumption (in GWh)	8,783	9,137	8,081
o/w La Poste Groupe vehicle fleet	1,331	1,332	1,173
o/w buildings	1,454	1,456	1,288
o/w subcontracted transport (road and air)	5,998	6,350	5,621
Carbon footprint (in tCO <sub>2</sub> eq)	2,392,988	2,681,992	2,381,561
Scope 1	432,360	441,506	383,059
Scope 2	49,908	63,415	62,316
Scope 3 <sup>(a)</sup>	1,910,720	2,177,071	1,936,185
Intensity (GHG/consolidated revenue)(tCO <sub>2</sub> eq/€million consolidated revenue)	68.6	80.5	76.4
Vehicle fleet	91,646	91,450	89,830
Fleet of electric vehicles <sup>(b)</sup>	19,402	17,058	16,241
Relative weight of electric vehicles/total fleet	21.2%	18.3%	18.0%
Distance travelled by the fleet (in billions of km)	1.169	1.122	1.030

(a) Including an extrapolation (see Section 4.4.2 "Reference framework and scope of non-financial reporting").

(b) Including light commercial vehicles, Stabys; excluding electric bicycles, trolleys and handling vehicles.

#### Improving air quality<sup>(a)</sup>

	2022	2021	2020
Nitrogen oxide (NOx) emissions (in tonnes)	65.4	72.9	77.5
Particulate emissions (PM)(in tonnes)	3.5	3.5	3.3
Carbon monoxide (CO) emissions (in tonnes)	403.7	394.9	360.2
Nitrogen oxide and hydrocarbon emissions (NOx + HC)(in tonnes)	60.3	57.8	50.5
Proportion of kilometres travelled by the fleet managed by Véhiposte (as a %)	71	74	75

(a) Scope: vehicle fleet managed by Véhiposte.

## 4.3.5 Prioritising customer satisfaction and responsible customer relationships

### 4.3.5.1 Ambitions

Customer satisfaction is at the heart of the strategic plan, “La Poste 2030, committed for you”. Five objectives have been identified to place the customer at the centre of the group’s vision:

- making customer satisfaction the heart of priorities and governance;
- better identifying and articulating the different customer value chains;
- transforming delivery networks into levers for relational and omnichannel transactional excellence;
- centring all processes on the end customer when designing solutions and journeys;
- innovating to remain the preferred intermediary for end customers and developing personalised services to accommodate new user habits.

### 4.3.5.2 Policies and actions

In 2022, the Customer Coordination Committee achieved the following:

- drafting of a customer satisfaction scorecard for the Executive Committee;
- identification and implementation of plans conducted by each business line for monitoring and resolving major sources of customer irritation<sup>(1)</sup>;
- launch of the digital proximity project for postal carriers by the Services-Mail-Parcels business line, which aims to improve the home delivery experience by developing customer calls by postal carriers and by making the telephone numbers stored in the single “My Account” customer database accessible to them;
- launch of requests for positive Google reviews from post office customers.

This new cross-functional governance has facilitated sharing on a wide range of issues:

- the joint “Relational Footprint” project involving the Retail Customers & Digital Services business line (Network, Digital, remote customer relations), La Banque Postale and the Services-Mail-Parcels business line;
- plans aimed at transforming complaints handling by the Retail Customers & Digital Services business line and La Banque Postale;
- trends in retail operations and analysis of customer satisfaction readings;
- measures implemented to ensure the satisfaction of recipient customers, and above all to win them back in the event of dissatisfaction, and customer communications within each business line.

The Executive Committee monitors the main customer satisfaction indicators (individuals and businesses) provided by the business lines and the group’s Communication Department on a monthly basis, based on a multi-activity, omnichannel perspective:

- Net Promoter Scores of the group’s main activities;
- customer satisfaction with post offices and the La Poste and La Banque Postale websites and applications;
- satisfaction with the handling of complaints;

- preference for the La Poste brand in terms of helpfulness and proximity in everyday life.

A major cross-functional project announced in the strategic plan, the relational footprint has been rolled out within the post office network and La Banque Postale branches. It refers to the positive emotional impact left with customers after they have interacted with La Poste or La Banque Postale. The project is being implemented through workshops involving customer-facing teams (“Attitude Labs” in post offices), which devise practical ideas for allowing customers to experience the four “feelings”<sup>(2)</sup> of the relational footprint.

Other key achievements in 2022 include:

- the creation of the Remote Customer Relations Department by the Retail Customers & Digital Services business line, which brings together all of La Poste’s contact centres to provide a fuller omnichannel customer experience;
- the roll-out of the post office experience contract ushering in service standards;
- the introduction of Google review collection in 1,600 post offices;
- continued work on improving the most common sources of customer irritation: extending opening hours for the largest post offices and making them more reliable, reducing waiting times, increasing the number of bank advisors taking calls;
- consolidation of the digital visibility of La Poste and La Banque Postale outlets through a system based on the [www.laposte.fr](http://www.laposte.fr) locator.

The system for taking customer feedback and measuring customer satisfaction was strengthened in 2022, notably with the launch of monthly surveys in post offices, by reorganising the satisfaction measures and by increasing the frequency (from annual to quarterly) of La Banque Postale’s *La Voie du Client* satisfaction survey. The satisfaction surveys collect input from a large number of people:

- nearly 1.6 million respondents per year for the Mail and Colissimo surveys;
- same volume of respondents for the Chronopost surveys;
- 11,000 customer respondents per month on average for post office satisfaction surveys;
- 3,520 customers per month for the *La Voie du Client* survey.

Studies have shown that customers have high expectations regarding expressing their commitment to the environment and society through their own consumer habits. In response, the group intends to develop and enrich its responsible customer relationships through a range of products and services that help customers act for the environment, society and their local region.

### 4.3.5.3 Results

In 2022, La Poste was spontaneously cited by consumers as their preferred brand (excluding supermarkets) for day-to-day local services.

The average rating of Google reviews of post offices has increased from 2.3 in 2021 to 4.1 in 2022, with a very substantial increase in the number of reviews submitted. Measured on a monthly basis, 55% of scores reflect a very high level of customer satisfaction with the service provided in the post office sales areas (scores of 9 and 10 on a scale from 0 to 10).

(1) Major sources of customer irritation include complexity of signing up for mail-forwarding contracts and unreliable service throughout the life of the contract, as well as long waiting times in post office sales areas.

(2) Feelings sought via the relational footprint: “I always feel welcome” (100% close relationship), “I feel valued” (personalised relationship), “I feel like I’m in good hands” (solution-oriented relationship), “I feel at ease” (zero customer effort relationship).

## 4 SUSTAINABLE AND RESPONSIBLE DEVELOPMENT

### An ambitious social commitment policy

Since the launch of the Attitudes Lab, the following changes have been observed:

- upturn for all relational footprint indicators (increase of the “welcome” satisfaction score from 7.4/10 in February to 8.4/10 in September);
- improvement in the perception of the length of time spent waiting.



### A PRIZED CUSTOMER RELATIONSHIP

- La Banque Postale has received Service France Garanti certification, which recognises the value of its remote customer relations service operated entirely in France.
- La Banque Postale’s 3639 customer service line was awarded the 2023 prize for customer experience by the French Customer Relations Association.
- DPD France’s customer service was awarded the Customer Service of the Year prize for the third year running in the “letter and parcel delivery companies” category.
- The Remote Customer Relations Department is committed to obtaining Customer Operations Performance Centre (COPC) certification.

Any dispute related to La Poste or its subsidiaries’ products or services may be brought before the La Poste Groupe consumer mediator. Notified to the European Commission by the Consumer Mediation Evaluation and Monitoring Commission (CECMC), the mediator complies with the requirements of diligence, competence, independence, neutrality and impartiality, as prescribed by the rules and regulations.

The Ombudsman publishes annual activity reports that include information required by Articles R. 614-2 of the Consumer Code

and L. 316-1 of the Monetary and Financial Code, which can be viewed on the website <https://mediateur.groupelaposte.com>. He or she shall propose measures aimed at improving the La Poste-consumer relationship or facilitating the resolution and prevention of disputes. In 2022, the group Ombudsman received 13,340 mediation requests. Of these, 5,280 were admissible for mediation (40% of total complaints received). Most claimants send their requests by post (77%) rather than submit them online (23%). In 70% of the cases, the Ombudsman decided in favour of the claimants.

### 4.3.6 Meeting the requirements of the European Union’s Green Taxonomy

Adopted in June 2020 through Regulation (EU) 2020/852, the Taxonomy is both a harmonised classification of economic activities considered sustainable and a system promoting transparency for players in the European economy. The EU’s Green Taxonomy has two objectives:

- provide a harmonised reference framework aimed at orienting financial and business investment strategies towards sustainable activities;
- accelerate the green and sustainable transition of economic players.

As a public-interest company subject to the Non-Financial Reporting Directive<sup>(1)</sup> (NFRD), La Poste Groupe has since 2021 been required to disclose the share of its activities “eligible”<sup>(2)</sup> for the EU’s Green Taxonomy. Since 2022, it has also been required to disclose the share of its activities (excluding La Banque Postale) “aligned” with the first two climate-related environmental objectives.

### The six objectives of the Taxonomy

#### 2 CLIMATE OBJECTIVES

Climate change mitigation

Climate change adaptation

#### 4 OTHER ENVIRONMENTAL OBJECTIVES

Sustainable use and protection of water and marine resources

Transition to a circular economy

Pollution prevention and control

Protection and restoration of biodiversity and ecosystems

(1) NFRD: Non-Financial Reporting Directive (2014/95/EU).

(2) Taxonomy-eligible economic activity: economic activity described in the Delegated Acts adopted pursuant to Article 10 (3), Article 11 (3), Article 12 (2) and Article 13 (2).

To be considered sustainable – or “aligned” – an activity must meet each of the following three conditions:

- contribute substantially to one of the six environmental objectives;
- do no significant harm to the other five objectives, as per the “DNSH<sup>(1)</sup>” approach;
- comply with minimum social safeguards.

To date, the Taxonomy has been supplemented by two Delegated Acts, one published in June 2021 ((EU) 2021/2139) establishing technical screening criteria for the climate targets, and the other in July 2021 ((EU) 2021/2178) specifying the reporting requirements. Alignment is measured on the basis of financial data (Turnover, CapEx and OpEx – Taxonomy-specific terms) and non-financial indicators set for each of the eligible business sectors.

### Governance and reporting in 2022

In 2021, La Poste Groupe formed a governance body specifically dedicated to integrating these new regulatory requirements. A steering committee engages the full breadth

of stakeholders and internal expertise (sectoral, financial, CSR); it comprises representatives of the Finance (financial control, consolidation, financial communication), Social Commitment, Strategy and European and International Relations Departments. In addition, the Finance and Social Commitment Departments jointly led awareness-raising work on several of the issues raised by the Taxonomy.

La Poste Groupe discloses indicators for all of its activities, in terms of obligations for both financial entities (La Banque Postale) and non-financial entities and activities (industrial and commercial scope: Services-Mail-Parcels, Retail Customers & Digital Services and Geopost business lines).

For the group’s industrial and commercial scope, work was carried out in 2021 to identify eligible activities. This continued in 2022 to fine-tune the screening of the Mail-Parcels value chain, and as such to determine the various non-financial criteria and analytical methods necessary to measure alignment.

As regards La Banque Postale, since the disclosure of information on alignment is mandatory from 2023, the 2022 reporting only concerns eligibility.

## 4.3.6.1 Industrial and commercial scope

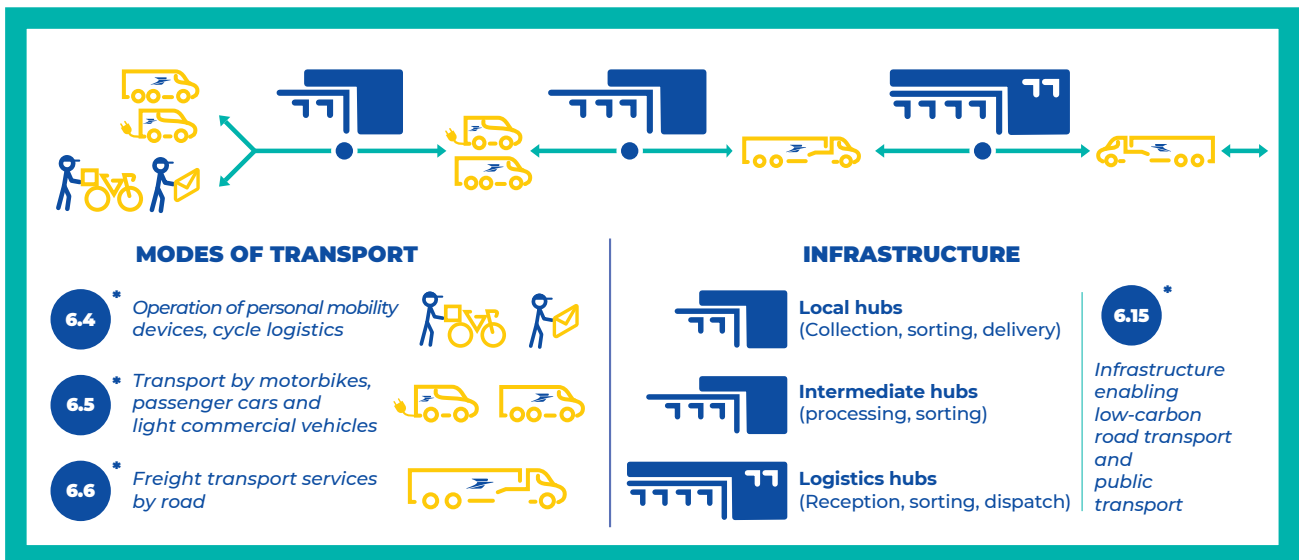
### Mail and Parcels value chain

The Mail and Parcels value chain (including express delivery) covers two main families of activities as defined in the Delegated Act of the Taxonomy Regulation:

- collection, transport and distribution activities, which rely on modes of transport (codes 6.4, 6.5 and 6.6);

- sorting and transshipment activities (and infrastructure) (code 6.15).

The activities of macro-sectors 5, 7, 8 and 9 are subject to a partial alignment analysis for 2022 reporting.



\*Sector code and Taxonomy name.

(1) DNSH: Do no significant harm (EU) 2020/852.

## Eligible activities

La Poste Groupe's analytical scope corresponds to several sectors defined by the Taxonomy regulation:

<b>Taxonomy sectors and activity codes</b> Ref: (2021/2139/EU)	<b>Business line/entity operating in the sector identified</b>
<b>5. Water supply, sewerage, waste management and remediation</b>	
■ 5.5 Collection and transport of non-hazardous waste in source segregated fractions	Services-Mail-Parcels
<b>6. Transport</b>	
■ 6.4 Operation of personal mobility devices, cycle logistics	
■ 6.5 Transport by motorbikes, passenger cars and light commercial vehicles	
■ 6.6 Freight transport services by road	Services-Mail-Parcels
■ 6.15 Infrastructure enabling low-carbon road transport and public transport	Geopost
<b>7. Construction and real estate activities</b>	
■ 7.6. Installation, maintenance and repair of renewable energy equipment	
■ 7.7. Acquisition and ownership of buildings	La Poste Immobilier
<b>8. Information and communication</b>	
■ 8.1 Data processing, hosting and related activities	Retail Customers & Digital Services
<b>9. Professional, scientific and technical activities</b>	
■ 9.3 Professional services related to energy performance of buildings	Services-Mail-Parcels

## Alignment pathway

The Taxonomy was put together with a view to reaching "net-zero" (zero carbon) by 2050. Each of the key performance indicators and technical alignment criteria back up this goal and are based on a target vision of decarbonised activities, even though the solutions are not always economically and technologically viable at this time.

As such, the alignment criteria for the transport activity do not allow the significant measures already taken by the group to be factored in so as to ensure the definition of and compliance with GHG emissions pathways aligned with the Paris Agreement (1.5°C) within the framework of a 2040 "net-zero" target.

This is particularly the case for the long-distance transport/forwarding component (an activity that contributes significantly to GHG emissions). Existing technical solutions allowing this pathway to be met are not systematically compatible with the technical screening criteria for alignment with the Taxonomy. Vehicles using biofuels or natural gas are not considered aligned. To date, there are no alternative operational solutions for road freight transport that allow alignment with the screening criteria of the Taxonomy. Indeed, electric trucks producing zero exhaust emissions would only be available in sufficient numbers at an economically viable price as of 2025-2027, and hydrogen-based trucks will still be in the small-scale pilot testing phase until 2030.

The group's alignment pathway remains to be completed to gradually incorporate:

- efforts made to ensure traceability of the indicators used to qualify alignment (technical and DNSH criteria) with the exhaustivity of eligible activities;
- screening criteria for the other four future environmental objectives.

## Specific context of postal operations

The Taxonomy currently classifies Mail and Parcels activities under the road transport sector and activities. While there are similarities between postal transport and road transport, these similarities are actually quite limited.

Whereas loads in road transport are carried in a point-to-point model (mainly BtoB), postal services consist of an integrated collection, transport and delivery process blending light goods flows for many senders and recipients in BtoC, BtoB, CtoB and CtoC models. The Taxonomy's failure to take into account this specific feature results in substantial limitations, such as the non-recognition of:

- load rate optimisation systems (exchangeable containers, double decker containers, etc.) that contribute significantly to reducing the emission intensity of transport; and
- in terms of first and last mile logistics (including mail and parcel delivery), the intrinsic and essential contribution of the Mail-Parcels business model based on pooled flows and resources.

Postal operators act as "pooled parcel or goods transport providers": each delivery vehicle carries items (mail and parcels from many customers) to be delivered to multiple recipients in a single optimised round. Flow pooling and optimisation are central to the business model and constitute a driver of environmental transition.



## RECOGNITION OF THE SPECIFIC NATURE OF POSTAL SERVICES

PostEurop members have embarked on an effort to have postal services recognised as a specific Taxonomy sector essential for enabling Europe to address mounting environmental concerns. The postal sector already has its own NACE code (H.53<sup>(1)</sup>) with specific screening criteria adapted to postal and courier activities.

The postal sector can be a driving force for the transition, making a significant contribution to environmental objectives through:

- the pooling of mail and parcel flows;
- sustainable mobility (modes of delivery producing zero direct CO<sub>2</sub> emissions);
- the development of the circular economy and social links by facilitating the delivery of second-hand items (collection of scattered flows of CtoC items).

## Results

### Turnover

Group Turnover within the industrial and commercial scope amounted to €27,103 million.

- **Eligible Turnover:** with Turnover of €23,111 million from Taxonomy-eligible activities, La Poste Groupe has an eligibility rate of 85.3%<sup>(2)</sup>; the non-eligible activities mainly correspond to those that use air transport.

- **Aligned Turnover:** 27.9% of the group's consolidated Turnover from activities that were analysed was aligned with the Taxonomy, i.e., €7,555 million or 32.7% of eligible Turnover; for eligible activities that were not aligned, this is either with regard to the Taxonomy's screening criteria, or due to the lack to date of an alignment monitoring methodology and/or usable audit trail.

Alignment ratios by macro-sector (as a %) and aligned Turnover (in €m)	2022 Turnover alignment	
5. Water supply, sewerage, waste management and remediation	<0.1%	
6. Transport	27.3%	
7. Construction and real estate activities	0%	
8. Information and communication	0%	
9. Professional, scientific and technical activities	0.5%	
<b>Aligned Turnover and group alignment ratio</b>	<b>€7,555 million</b>	<b>27.9%</b>

### CapEx

The group's capital expenditure (CapEx<sup>(3)</sup>) within the industrial and commercial scope amounted to €2,266 million. Of the total CapEx analysed, 50.3% of the group's consolidated CapEx

was aligned, i.e., €1,140 million in 2022. This CapEx mainly concerned industrial sites, vehicles and buildings (including right-of-use assets under IFRS 16).

Alignment ratios by macro-sector (as a %) and CapEx (in €m)	2022 CapEx alignment	
5. Water supply, sewerage, waste management and remediation	<0.1%	
6. Transport	48.9%	
7. Construction and real estate activities	1.1%	
8. Information and communication	0.16%	
9. Professional, scientific and technical activities	0.17%	
<b>Aligned CapEx and group alignment ratio</b>	<b>€1,140 million</b>	<b>50.3%</b>

(1) NACE code H.53: This division includes postal and courier activities, such as pickup, transport and delivery of letters and parcels under various arrangements./53.1 – Postal activities under universal service obligation/53.2 – Other postal and courier activities.

(2) Scope: industrial and commercial activities for climate change mitigation.

(3) CapEx includes freehold investments and IFRS 16 leases.

### OpEx <sup>(1)</sup>

Works carried out to date show that OpEx, as defined by the Taxonomy, is not material. It represented a budget of €768 million<sup>(2)</sup>, or 2.8% of group OpEx. Also, in accordance with the Delegated Act (EU) 2021/2178, La Poste Groupe meets the conditions for being exempt from the obligation to calculate the numerator of the OpEx KPI. La Poste Groupe's activity is above all a service and network business. As such, the relative weight of the OpEx base, as per the scope provided in the Delegated Act, is structurally immaterial.

### 4.3.6.2 Financial activities scope

At 31 December 2022, La Banque Postale analysed the proportion of its loans and investments identified as sustainable with regard to the environmental objectives of climate change mitigation and adaptation in accordance with Taxonomy criteria.

The results of this analysis, as well as the qualitative information referred to in Annex XI, are described in this section. The analysis was carried out based on current regulations and industry discussions on how to interpret the various regulations. However, given the ongoing uncertainty with regard to certain aspects of the Taxonomy Regulation and the fact that estimates were made to compensate for the unavailability of data in assessing the level of eligibility of certain assets, the information published by La Poste will be further clarified in future publications. The analysed portfolios cover, on the numerator side, consolidated outstanding loans to financial and non-financial companies subject to the Non-Financial Reporting Directive (NFRD), households and local authorities. The denominator side includes companies not subject to the NFRD (SMEs/micro enterprises and non-EU counterparties), derivatives, on-demand interbank loans, other assets and cash and cash equivalents. The analyses do not include exposure to central governments, central banks and supranationals or trading portfolio exposure.

Exposure indicators (as a %)	Method <sup>(a)</sup>	2021 <sup>(b)</sup>	Mandatory		2021 <sup>(b)</sup>	Voluntary		2021 <sup>(b)</sup>	Total	
			2022 Turnover	2022 CapEx		2022 Turnover	2022 CapEx		2022 Turnover	2022 CapEx
Proportion of exposures to eligible activities compared to total covered assets	j/d	33%	50%	50%	18%	3%	3%	52%	53%	53%
Proportion of exposures to non-eligible activities compared to total covered assets	i/d	3%	2%	2%	7%	28%	28%	10%	30%	30%
Proportion of items excluded from the numerator <sup>(c)</sup>	(e+f+g+h)/d	-	-	-	-	-	-	38%	17%	17%

(a) Covered assets (d) = total assets on the balance sheet - exposures to sovereign debt and central banks - trading portfolio.

Assets analysed for Taxonomy eligibility = covered assets - derivatives (e) - company not subject to the NFRD (f) - on-demand interbank loans (g) and other assets (h).

Assets eligible for Taxonomy alignment analysis (j) = assets analysed for Taxonomy eligibility - percentage of exposures related to non-eligible activities (i).

(b) The 2021 ratios were established on the basis of data available for the baseline year; Turnover and CapEx ratios were introduced in the 2022 reporting.

(c) Exposures to counterparties not subject to the NFRD, derivatives, cash and cash equivalents, on-demand interbank loans, other assets.

Exposure indicators (in €m)	Method <sup>(a)</sup>	2021 <sup>(b)</sup>	Mandatory		2021 <sup>(b)</sup>	Voluntary		2021 <sup>(b)</sup>	Total	
			2022 Turnover	2022 CapEx		2022 Turnover	2022 CapEx		2022 Turnover	2022 CapEx
Amount of exposures to eligible activities compared to total covered assets	j	69,951	82,062	82,490	38,372	5,602	5,602	108,323	87,664	88,092
Amount of exposures to non-eligible activities compared to total covered assets	i	6,730	3,365	3,423	15,122	46,272	45,786	21,852	49,637	49,209
Items excluded from the numerator (in €bn)	e+f+g+h	-	-	-	-	-	-	79,068	28,172	28,172

(a) Assets analysed for Taxonomy eligibility = covered assets - derivatives (e) - company not subject to the NFRD (f) - on-demand interbank loans (g) and other assets (h).

Assets eligible for Taxonomy alignment analysis (j) = assets analysed for Taxonomy eligibility - percentage of exposures related to non-eligible activities (i).

(b) The 2021 data were based on available data for the baseline year.

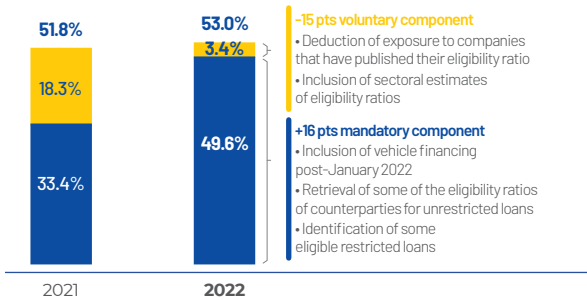
(1) Taxonomy OpEx scope: includes direct non-asset costs related to research and development, building refurbishment, short-term leases, maintenance and repair, and any other direct expenditure related to the ongoing maintenance of tangible assets by the company.

(2) Group OpEx excluding La Banque Postale.



La Banque Postale's eligibility ratio is relatively stable. Note that:

- the voluntary perimeter eligibility ratio decreased in favour of the mandatory perimeter eligibility ratio. This is due to the retrieval of eligibility ratios published by counterparties that were previously identified as fully eligible based on their main activity;
- the total amount of eligible assets decreased due to the adoption of eligibility ratio estimates on a sectoral basis in order to approach future actual values as closely as possible within the voluntary perimeter and the retrieval of eligibility ratios published by counterparties.



### Insurance business

Insurance activities are included in the La Banque Postale indicators through the equity-accounted shares of subsidiaries. In addition, presented below are specific indicators on insurance undertakings as provided for by the Delegated Act but whose disclosure among the La Banque Postale indicators is not required:

- proportion of eligible non-life gross premiums;
- proportion of eligible investments (CNP Assurances only).

### Non-life Insurance

Gross written premiums of business lines that can offer explicit insurance cover against climate hazards were considered eligible. They relate to the following three lines of business, in accordance with the position adopted by the French Insurance Federation: fire and other property insurance; other motor vehicle insurance; and marine, aviation and transport insurance.

### Non-life insurance - underwriting indicators (climate change adaptation criteria)

	2021		2022	
	Amount (in €bn)	%	Amount (in €bn)	%
Non-life gross premiums written	2.31	100	2.41	100
Gross written premiums of business lines that can provide explicit insurance cover against climate hazards	0.40	17	0.44	18

### CNP Assurances investments

Investment indicators cover the environmental objectives of climate change adaptation and mitigation. They cover the scope of CNP Assurances' savings and unit-linked portfolios. Regulatory reporting is based on the following principles:

- investments correspond to insurance investments net of derivative liabilities and cash as presented in CNP Assurances' IFRS consolidated balance sheet, to which are added unrealised gains on investment property and securities classified as held-to-maturity (HTM);
- sovereign bonds, including green or sustainable bonds, are not considered Taxonomy-eligible;

- the list of companies required or not required to report non-financial information is provided by data provider ISS ESG on the basis of company characteristics (European, listed, public interest, number of employees, revenue, balance sheet);
- by simplification, companies owned by CNP Assurances via unlisted vehicles (infrastructure funds, private equity funds) are considered not to be required to report non-financial information.

For more information on these indicators, see CNP Assurances' non-financial performance statement.

CNP Assurances – Investment indicators	2021				2022			
	Amount (in €bn)		% of outstanding investments		Amount (in €bn)		% of outstanding investments	
	Turnover	CapEx	Turnover	CapEx	Turnover	CapEx	Turnover	CapEx
Outstanding investments	445		100		400		100	
Proportion of investments <sup>(a)</sup> in Taxonomy-eligible economic activities	21	21	5	5	31	37	8	9
Proportion of investments <sup>(a)</sup> in Taxonomy-non-eligible economic activities	0	0	0	0	54	49	14	12

(a) Excluding sovereign debt and derivatives.

## 4.4 METHODOLOGY AND INDEPENDENT THIRD-PARTY REPORT

### 4.4.1 TCFD – Transition and adaptation risks

The Climate/TCFD Committee conducted work to identify and assess climate risks and build climate scenarios. The group has mapped its climate risks and opportunities, as presented below.



Time frame



Rating on scale from 1 to 4



Scope

#### Transition risks

#### Transition risk 1: Regulatory risk – taxation of emissions from the transport/logistics sector



5 years



1



Europe

Strengthening the control of greenhouse gas emissions through carbon taxes and the Emission Trading Scheme (ETS) could have an impact on the competitiveness of the logistics sector. It is very likely that from 2026, the transport sector will integrate a similar system to the EU-ETS which requires companies to invest in the decarbonisation of their logistics activity or to acquire certificates for an equivalent amount. Similarly, the price of outsourced services could increase meaning that La Poste would not be able to pass on these price increases to its end customers.

#### Details

Transport-related emissions represent 93% of the emissions analysed. Emissions from buildings represent 7% of the scope studied. As a result, La Poste Groupe is particularly sensitive to the introduction of carbon price/quota mechanisms for emissions associated with road transport, as provided for in the new EU legislative package, entering into force in 2026.

#### Estimated financial impact

The estimated financial impacts by 2030 depend on the timetable for implementing the taxation schemes. These impacts will also vary greatly depending on how energy suppliers will implement the new mechanisms.

#### Transition risk 2: Technological risks: non-competitive clean truck technologies



10 years



1



Europe

New generations of truck technologies (alternative fuels or power units) will be needed to achieve the group's greenhouse gas reduction targets, and strategic partners will contribute to the mitigation effort.

The lack of competitive clean truck technologies could have a significant impact on the pace of decarbonisation of the group's GHG footprint and the competitiveness of logistics activities.

#### Details

In addition to the development of biogas (compressed natural gas – CNG and natural gas for vehicles – NGV), policies and technological breakthroughs are needed to promote a boom in electric and hydrogen engines, which will be more significant as of 2025. However, even considering the most optimistic scenario of major technological breakthroughs, between 60% and 80% of delivery transport would still rely on fossil fuel technologies.

Beyond 2030, the share of electric and hydrogen vehicles in the fleet should become more significant given the acceleration in sales of this type of vehicle.

#### Estimated financial impact

Electric and hydrogen technologies are expected to generate additional costs of around 35% by 2030. With regard to bio CNG, the additional CapEx remains minimal compared to the purchase cost of the vehicle (18%), which is quickly amortised. The reduction in greenhouse gas emissions linked to these new technologies should reduce the costs of sequestering residual emissions in a "net-zero" approach.

## Adaptation risks

### Adaptation risk 1: Impact of extreme weather events on the group's real estate and productive assets

 20 years

 4

 France

The frequency and severity of extreme weather events (river, rain and coastal flooding, clay soil shrinkage or swelling, storms, etc.) will increase with climate change. This could affect the group's assets, particularly its real estate, resulting in asset losses and an increase in insurance premiums.

#### Details

Out of 10,311 sites, 759 of them (i.e., 7%) are highly exposed to flooding. The most exposed regions are Auvergne-Rhône-Alpes (136 sites), Occitanie (115 sites), Nouvelle-Aquitaine (110 sites) and Provence-Alpes-Côte d'Azur (74 sites).

Overall, flooding at La Poste sites does not seem to represent a significant risk at group level.

**Plan to address adaptation risk 1:** For all exposed sites, systematically integrate flood management procedures into the business continuity plan: monitor national weather alerts;

raise sensitive equipment and buildings; build long and high walls; and invest in protection solutions. If the activity is too severely disrupted, consider moving the site.

#### Estimated financial impact

Of the 759 sites at high risk, 40 are particularly vulnerable (net book value >€500,000, owner, medium or high strategic level) and nine have already been impacted in the past, four of which with material impact (€15,000 to €50,000 per event). The total net book value (NBV) of the sites at high risk owned by La Poste is estimated at €138 million. La Poste is insured for up to €200 million in the event of a major claim, and it is extremely unlikely that all sites will be affected at the same time.

### Adaptation risk 3: Impact of the natural catastrophe loss ratio on outstanding home loans

 20 years

 3

 France

The increase in claims could lead to an increase in the credit default rate. The growing exposure of insurers to natural disasters is causing tensions in the insurance/reinsurance markets. In fact, the cumulative annual losses associated with droughts and floods could increase by 35% compared to 20% in an intermediate warming scenario.

#### Details

**Plan to address adaptation risk 3:** systematic integration of future climate risks into the analysis of home loans, according to IPCC scenarios, is currently under consideration.

#### Estimated financial impact

1% of La Banque Postale's average four-year outstandings are at risk of default due to flooding. 0.04% of La Banque Postale's average four-year outstandings are at high risk of default due to flooding.

### Adaptation risk 2: Impact of the climate on health, safety and working conditions

 20 years

 3

 France

The chronic increase in temperatures could lead to a deterioration in working conditions and an increase in energy expenditure and investments necessary to ensure employee comfort and maintain product integrity. La Poste postal carriers who work outside and perform physical activities are particularly exposed.

#### Details

The number of heatwave days is expected to increase sharply by 2035 according to the two scenarios studied, doubling, at best, or even tripling. These heatwaves could reach two to six days per year.

In addition, by 2035, the increase in temperatures could lead to an average increase of 63% to 84% in the number of days per year requiring cooling to maintain a recommended temperature; i.e., 68 days under the RCP 2.6 scenario or 77 days under the RCP 8.5 scenario.

**Plan to address adaptation risk 2:** For sites already exposed, carry out a thermal performance diagnostic to identify what adaptation investments to make, prioritise measures to limit the entry of external heat (to make using air conditioning a last resort), determine the technical specificities related to the increase in temperatures to be included in the purchasing policy for certain types of equipment. Monitor the number of days of absenteeism during hot days and verify the implementation of adaptation measures.

#### Estimated financial impact

The increase in the number of heatwave days will result in a loss of productivity for employees working outdoors, which varies according to working conditions and the individual employee. The associated loss of productivity is estimated at between €6 million and €10 million by 2035. Additional air conditioning expenses (if no adaptation measures are taken) are estimated at €4 million under the RCP 2.6 and €4.5 million under the RCP 8.5 scenario by 2035.

## Opportunities

### Transition opportunity 1: Development of low-carbon logistics: strengthening of the group's positioning

 5 years

 1

 Europe

The rise of e-commerce creates new responsibilities and difficulties for urban centres, which are threatened by traffic congestion and pollution. La Poste Groupe has identified development opportunities anchored in its expertise in urban logistics. By promoting responsible urban logistics initiatives, the group will be able to consolidate its leadership in parcels on the French and European markets, offer new services (fresh produce, courier/last mile pallets, "instant" delivery with Stuart), and develop direct marketing to individuals.

#### Details

The challenge of reducing emissions associated with logistics is well supported by the group's main customers, as logistics also account for a significant portion of their own emissions

(10 to 20%). The overwhelming majority of customers have implemented a carbon footprint reduction strategy. Supplier commitment remains the preferred approach for customers who see it as a rapid way of presenting carbon performance results while they focus on growing their core business. Selection criteria may relate to SBT validation or performance.

The group has positioned itself as a low-carbon supplier in response to growing demand. Low-carbon criteria will be important during the selection process of new players, such as Amazon, which are also investing in solutions to decarbonise deliveries, particularly in the last mile.

#### 4.4.2 Reference framework and scope of non-financial reporting

The group's corporate social responsibility reporting process was carried out in accordance with the provisions set forth in Articles L. 225-102-1 and R. 225-104 to R. 225-105 of the French Commercial Code:

- this chapter presents the information relating to the social, societal and environmental challenges and risks associated with its activity, and the policies pursued in these areas, in accordance with the non-financial statement requirements set out in Decree no. 2017-1265 of 9 August 2017 issued to implement Order no. 2017-1180 of 19 July 2017 on the publication of ESG information;
- the following issues, expected by law, are considered immaterial to La Poste Groupe in view of its business model and activities:
  - fight against food insecurity,
  - food waste,
  - animal well-being,
  - responsible, fair and sustainable nutrition,
  - measures aimed at promoting physical and sporting activity;
- since 2009, the group has had its ESG indicators verified by an independent third party and is gradually extending the scope of all published indicators to the consolidated scope;
- the employee indicators are developed in accordance with the methodology used for the employee report;
- in order to report to stakeholders on the group's annual results in terms of social and environmental responsibility, the group publishes an annual CSR report and a short format report, *Les Essentiels*, both available in the second quarter of the year on the group website. This report is prepared in accordance with Global Reporting Initiative (GRI) standards<sup>(1)</sup>.

The environmental indicators are based on recognised guidelines:

- national guidelines: the *Bilan Carbone* methodology proposed by Ademe calculates emissions from most energy sources, excluding international electricity, and emission factors and other sources from the *Base Carbone*;
- international guidelines: the GHG Protocol to define scopes 1, 2 and 3; the Global Reporting Initiative (GRI) sustainability reporting guidelines; consumption or emission factors provided by the International Energy Agency for the calculation of emissions related to consumption of international electricity (based on the average from the last three years); recommendations of the Task Force on Climate-Related Financial Disclosures;
- special consideration for emissions from electricity from renewable sources (emission factors in CO<sub>2</sub>eq relative to the consumption of electricity from renewable sources supplied directly by electricity suppliers, failing which, the factor applied corresponds to the average emissions factor of the renewable energy mix of the country of consumption).

The reporting period is based on:

- for employee indicators, the calendar year (1 January to 31 December) to ensure consistency with French regulations and the employee reports of French companies;
- for environmental reporting, a rolling year from December to end-November or a rolling quarter from Q4 to end-Q3, except for the number of vehicles (31 December).

(1) The GRI is an independent international standard-setting body for corporate sustainability performance.

All indicators are described and updated annually in detailed reporting reviews by the group's Social Commitment Department, which is responsible for reporting in consultation with all internal stakeholders. These reviews specify how indicators are defined, how information is gathered and calculated, the estimates or extrapolations made, if necessary, the checks performed, and data collection and approval.

La Poste Groupe's reporting scope, unless otherwise stated, consists of the La Poste Groupe subsidiaries that are fully consolidated for the preparation of the consolidated financial statements. The coverage rate has changed over the years due to policies and initiatives to harmonise indicators, reporting mechanisms, digitisation projects and acquisitions. In 2022, the non-financial report was marked by:

- further broadening of the scope of the employee indicators to include most of the group's European subsidiaries;

- more limited use of the extrapolation method to ensure consistency of the reporting with the scope of consolidation of the group entities and the operational reality of the extrapolated entities. By convention, the extrapolated data are calculated on the basis of an emissions ratio in kgCO<sub>2</sub>eq per thousand euros of revenue. Extrapolated greenhouse gas emissions are, by convention, considered as falling within scope 3 in the group's emissions table.

	<b>% of consolidated group revenue</b>	<b>% of group employees<sup>(a)</sup></b>
Employee indicators including La Poste Groupe subsidiaries in France and Europe <sup>(b)</sup>	95.4	98.1
GHG emissions related to La Poste Groupe transport and buildings <sup>(c)</sup>	100	100

(a) Expressed in FTE.

(b) The HRD is responsible for the employee, health and safety indicators.

(c) Including extrapolated GHG emissions data (scope 3), which represented 4.5% of the group's GHG emissions in 2022.

The scope of commitment mostly corresponds to greenhouse gas<sup>(1)</sup> emissions from transportation related to Mail and Parcel delivery, the Network, corporate, financial services (notwithstanding the principles set forth in the note on methodology), digital services and the buildings managed by the La Poste Immobilier subsidiary.

Road, air, rail and maritime transport are taken into account. The greenhouse gas emissions include:

- scopes 1 and 2 greenhouse gas emissions, as defined by the GHG Protocol: direct and indirect emissions linked to the consumption of electricity, steam, heating or cooling;
- scope 3 greenhouse gas emissions: these mainly include transport subcontractors and subcontracted employee business travel.

(1) This commitment covers 23% of the group's footprint.

### 4.4.3 Report by an independent third party on the consolidated non-financial information statement

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

#### For the year ended 31 December 2022

To the Annual General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884<sup>(1)</sup>, we have undertaken a limited assurance engagement on the historical financial information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31<sup>st</sup>, 2022 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

#### Conclusion

Based on the procedures we have performed, as described under the "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

#### Preparation of the non-financial performance Statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters.

#### Inherent limitations in preparing the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

#### Responsibility of the entity

Management of the Entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information;

- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators, and the information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

#### Responsibility of the Statutory Auditor, appointed as independent third party/independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- The fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information".

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- The entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French Duty of care law, and provisions against corruption and tax evasion);
- The fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (GreenTaxonomy); the compliance of products and services with the applicable regulations.

#### Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes*, "Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière", acting as the verification program, and with the International Standard on Assurance Engagements 3000 (revised)<sup>(2)</sup>.

(1) Accreditation Cofrac Inspection, number 3-1884, scope available at [www.cofrac.fr](http://www.cofrac.fr).

(2) ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

## Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

## Means and resources

Our work engaged the skills of seven people between December 2022 and March 2023 and took a total of nineteen weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted twenty interviews with the people responsible for preparing the Statement representing in particular executive management, administration and finance, risk management, compliance, human resources, health and safety, environmental and purchasing departments.

## Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III: as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;

- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented;
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Concerning certain risk<sup>(1)</sup>, our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities<sup>(2)</sup>.
- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities<sup>4</sup> and covers between 72% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, on March 16<sup>th</sup>, 2023

KPMG S.A.

Stéphanie Millet

Partner

Anne Garans

ESG Expert

(1) Quality of service as perceived by customers; Transformation of the Group's networks and production facilities; Non-compliance; Disruption of activities in the event of a major crisis.

(2) Véhiposte; Direction du Réseau Logistique du Courrier et du Colis; Direction Technique du Courrier / Colis international; Recygo and Nouvelle Attitude; Poste Immo; Geopost Head Office; La Poste Head Office; La Poste Maison Mère.

## Appendix

### Qualitative information (actions and results) considered most important

- Policies put in place to improve the quality of working life of postal workers
- Actions implemented to study the key success factors for the mobility of group employees
- Actions put in place for the inclusion and development of the employability of postal workers
- Actions implemented to measure and reduce the environmental impact of the group's activities
- Actions taken to promote third party supplier compliance
- Policies and actions to identify climate change risks
- Actions taken to improve customer satisfaction
- Policies and actions put in place to promote ethical and inclusive in digital

### Key performance indicators and other quantitative results considered most important

- Total headcount at 31/12 (FTE)
- Breakdown of headcount by gender and age
- Staff turnover rate
- Hours of training per employee trained
- Proportion of employees who took at least one training course during the year
- Frequency rate of accidents at work with time-off
- Severity rate of accidents at work
- Rate of absence for sickness
- Energy consumption related to buildings and transport
- Carbon footprint related to buildings and transportation
- Quantity of materials collected by Recygo and Nouvelle Attitude, valorized at 98% in reuse or recycling
- Total number of social agreements signed
- Percentage of women on the Management Committee
- Number of alerts processed
- Number of people trained in anti-corruption
- Number of active clients Digiposte and Identité numériques
- Emissions of nitrogen oxides (NOx)
- Particulate emissions (PM)
- Carbon monoxide (CO) emissions



#### 4.4.4 Taxonomy reference framework and reporting scope

This methodological note aims to highlight the analytical principles implemented within La Poste Groupe on both the industrial and the commercial scope (Services-Mail-Parcels, Retail Customers & Digital Services, Geopost and La Poste Immobilier business lines) and on the financial scope (La Banque Postale) on the basis of the two Delegated Acts specifying:

- technical screening criteria for climate objectives ((EU) 2021/2139);

- the Taxonomy reporting methods expected for the 2022 reporting period ((EU) 2021/2178).

To be aligned, an activity must contribute substantially to one of the six environmental objectives, do no significant harm to the other five objectives in accordance with the “DNSH” criteria and meet minimum social safeguards.

##### 4.4.4.1 Industrial and commercial scope

###### Segment information

The operational analysis of the group with respect to Taxonomy requirements concerns all activities generating external revenue. In 2022, La Poste Groupe adopted an approach focusing on a single value chain, namely the Mail and Parcels value chain.

Taxonomy sector codes	Comprehensive alignment analysis methodology
5.5 Collection and transport of non-hazardous waste in source segregated fractions	Planned for 2023
6.4 Operation of personal mobility devices, cycle logistics	
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	2022 reporting (value chain analysis)
6.6 Freight transport services by road	
6.15 Infrastructure enabling low-carbon road transport and public transport	
7.7 Acquisition and ownership of buildings	Planned for 2023
8.1 Data processing, hosting and related activities	Planned for 2023
9.3 Professional services related to energy performance of buildings	Planned for 2023

The analytical breakdown of Turnover distinguishes between:

- eligible activities;
  - subject to full value chain alignment analysis,
  - not subject to any additional analysis and accordingly considered by default as non-aligned for the 2022 reporting;
- non-eligible activities.

###### Geographic scope

Most of the DNSH criteria have been brought into line with European regulations. The analysis is therefore facilitated by the obligation to transpose the texts within the Member States and economically close partner countries. The alignment analysis of the 2022 reporting covers the group’s activities in Europe and its partners<sup>(1)</sup>.

###### Mail-Parcels value chain

The postal logistics value chain consists of the following elements:

###### Modes of transport

- 6.4: pedestrian, bicycle, e-bike<sup>(2)</sup> and cargo bike rounds, i.e., modes of delivery using human power for propulsion, a zero-emission engine, or a combination of both (freight transport services by bicycle);
- 6.5: light vehicle rounds; own-operated activities are partially aligned with the decarbonisation of the fleet;
- 6.6: activities carried out using trucks; no existing vehicles can be aligned (as a reminder, gas- or biogas-fuelled vehicles are not aligned, even though they make a significant contribution to the carbon pathway).

Concerning the subcontracting of delivery, once the traceability of the mode of delivery is contractually established (green resources mobilised), the analysis will make it possible to establish the level of alignment. Otherwise, the Turnover related to subcontracting is considered “non-aligned”.

(1) Partners: Iceland, Norway, United Kingdom and Switzerland – small states and principalities (Andorra, Monaco, etc.).

(2) See definition in the glossary in Section 8.3 of this document.

## Industrial infrastructure

- 6.15: Infrastructure enabling low-carbon transport.  
Substantial contribution conditions: the activity meets at least one of the following criteria:
  - infrastructure for the operation of vehicles with zero tailpipe CO<sub>2</sub> emissions (for example, electric vehicle charging points, electricity grid connection upgrades, hydrogen refuelling stations or electric road networks);
  - infrastructure and associated subsystems for transshipment of freight between modes (e.g., terminal and trackside superstructure for loading, unloading and transshipment of goods).

Code 6.15 therefore covers all of La Poste's infrastructure types allowing the transshipment of mail and parcels.

This infrastructure contributes substantially to the climate mitigation objective of Article 16 (EU 2020/852). In this respect, all hubs contribute substantially to the objective; however, in view of the challenges posed by the geographic location of the large hubs (PIC, PFC)<sup>(1)</sup> and their impact on biodiversity, further analysis will be carried out. Consequently, the group's 2022 reporting will only cover intermediate and local hubs (PPDC, ACP, urban depots)<sup>(1)</sup>.

## DNSH analysis

Group activities within sectors covered by the Taxonomy are assessed to determine whether and to what extent they do significant harm to one of the Taxonomy's other five environmental objectives.

Environmental objectives	Analysis of DNSH criteria		
	Mode of transport 6.4 – 6.5 – 6.6	Infrastructure 6.15	Other sectors 5.5 - 7.7 - 9.3
Climate change adaptation	In each of the sectors analysed, the group has implemented climate risk management, monitoring and steering processes (TCFD, etc.) for its various activities.		
Sustainable use and protection of water and marine resources	-	The challenge for sites is to adapt to the regulations.	-
Transition to a circular economy	The analysis of the texts aims to ensure the implementation of measures dedicated to waste management (6.4) and compliance with European regulations <sup>(a)</sup> .	For new infrastructure, these specificities must be integrated.	-
Pollution prevention and control	For motor vehicles, the group applies the highest standards for tyres; Given the different speeds and journey times, this standard must be read in the light of the specific nature of the postal sector.	Reminder of the Directive for the limitation of nuisances (noise and vibrations) from the operation and maintenance of infrastructure.	5.5: Reminder of the Directive on waste storage and transfer facilities. 7.7 and 9.3: -
Protection and restoration of biodiversity and ecosystems	-	Need for an Environmental Impact Assessment (EIA) or a review carried out in accordance with the Directive as appropriate.	-
Minimum safeguards	With respect to Article 18 of the Taxonomy Regulation and in line with the Final Report on Minimum Safeguards published by the Platform on Sustainable Finance (October 2022), the answers to questions regarding compliance with the minimum safeguards on (i) human rights, (ii) corruption, (iii) taxation and (iv) fair competition are presented in this document.		

(a) Transposed in France by decision dated 27 June 2002 and published on 29 June 2002 in the Official Journal.

(1) See definition in the glossary in Section 8.3 of this document.

## Taxonomy reporting tables for 2022

### Turnover

Economic activities	Codes	Absolute Turnover (in € millions)	Proportion of Turnover (as a %)	Substantial contribution criteria		Do no significant harm (DNSH) criteria						Minimum safeguards (yes/no)	Taxonomy-aligned proportion of Turnover – 2022
				Climate change mitigation (as a %)	Climate change adaptation (as a %)	Climate change mitigation (yes/no)	Climate change adaptation (yes/no)	Sustainable use and protection of water and marine resources (yes/no)	Transition to a circular economy (yes/no)	Pollution prevention and control (yes/no)	Protection and restoration of biodiversity and ecosystems (yes/no)		
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>			%										
<b>A.1 – Taxonomy-aligned activities</b>													
Collection and transport of non-hazardous waste in source segregated fractions	5.5	10.6	<0.1	100	0		yes	none	yes	none	none	yes	
Operation of personal mobility devices, cycle logistics	6.4	1,200.4	4.4	100	0		yes	none	yes	none	none	yes	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	1,590.5	5.9	100	0		yes	none	yes	yes	none	yes	
Freight transport services by road	6.6	0.7	<0.1	100	0		yes	none	yes	yes	none	yes	
Infrastructure enabling low-carbon road transport and public transport	6.15	4,619.2	17.0	100	0		yes	yes	yes	yes	yes	yes	
Acquisition and ownership of buildings	7.7	0	0	100	0		yes	none	none	none	none	yes	
Data processing, hosting and related activities	8.1	0	0	100	0			not analysed in 2022				yes	
Professional services related to energy performance of buildings	9.3	133.9	0.5	100	0		yes	none	none	none	none	yes	
<b>Turnover of Taxonomy-aligned activities (Total A.1)</b>		<b>7,555</b>	<b>27.9</b>	<b>100</b>	<b>0</b>								
<b>A.2 – Taxonomy-non-aligned activities</b>													
Collection and transport of non-hazardous waste in source segregated fractions	5.5	0	0	100	0		yes	none	yes	none	none	yes	
Operation of personal mobility devices, cycle logistics	6.4	0	0	100	0		yes	none	yes	none	none	yes	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	8,987.4	33.2	100	0		yes	none	yes	yes	none	yes	
Freight transport services by road	6.6	3,991.1	14.7	100	0		yes	none	yes	yes	none	yes	

	Codes	Absolute Turnover (in € millions)	Proportion of Turnover (as a %)	Substantial contribution criteria		Do no significant harm (DNSH) criteria							Minimum safeguards (yes/no)	Taxonomy-aligned proportion of Turnover – 2022
				Climate change mitigation (as a %)	Climate change adaptation (as a %)	Climate change mitigation (yes/no)	Climate change adaptation (yes/no)	Sustainable use and protection of water and marine resources (yes/no)	Transition to a circular economy (yes/no)	Pollution prevention and control (yes/no)	Protection and restoration of biodiversity and ecosystems (yes/no)			
<b>Economic activities</b>														
Infrastructure enabling low-carbon road transport and public transport	6.15	1,713.8	6.3	100	0	yes	yes	yes	yes	yes	not analysed	yes		
Acquisition and ownership of buildings	7.7	90.9	0.3	100	0	yes	none	none	none	none	none	yes		
Data processing, hosting and related activities	8.1	772.5	2.9	100	0		not analysed in 2022					yes		
Professional services related to energy performance of buildings	9.3	0	0	100	0	yes	none	none	none	none	none	yes		
<b>Turnover from Taxonomy-non-aligned activities (Total A.2)</b>		<b>15,556</b>	<b>57.4</b>											
<b>Turnover of Taxonomy-eligible activities (A = A.1 + A.2)</b>		<b>23,111</b>	<b>85.3</b>											
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>														
<b>Turnover of Taxonomy-non-eligible activities (B)</b>		<b>3,992</b>	<b>14.7</b>											
<b>TOTAL A + B</b>		<b>27,103</b>	<b>100</b>											

CapEx

Economic activities	Codes	CapEx (in € millions)	Proportion of CapEx (as a %)	Substantial contribution criteria			Do no significant harm (DNSH) criteria						Taxonomy-aligned proportion of CapEx – 2022
				Climate change mitigation (as a %)	Climate change adaptation (as a %)	Climate change mitigation (yes/no)	Climate change adaptation (yes/no)	Sustainable use and protection of water and marine resources (yes/no)	Transition to a circular economy (yes/no)	Pollution prevention and control (yes/no)	Protection and restoration of biodiversity and ecosystems (yes/no)	Minimum safeguards (yes/no)	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>													%
<b>A.1 – Taxonomy-aligned activities</b>													
Collection and transport of non-hazardous waste in source segregated fractions	5.5	0.3	0	100	0	yes	none	yes	none	none	yes		
Operation of personal mobility devices, cycle logistics	6.4	33.1	1.5	100	0	yes	none	yes	none	none	yes		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	137.6	6.1	100	0	yes	none	yes	yes	none	yes		
Freight transport services by road	6.6	0	0	100	0	yes	none	yes	yes	none	yes		
Infrastructure enabling low-carbon road transport and public transport	6.15	937.0	41.3	100	0	yes	yes	yes	yes	yes	yes		
Acquisition and ownership of buildings	7.7	24.7	1.1	100	0	yes	none	none	none	none	yes		
Data processing, hosting and related activities	8.1	3.7	0.2	100	0	not analysed in 2022					yes		
Professional services related to energy performance of buildings	9.3	3.7	0.2	100	0	yes	none	none	none	none	yes		
<b>CapEx of Taxonomy-aligned activities (Total A.1)</b>		<b>1,140</b>	<b>50.3</b>										
<b>A.2 – Taxonomy-non-aligned activities</b>													
Collection and transport of non-hazardous waste in source segregated fractions	5.5	0	0	100	0	no	yes	none	yes	none	none	yes	
Operation of personal mobility devices, cycle logistics	6.4	2.7	0.1	100	0	yes	none	yes	yes	none	yes		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	345.7	15.3	100	0	yes	none	yes	yes	none	yes		
Freight transport services by road	6.6	125.0	5.5	100	0	yes	none	yes	yes	none	yes		
Infrastructure enabling low-carbon road transport and public transport	6.15	298.5	13.2	100	0	yes	yes	yes	yes	yes	yes		

Economic activities	Codes	CapEx (in € millions)	Proportion of CapEx (as a %)	Substantial contribution criteria			Do no significant harm (DNSH) criteria						Minimum safeguards (yes/no)	Taxonomy-aligned proportion of CapEx – 2022
				Climate change mitigation (as a %)	Climate change adaptation (as a %)	Climate change mitigation (yes/no)	Climate change adaptation (yes/no)	Sustainable use and protection of water and marine resources (yes/no)	Transition to a circular economy (yes/no)	Pollution prevention and control (yes/no)	Protection and restoration of biodiversity and ecosystems (yes/no)			
Acquisition and ownership of buildings	7.7	0.5	0	100	0		yes	none	none	none	none	yes		
Data processing, hosting and related activities	8.1	119.6	5.3	100	0		Not analysed in 2022					yes		
Professional services related to energy performance of buildings	9.3	0	0	100	0		yes	none	none	none	none	yes		
<b>CapEx of Taxonomy-non-aligned activities (Total A.2)</b>		<b>892</b>	<b>39.4</b>											
<b>CapEx of Taxonomy-eligible activities (A = A.1 + A.2)</b>		<b>2,032</b>	<b>89.7</b>											
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>														
<b>CapEx of Taxonomy-non-eligible activities (B)</b>		<b>234</b>	<b>10.3</b>											
<b>TOTAL A + B</b>		<b>2,266</b>	<b>100</b>											

#### 4.4.4.2 Financial activities scope

The following principles were used to analyse the eligibility of the exposures:

Type of counterparty	Principle applied	Mandatory ratio	Voluntary ratio
Households	The following products are considered eligible: home loans, renovation loans and motor vehicle financing.	✓	
Non-financial counterparties	Taxonomy-eligible activities are determined by cross-referencing the NACE codes of companies with the activities listed in the screening criteria of the Taxonomy Regulation.		✓
	Or by obtaining their eligibility ratio if available.	✓	
Financial counterparties	All exposures to financial counterparties subject to the NFRD are considered eligible if no information is available or if a voluntary green asset ratio has been obtained.		✓
	And if a mandatory eligibility ratio has been obtained.	✓	

On this basis, the proportion of La Banque Postale’s exposures related to eligible and non-eligible activities represents 50% and 2%, respectively, of total covered assets under the “mandatory” approach and 3% and 28% under the “voluntary” approach, i.e., 53% and 30% in total.

## Exclusions

The proportion of items excluded from the total assets at 31 December 2021 and at 31 December 2022, as required by the Delegated Act of Article 8, are presented below (climate change mitigation and adaptation criteria):

<b>Exposure indicators (as a %)</b>	<b>Method</b>	<b>2022</b>	<b>2021</b>
Exposures to central governments, central banks and supranationals	b/a	42%	30%
Trading portfolio compared to total assets	c/a	4%	1%
On-demand interbank loan portfolio compared to total assets	g/a	0%	0%
Hedging derivative portfolio compared to total assets	e/a	0%	0%
Outstandings in companies not required to disclose non-financial information under Article 19 bis or 29 bis of Directive 2013/34/EU	f/a	6%	7%

They correspond to the following amounts:

<b>Exposure indicators (in €m)</b>	<b>Method</b>	<b>2022</b>	<b>2021</b>
Exposures to central governments, central banks and supranationals	b	130,597	92,243
Trading portfolio compared to total assets	c	11,764	2,125
On-demand interbank loan portfolio compared to total assets	g	389	475
Hedging derivative portfolio compared to total assets	e	1,020	224
Outstandings in companies that are not required to disclose non-financial information under Article 19 bis or 29 bis of Directive 2013/34/EU	f	17,462	15,022

In addition, La Banque Postale is working to align its strategy with the Taxonomy through a variety of actions: adapting its offering (aligning the green loan range with the Taxonomy, establishing a Taxonomy reference framework), implementing IT processes (collection and adaptation tools) and enhancing reporting (information collection and transparency).

In accordance with the requirements of the EU Taxonomy Complementary Delegated Act on the screening criteria related to climate change mitigation and adaptation, an analysis was carried out on La Banque Postale's exposure to the gas and nuclear sectors.

## Nuclear and fossil gas related activities (Template 1):

<b>Nuclear energy related activities</b>		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
<b>Fossil gas related activities</b>		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

La Banque Postale has exposure to the gas and nuclear sectors via the provision of non-dedicated funds to companies in these sectors, the main ones of which are committed to SBTi's decarbonisation pathways.

#### 2023 alignment approach

La Banque Postale is adhering to the EU timeline for its activities identified as Taxonomy-eligible and will rely on all the information disclosed by counterparties subject to the regulation to analyse the alignment of the activities financed in its portfolios. Thus, to calculate Taxonomy alignment ratios, La Banque Postale will:

- obtain from its clients the data necessary for the analysis when available;
- identify its clients' alignment ratios where they are publicly available, either directly in the client's intentional documentation or from reference data providers;

- establish a methodology to estimate, on a voluntary basis, the level of alignment of funding and investments not covered by the data collected.

La Banque Postale helps its customers better understand and take into account the European Union's Green Taxonomy through dedicated products based on the principles of this regulation.





# 5.

## GOVERNANCE

### 5.1 STRUCTURE AND COMPOSITION OF THE GOVERNANCE BODIES

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## 5.1 STRUCTURE AND COMPOSITION OF THE GOVERNANCE BODIES

### 5.1.1 Board of Directors



IN 2022

**21**  
DIRECTORS

**48%**  
WOMEN

**4 YEARS**  
AND 9 MONTHS  
AVERAGE  
SENIORITY

**57 YEARS**  
AND 3 MONTHS  
AVERAGE AGE

**11**  
MEETINGS

**91.5%**  
ATTENDANCE  
RATE

#### Membership of the Board of Directors

In accordance with Article 10 of French law no. 90-568 of 2 July 1990 on the organisation of the services of La Poste and France Télécom, as amended by French law no. 2019-486 of 22 May 2019 on business growth and transformation (the "PACTE law"), La Poste's Board of Directors has, since 4 March 2020, comprised:

- eleven directors appointed by the General Meeting upon a proposal by Caisse des Dépôts: Marie-Pierre de Baillencourt, Virginie Chapron-du Jeu<sup>(1)</sup>, Corinne Lejbowicz, Philippe Lemoine, Éric Lombard, Françoise Malrieu, Olivier Mareuse, Catherine Mayenobe, Antoine Saintoyant, Olivier Sichel and Claire Waysand;
- one director representing the French State under the terms of Article 4 of Order no. 2014-948 of 20 August 2014 relating to governance and transactions involving the share capital of state-owned companies: Charles Sarrazin;

- two directors appointed by the General Meeting upon a proposal by the French State on the basis of Article 6 of Order 2014-948, including the Chairman and Chief Executive Officer: Franck Gervais and Philippe Wahl;
- seven directors representing employees: Irène Baudry, Stéphane Chevet, Florence Fimbel, Isabelle Fleurence, Franck Haspot, Sylvie Joseph and Hugo Reis;
- three non-voting members (*censeurs*) representing users as well as municipalities and their associations, appointed by decree of the Minister for the Economy, who attend Board of Directors meetings in a non-voting capacity: Gil Avérous, Guylaine Brohan and Patrick Molinoz.

The government representative and the head of the French State's economic and financial control unit at La Poste also attend Board of Directors meetings in a non-voting capacity.

The term of office for the Board of Directors' members is five years. Should a member of the Board of Directors leave office for any reason, a replacement will sit only for the duration of the remaining term of office, until the entire Board is renewed.

#### Application of the principle of balanced representation of women and men on the Board of Directors

La Poste complies with the proportion of members of each gender on the Board of Directors set by Article L. 225-18-1 of the French Commercial Code (*Code de commerce*). The Board of Directors (including non-voting members) is currently made up of 11 women and 13 men.

The directors of La Poste are all French nationals.

#### Five Board Committees

Committee name	Number of members	Number of meetings	Attendance rate
Audit Committee	5	7	90%
Appointments, Compensation and Governance Committee	4	2	88%
Strategy and Investment Committee	9	9	84%
Quality and Sustainable Development Committee	7	4	96%
Public Service Missions Committee	7	3	100%

(1) Until 23 February 2023.

## Membership of the Board of Directors

	Gender	Appointed by	Age*	Appointed on	Appointment expires on	Committees				
						Audit Committee	Appointments, Compensation and Governance Committee	Strategy and Investment Committee	Quality and Sustainable Development Committee	Public Service Missions Committee
<b>Chairman of the Board of Directors</b>										
<b>PHILIPPE WAHL</b>	M	General Meeting	67	04/03/2020	30/06/2025					
<b>Directors</b>										
<b>IRÈNE BAUDRY</b>	F	Elected by employees	47	21/01/2021	20/01/2026			■		■
<b>VIRGINIE CHAPRON-DU JEU</b>	F	General Meeting	62	04/03/2020	30/06/2025	■			■	
<b>STÉPHANE CHEVET</b>	M	Elected by employees	48	21/01/2021	20/01/2026	■				■
<b>MARIE-PIERRE DE BAILLIENCOURT</b>	F	General Meeting	53	04/03/2020	30/06/2025				●	
<b>FLORENCE FIMBEL</b>	F	Elected by employees	59	21/01/2021	20/01/2026			■		
<b>ISABELLE FLEURENCE</b>	F	Elected by employees	59	21/01/2021	20/01/2026			■	■	
<b>FRANCK GERVAIS</b>	M	General Meeting	46	04/03/2020	30/06/2025				■	●
<b>FRANCK HASPOT</b>	M	Elected by employees	56	30/01/2021	20/01/2026	■				
<b>SYLVIE JOSEPH</b>	F	Elected by employees	62	21/01/2021	20/01/2026			■	■	
<b>CORINNE LEJBOWICZ</b>	F	General Meeting	63	04/03/2020	30/06/2025			■		
<b>PHILIPPE LEMOINE</b>	M	General Meeting	74	04/03/2020	30/06/2025		●		■	
<b>ÉRIC LOMBARD</b>	M	General Meeting	65	04/03/2020	30/06/2025		■			
<b>FRANÇOISE MALRIEU</b>	F	General Meeting	77	04/03/2020	30/06/2025			●		
<b>OLIVIER MAREUSE</b>	M	General Meeting	60	04/03/2020	30/06/2025	■				
<b>CATHERINE MAYENOBE</b>	F	General Meeting	59	04/03/2020	30/06/2025					■
<b>HUGO REIS</b>	M	Elected by employees	51	21/01/2021	20/01/2026		■	■		
<b>ANTOINE SAINTOYANT</b>	M	General Meeting	46	27/01/2021	30/06/2025			■		
<b>CHARLES SARRAZIN</b>	M	Decree	49	04/03/2020	30/06/2025	●	■	■		
<b>OLIVIER SICHEL</b>	M	General Meeting	56	04/03/2020	30/06/2025					
<b>CLAIRE WAYSAND</b>	F	General Meeting	54	04/03/2020	30/06/2025					
<b>Non-voting members</b>										
<b>GIL AVÉROUS</b>	M	Decree	49	08/04/2022	30/06/2025					■
<b>GUYLAINE BROHAN</b>	F	Decree	66	26/10/2022	30/06/2025				■	■
<b>PATRICK MOLINOZ</b>	M	Decree	53	08/04/2022	30/06/2025					■

\* Age at the publication date of this document.

● Committee Chair.

## 5. GOVERNANCE

### Structure and composition of the governance bodies

## Directors' expertise

### BUSINESS-SECTOR EXPERTISE



### CORPORATE EXPERTISE



## Profiles of the members of the Board of Directors

The biographies below indicate the names of the members of the Board of Directors as well as their date of birth, main positions held within or outside La Poste and expired terms of office served outside La Poste over the last five years, as required by Article L. 225-102-1 of the French Commercial Code.



**Date of birth:**  
11/03/1956

**Business address:**  
La Poste  
9, rue du Colonel-Pierre-  
Avia  
Case postale A 701  
75757 Paris Cedex 15,  
France

**Attendance rate at Board meetings in 2022:**  
100%

### PHILIPPE WAHL

Chairman of the Board of Directors

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Philippe Wahl studied at the *Institut d'Études Politiques de Paris* (IEP) and the *École Nationale d'Administration* (ENA). He also holds a postgraduate research degree (DEA) in Economics. He began his career as an auditor and master of requests (*maître des requêtes*) at the French Council of State. Following on from his role as Special Advisor to the Chairman of the French Stock Exchange Committee (1986), in 1989 he joined the office of Michel Rocard, Prime Minister, as Technical Advisor for Economic, Financial and Tax Affairs. Advisor to the Chairman of *Compagnie Bancaire* (1991), then Executive Vice President (1994), in 1997 he was appointed Head of Specialist Financial Services at Paribas. In 1999, he became Chief Executive Officer of *Caisse Nationale des Caisses d'Épargne*.

In this capacity, he was a member of the Supervisory Boards of CDC Ixis and CNP Assurances. Appointed Chief Executive Officer of the Havas group in 2005, he became Vice President of the Bolloré group in 2006. After joining the Royal Bank of Scotland in 2007 as Managing Director for France, he was appointed Managing Director for France, Belgium and Luxembourg in 2008, before becoming Chairman of the Management Board of La Banque Postale and Executive Vice President of La Poste Groupe in January 2011. In September 2013, Philippe Wahl became Chairman and Chief Executive Officer of La Poste Groupe and in October he was appointed Chairman of the Supervisory Board of La Banque Postale.

#### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

##### Current terms of office

- Chairman of the Board of Directors of Geopost
- Chairman of the Supervisory Board of La Banque Postale
- Director of Geopost
- Permanent representative of La Poste, director of Poste Immo
- Director of CNP Assurances

##### Terms of office that have expired in the last five years

- Director of Sopassure



**Date of birth:**  
06/05/1976

**Business address:**  
Secrétariat du Conseil  
d'administration  
Case postale A 702  
9, rue du Colonel-Pierre-  
Avia  
75757 Paris Cedex 15,  
France

Sponsored by CGT  
**Attendance rate at Board  
meetings in 2022:**  
88.9%

## IRÈNE BAUDRY

Director

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Irène Baudry holds a master's degree in business law and a master's degree in labour law. She began her career in 1999 working in different business sectors before taking on a number of responsibilities (legal affairs, internal control and compliance) between 2002 and 2016 in asset management groups, including CDC Ixis Asset Management, AGF Asset Management and La Banque Postale Asset Management.

In 2016, she joined La Banque Postale as a Legal Expert responsible for monitoring regulatory change. Active in the CGT trade union, she has been elected to various employee representation functions (member of the Works Council, member of the CHSCT, union representative).

### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

#### Current terms of office

None

#### Terms of office that have expired in the last five years

None



**Date of birth:**  
13/10/1961

**Business address:**  
Caisse des Dépôts  
56, rue de Lille  
75356 Paris 07 SP, France

**Attendance rate at Board  
meetings in 2022:**  
88.9%

## VIRGINIE CHAPRON-DU JEU

Director<sup>(1)</sup>

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Virginie Chapron-du Jeu was Head of the Risk Management and Control Department then Head of the Strategy-Financing-General Affairs Division of IXIS-CIB, before joining Caisse des Dépôts as Head of the Financial Balances Department, Project Director to the Executive Vice President, Head of Investments and Accounting, then Head of Finance.

### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

#### Current terms of office

- Director of BPI France SA
- Director of SFIL
- Director of RTE and CTE (Coentreprise de Transport d'Électricité)
- Chairwoman of Novethic

#### Terms of office that have expired in the last five years

- Director of CNP Assurances
- Director of CDC Placement
- Director of AEW Europe
- Director of Humanis-Retraite Arrco

(1) Until 23 February 2023.

## 5. GOVERNANCE

### Structure and composition of the governance bodies



**Date of birth:**  
13/06/1975

**Business address:**  
Secrétariat du Conseil  
d'administration  
Case postale A 702  
9, rue du Colonel-Pierre-  
Avia  
75757 Paris Cedex 15,  
France

Sponsored by CFDT  
**Attendance rate at Board  
meetings in 2022:**  
100%

#### STÉPHANE CHEVET

Director

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

After starting his career at Fortis, then working for five years as a Parliamentary assistant, Stéphane Chevet joined La Poste's banking sales teams in 2005. He was National Secretary of the CFDT-F3C federation for several years.

Today, Stéphane Chevet is the spokesperson for his federation with the European Commission on the project "Evolution of the Post and Logistics sector by the year 2030" and Chairman of UNION, the leading platform for the construction of rights and shared services for self-employed people.

##### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

###### Current terms of office

None

###### Terms of office that have expired in the last five years

None



**Date of birth:**  
06/02/1970

**Business address:**  
N/A

**Attendance rate at Board  
meetings in 2022:**  
100%

#### MARIE-PIERRE DE BAILLIENCOURT

Director

Chairwoman of the Quality and Sustainable Development Committee

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Marie-Pierre de Bailliencourt holds a doctorate in geopolitics (Paris-Sorbonne University) and a degree in international affairs (Johns Hopkins University). She began her career at the United Nations as a Sherpa to the Secretary-General (1995-1997). She then moved to Rexel, a subsidiary of the PPR group, where she was in charge of international development. In 2001, she joined consulting firm McKinsey (strategy and high tech), before being appointed Executive Vice President, Industries, at Dassault Systèmes in 2004. Marie-Pierre de Bailliencourt joined Bull as Deputy CEO in charge of group transformation in 2012, then Naval Group as Deputy CEO in 2015, where she served until July 2017. Since 2021, she has been Director of Institut Montaigne.

##### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

###### Current terms of office

- Manager of MPBC Conseil
- Director of Comgest
- Director of Exclusive Networks\*

###### Terms of office that have expired in the last five years

- Director of RUAG, a Swiss group
- Director of Gaztransports and Technigaz
- Executive Vice President, Development of DCNS group
- Chairwoman of the Board of Directors of DCNS Australia
- Member of the Supervisory Board and Supervisory Board Committees of La Banque Postale
- Chairwoman of the Board of Directors of DCNS Malaysia

\* Listed company.



**Date of birth:**  
05/09/1964

**Business address:**  
La Poste Thann  
46, rue du Général-de-  
Gaulle  
BP 134  
68804 Thann Cedex,  
France

Sponsored by CFTC

**Attendance rate at Board meetings in 2022:**  
100%

## FLORENCE FIMBEL

Director

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Florence Fimbel joined La Poste in Paris in 1988. She was transferred to Alsace in 1989 and took on the roles of counter clerk, cashier and bookkeeper. She is now a local supervisor. From 1998, she held various positions within the CFTC trade union, and chaired the Haut-Rhin section for 12 years. She was also elected to the Local Technical Committee and the Local Joint Administrative Commission, of which she was a member until 2013.

In 2010, she joined the Federal Post and Telecommunications team. She was Deputy Federal Secretary in charge of training from 2010 to 2016, then Secretary General of the Federation from 2016 to 2019.

### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

#### Current terms of office

None

#### Terms of office that have expired in the last five years

None



**Date of birth:**  
11/09/1964

**Business address:**  
Secrétariat du Conseil  
d'administration  
Case postale A 702  
9, rue du Colonel-Pierre-  
Avia  
75757 Paris Cedex 15,  
France

Sponsored by FO

**Attendance rate at Board meetings in 2022:**  
100%

## ISABELLE FLEURENCE

Director

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Isabelle Fleurence began her career at France Télécom in Mulhouse in 1983, first as an Operator in the Telephone Information centre, later as a Sales Consultant in a sales agency until 1993, then as a Financial Advisor until 1997. She was then Head of Establishment in Strasbourg until 2005, before becoming a Supervisor at the Strasbourg North Mail Processing and Distribution Centre. Appointed to the Strasbourg Financial Centre, she was subsequently a Project Manager in the Banking Sales Department until 2014. She is currently Deputy Director of the business centre at the Business and Regions Department. She was elected Secretary of the Eastern Regional Union in 1983. She was responsible for the Postal sector at Fédération FO-COM during two periods (2010-2012 and 2017-2019), and for the Banking and International sectors from 2012 to 2017. From 2015 to 2019, she was Secretary General of FO-COM. In 2011, she was elected to the Post & Logistics Steering Committee at Uni Global Union and became a member of the European Social Dialogue team. She is a full member of the Social Dialogue and Strategy Committee of La Poste Groupe.

### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

#### Current terms of office

- Director of La Mutuelle Générale

#### Terms of office that have expired in the last five years

None

## 5. GOVERNANCE

### Structure and composition of the governance bodies



**Date of birth:**  
17/12/1976

**Business address:**  
Groupe Pierre & Vacances-Center Parcs  
11, rue de Cambrai  
75947 Paris, France

**Attendance rate at Board meetings in 2022:**  
66.7%

#### FRANCK GERVAIS

Director

Chairman of the Public Service Missions Committee

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Franck Gervais attended *École Polytechnique* and obtained a degree in civil engineering from *École des Ponts et Chaussées*. He started his career in 2001 at the Alpes-Maritimes Regional Equipment Department, where he was in charge of air bases. In 2004, he was appointed Advisor to the French Minister for Equipment, Transport and Tourism. He joined SNCF (the French national railway company) in 2006 as Director of the Chairman's Office, before heading up Line H of the Transilien regional railway service. As Chief Executive Officer of Thalys from 2011 to 2014, he led the company's transformation into a full-function railway company, and was appointed Chief Executive Officer of *voyages-sncf.com* from 2014 to 2017 where, in particular, he carried out the group's key projects in the fields of customer experience and internationalisation. He joined Accor's Executive Committee in November 2017 and took on the role of Chief Executive Officer Europe until September 2020. On 7 January 2021, he was appointed Chief Executive Officer of the Pierre & Vacances-Center Parcs Group.

##### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

###### Current terms of office

- Chief Executive Officer of Pierre & Vacances-Center Parcs\*
- Director of PV Holding and PV Distribution
- Director of Adagio
- Permanent representative of Groupe Marc de Lacharrière on Groupe Lucien Barrière's Board of Directors

###### Terms of office that have expired in the last five years

- Permanent representative of SOPARFI 1, itself a member of the Supervisory Board of Société d'Exploitation des Résidences Hôtelières Rail (SERHR)
- Member of the Supervisory Board of Orbis
- Chief Executive Officer Europe of the Accor group\* until September 2020



**Date of birth:**  
09/10/1967

**Business address:**  
Secrétariat du Conseil  
d'administration  
Case postale A 702  
9, rue du Colonel-Pierre-  
Avia  
75757 Paris Cedex 15,  
France

Sponsored by CGT  
**Attendance rate at Board meetings in 2022:**  
88.9%

#### FRANCK HASPOT

Director

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Winner of the employee competitive exam in 1989, which took place in Vannes, Brittany, Franck Haspot was assigned to Courbevoie in January 1991, then to the collection/parcel service until 1995. He then became a permanent member of the departmental union of the CGT trade union and also campaigned within the CGT FAPT federation and in inter-professional structures, where he held various positions.

Since 2005, he has been appointed by the Departmental Union CGT 92 as director of the French Family Allowances Fund (*Caisse d'allocations familiales*) of the Hauts-de-Seine department, where he was elected second Vice-Chairman.

##### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

###### Current terms of office

None

###### Terms of office that have expired in the last five years

None

\* Listed company.





**Date of birth:**  
22/07/1961

**Business address:**  
Branche Numérique  
Case postale B 603  
9, rue du Colonel-Pierre-  
Avia  
75757 Paris Cedex 15,  
France

Sponsored by CFDT  
**Attendance rate at Board  
meetings in 2022:**  
100%

## SYLVIE JOSEPH

Director

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of Neoma, Sylvie Joseph began her career in communications in 1983. She spent eight years working successively for Havas, Publicis and Ouest France. After having created the D&J marketing consulting firm in 1992, she joined the Carrefour group in January 1999 as Head of Customer Marketing and Communications in Europe, then for French hypermarkets. In September 2003, she became Head of Customer Marketing, Sales Concept and Communication at Conforama.

Chairwoman of the Solutions division of HighCo since September 2005, she was appointed Deputy Director of Marketing of La Poste Groupe's Network business line in October 2008. In January 2010, she became the Marketing Director of the Services-Mail-Parcels business line. From July 2013 to July 2018, she was the Head of the group's internal transformation programme for the Digital Services business line. Since July 2018, Sylvie Joseph has been the Federal Secretary of the consulting, communication and culture federation of the CFDT trade union in charge of the federation's digital transformation and the coordination of the Executives' Federal Union.

Sylvie Joseph holds a corporate director certificate from IFA/Sciences Po.

### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

#### Current terms of office

- Director of Alcyon
- Member of the Supervisory Board of Co-Spirit

#### Terms of office that have expired in the last five years

- Director of Docaposte Conseil
- Director of Uzer



**Date of birth:**  
17/04/1960

**Business address:**  
N/A

**Attendance rate at Board  
meetings in 2022:**  
88.9%

## CORINNE LEJBOWICZ

Director

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Corinne Lejbowicz is a graduate of ESCP Europe and of *Institut d'Études Politiques de Paris* (IEP). She began her career in 1986 as Head of Marketing and Exports at Nemo, a modern design furniture start-up. From 1987 to 1994, she held positions in sales and was then Managing Director at TBWA. In 1994, she joined Infogrammes and helped launch the first partnerships between content publishers and e-tailers. From 1996 to 1998, she was head of the high-speed internet access project at Numéricable, before being appointed Head of Strategy and New Projects at the AOL France subsidiary in 1998. She then took over as Head of Strategic Marketing for the Internet division at the Vivendi group's holding company. In 2005, she joined LeGuide.com, the leading independent French operator of search engines, comparison websites and online shopping guides, first as Deputy Director, then as Chief Executive Officer and finally as Chairman and Chief Executive Officer of the company from 2007 to 2012. She has been Chief Executive Officer of PrestaShop since July 2015. Corinne Lejbowicz has also been a mentor at Moovjee, a non-profit organisation that encourages young entrepreneurship, since 2011.

### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

#### Current terms of office

- Director of Qwant
- Director of La Française des Jeux\*
- Director of Bird Office

#### Terms of office that have expired in the last five years

- Director of Filae
- Managing Director and Board member of PrestaShop
- Director of Lengow
- Director of Agriconomie

\* Listed company.

## 5. GOVERNANCE

### Structure and composition of the governance bodies



**Date of birth:**  
03/11/1949

**Business address:**  
Forum d'Action  
Modernités  
48, boulevard Voltaire  
75011 Paris, France

**Attendance rate at Board meetings in 2022:**  
100%

#### PHILIPPE LEMOINE

Director

Chairman of the Appointments, Compensation and Governance Committee

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of *Institut d'Études Politiques de Paris* (IEP), Philippe Lemoine began his career as an engineer at the French National Institute for Digital Science and Technology (INRIA), while also studying sociology at the School for Advanced Studies in the Social Sciences (EHESS). In 1976, he took part in drafting the Nora-Minc report. In 1981, he was appointed Government Representative at CNIL (1982-1984) and took over the Technology, Employment, Work Programme in 1982. At the end of 1984, he joined the Galeries Lafayette group and in 1998 was named co-Chairman of the group's Management Board (1998-2005). From 1995 to 2014, he was also Chairman and Chief Executive Officer of the LaSer group and a director of GDF-Suez, BNP Paribas Personal Finance and Monoprix SA. Since 2014, he has been a qualified person at CNIL, a position that he previously held from 1999 to 2009.

##### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

###### Current terms of office

- Co-Chairman of the Supervisory Board of GS1 France
- Chairman of the Board of Wynd-Anycommerce
- Member of the Board of Directors of Trévo
- Member of the Advisory Board of Tilder
- Member of the Advisory Board of Kyndryl
- Member of the Action Committee of Orange

###### Terms of office that have expired in the last five years

- Chairman and CEO of LaSer
- Chairman of Société des Grands Magasins Galeries Lafayette



**Date of birth:**  
16/05/1958

**Business address:**  
Caisse des Dépôts  
56, rue de Lille  
75356 Paris 07 SP, France

**Attendance rate at Board meetings in 2022:**  
66.7%

#### ÉRIC LOMBARD

Director, permanent representative of Caisse des Dépôts

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Born on 16 May 1958, Éric Lombard graduated from *École des Hautes Études Commerciales* (HEC) in 1981 and went on to become Technical Advisor to the government spokesperson's office (1989-1991), Advisor to the French Minister Delegate in charge of Justice (1991-1992), Advisor to the French Minister for the Economy and Finance (1992-1993), Head of Mergers & Acquisitions, banking and insurance sector, of BNP Paribas (1993-1999), Head of the Financial Institutions Group and member of the Corporate and Investment Banking Executive Committee of BNP Paribas (1999-2002), and Head of Corporate and Institutional Relations at BNP Paribas (2002-2004). He has held the positions of CEO of BNP Paribas Cardif (2004-2006), Chairman and CEO of BNP Paribas Cardif (2006-2013), CEO then Chairman and CEO of Generali France (2013-2017), and Chairman of the Board of Directors of Europ Assistance Holding (2015-2017).

Éric Lombard is also the representative of Caisse des Dépôts on the Supervisory Board of the European "Marguerite Fund" and Chairman of the Management Board of the Retirement Reserve Fund. He is also a director of the Musée d'Orsay and the Musée de l'Orangerie.

##### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

###### Current terms of office

- Chairman of the Board of Directors of Bpifrance
- Chairman of the Board of Directors of Théâtre des Champs-Élysées
- Chairman of the Management Board of the Retirement Reserve Fund
- Permanent representative of CDC on the Supervisory Board of the European Fund for Energy, Climate Change and Infrastructure, known as the "Marguerite Fund"
- Member of the Board of Directors of the Établissement public du Musée d'Orsay et du Musée de l'Orangerie
- Member of the Board of Directors of Euroclear

###### Terms of office that have expired in the last five years

- Director of CNP Assurances
- Chairman of the Supervisory Board of CDC Habitat



**Date of birth:**  
07/02/1946

**Business address:**  
N/A

**Attendance rate at Board meetings in 2022:**  
100%

## FRANÇOISE MALRIEU

Director

Chairwoman of the Strategy and Investment Committee

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of *École des Hautes Études Commerciales* (HEC) and of *Centre de Formation à l'Analyse Financière* (CFAF), Françoise Malrieu began her career at BNP in 1969 as a financial analyst. She became Vice President in 1974, responsible for monitoring equity investments in the BNP group's corporate banking arm, Banexi, before being appointed Assistant Head of the Financial Analysis Department in 1979 and later heading this department in 1982. At the same time, she was elected General Secretary then Vice President of *Société Française des Analystes Financiers* (SFAF). She continued her career in mergers and acquisitions at Lazard Frères (1987-2001), where she was appointed Managing Director, then Managing Partner in charge of the M&A team. She then joined Deutsche Bank (2001-2003) as Managing Director in Paris and London, in charge of the corporate finance team for France, and Senior Banker, then Aforge Finance, as Managing Partner until 2009. Françoise Malrieu was appointed director (2008), then Chairwoman of the Board of Directors (2010) of *Société de Financement de l'Économie Française* (SFEF). In 2010, she took on the role of Deputy Inspector of market professionals' compensation. Since May 2013, she has been a member of the Board of Directors of the French Institute of Directors (IFA).

### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

#### Current terms of office

- Director of Banque Lazard Frères
- Director of Engie\*

#### Terms of office that have expired in the last five years

None



**Date of birth:**  
24/10/1963

**Business address:**  
Caisse des Dépôts  
56, rue de Lille  
75356 Paris 07 SP, France

**Attendance rate at Board meetings in 2022:**  
66.7%

## OLIVIER MAREUSE

Director

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

After serving as the Technical and Financial Director of the Collective Insurance Department of CNP Assurances from 1989 to 1990, he became a Special Advisor to the Chief Executive Officer of CNP Assurances in 1991. In 1993, he was appointed Director of Strategy, Cost Accounting and Shareholder Relations, in charge of the initial public offering of CNP Assurances. In 1998, he became the Chief Investment Officer of CNP Assurances. From 2010 to 2016, Olivier Mareuse was the Finance Director of the Caisse des Dépôts group. He has been the Director of Savings Funds at Caisse des Dépôts since September 2016 and the Director of Asset Management since June 2018. He is a member of the Executive Committee of Caisse des Dépôts. Olivier Mareuse is also a director of the French Association of Institutional Investors.

### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

#### Current terms of office

- Director of GRT Gaz
- Director of Société Forestière de la CDC
- Director of CDC Investissement Immobilier
- Director of CDC Investissement Immobilier Interne
- Chairman of the Board of Directors of CDC Croissance
- Director and Vice-Chairman of the Bureau of the French Association of Institutional Investors
- Permanent representative of CDC on the Strategy Committee and Chairman of the Strategy Committee of ISALT
- Director of Icade\*

#### Terms of office that have expired in the last five years

- Permanent representative of Caisse des Dépôts on the Board of Directors of Veolia Environnement
- Director and member of the Audit Committee of CNP Assurances
- Director and member of the Investment Committee and the Audit and Accounts Committee (term expired in December 2018) of CDC International Capital

\* Listed company.

## 5. GOVERNANCE

### Structure and composition of the governance bodies



**Date of birth:**  
13/10/1964

**Business address:**  
Caisse des Dépôts  
56, rue de Lille  
75356 Paris 07 SP, France

**Attendance rate at Board meetings in 2022:**  
100%

#### CATHERINE MAYENOBE

Director

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of *École Nationale d'Administration* (1990) and of the Program for Senior Managers in Government of the Kennedy School at Harvard University (1993), Catherine Mayenobe served as Auditor at the French Court of Auditors (*Cour des comptes*), then Project Leader for its First Presidents (1990-1996), Administrative and Financial Director, then Deputy Chief Executive Officer of *Compagnie nationale du Rhône* (1996-2003). She was a public auditor at the French Court of Auditors, rapporteur for the Commission for Transparency in Politics and deputy rapporteur for the French Constitutional Council (2003-2007). She then became Master Auditor, Delegate Secretary General at the French Court of Auditors (2007-2011). She continued her career at Caisse des Dépôts as Deputy Director for Regional and Local Development and Network as well as Head of the Future Investment Programme and oversaw the promotion of *Paris Capitale Numérique* (2011). She was also Chief of Staff of the Chief Executive Officer of Caisse des Dépôts (2013). Since 2014, she has been Secretary-General of Caisse des Dépôts and a member of the Executive Committee, and since 2018, has been in charge of the functional coordination of the Risk Department, the Permanent Control and Compliance Department, the Legal Department, and the associated divisions.

##### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

###### Current terms of office

- Director of Société Immobilière du Théâtre des Champs-Élysées
- Vice-Chairwoman of the Board of Directors of RTE
- Chairwoman of the Board of Directors of Cité de la Céramique de Sèvres et de Limoges

###### Terms of office that have expired in the last five years

- Director of Transdev (resigned on 20 December 2018)
- Member of the Supervisory Board of Compagnie Nationale du Rhône (resigned on 28 June 2016)



**Date of birth:**  
27/03/1972

**Business address:**  
Centre financier d'Orléans  
La Poste  
1, rue Édouard-Branly  
45900 La Source Cedex 9,  
France

Sponsored by SUD  
**Attendance rate at Board meetings in 2022:**  
100%

#### HUGO REIS

Director

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

After studying chemistry, Hugo Reis was hired in 1996 at the Postal Cheques Service in Orléans-La Source in the cheque data entry workshop. After several temporary contracts in various departments of the financial centre (night sorting and cheque book printing workshop, among others), he served as a union representative at the Orléans financial centre from 2000 to 2004.

He then returned to customer services to manage the call centre and the sale of financial products. In 2008, he was appointed SUD-PTT Federal Secretary, where he dealt in particular with the La Poste subsidiaries and legal issues. Treasurer of the SUD-PTT federation from 2016 to 2018, he returned to the financial centre on a part-time basis as a Customer Service Manager in the Orléans financial centre Sales Department from September 2018.

##### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

###### Current terms of office

None

###### Terms of office that have expired in the last five years

None



**Date of birth:**  
28/08/1977

**Business address:**  
Caisse des Dépôts  
56, rue de Lille  
75356 Paris 07 SP, France

**Attendance rate at Board meetings in 2022:**  
100%

## ANTOINE SAINTOYANT

Director

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Since September 2020, Antoine Saintoyant has been Director of Strategic Holdings at Caisse des Dépôts and a member of its Executive Committee. A graduate of *École Nationale d'Administration* (ENA) and *Institut d'Études Politiques de Paris* (IEP), Antoine Saintoyant began his career in 2003 at the French Ministry of the Economy and Finance at the French Treasury. From 2007 to 2009, he was an Advisor in charge of financial services at the Permanent Representation of France to the European Union (Brussels) before returning to the French Treasury as Head of the Banking Affairs office and then Deputy Director of Banks and General Interest Financing.

Between 2012 and 2016, Antoine Saintoyant also served as Director of Investments at the French State Investment Agency, in charge of services (Orange, La Poste, Bpifrance, FDJ). From May 2017 to July 2020, Antoine Saintoyant was an Advisor and Head of the Economy, Finance and Industry Division within the Office of the Prime Minister, Édouard Philippe.

### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

#### Current terms of office

- Director of Bpifrance Participations
- Director of EGIS
- Member of the Supervisory Board of CDC Habitat
- Member of the Supervisory Board of La Banque Postale
- Director of Icade\*
- Director of Suez\*
- Director of Compagnie des Alpes\*

#### Terms of office that have expired in the last five years

- Director of Bpifrance
- Director of Bpifrance Investissement



**Date of birth:**  
02/03/1974

**Business address:**  
Agence des participations de l'État  
Ministère de l'Économie et des Finances  
139, rue de Bercy  
Teledoc 228  
75572 Paris Cedex 12, France

**Attendance rate at Board meetings in 2022:**  
88.9%

## CHARLES SARRAZIN

Director representing the French State

Chairman of the Audit Committee

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Born in 1974, Charles Sarrazin is a graduate of *École Polytechnique* (1997) and *Institut d'Études Politiques de Paris* (IEP), and a former student of *École Nationale d'Administration* (ENA). He has held positions as Advisor to the Administrative Court (2003), then Economic Advisor, Deputy Head of the Office for Trade Policy, the WTO and Trade Agreements at the French Treasury and Economic Policy Department (2005), then Rapporteur and subsequently Deputy Secretary-General of the Interministerial Committee for Industrial Restructuring from July 2007 to January 2009. He became Head of the Financing of Housing and General Interest Activities Office in the French Treasury in 2009, then Advisor for the Economy, Finance and Business in the Office of the Prime Minister from January to May 2012.

As Head of the Financial Stability, Accounting Standards and Corporate Governance Office in the French Treasury from July 2012 to December 2014, he was appointed in January 2015 as Deputy Head of International Financing of Business in the French Treasury. In September 2017, he joined the French State's strategic shareholding agency APE as Head of Equity Investments Services and Finances.

### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

#### Current terms of office

- Director of Bpifrance Participations and Bpifrance Investissements
- Member of the Supervisory Board of Arte France
- Director of France Télévisions
- Director of Française des Jeux\*

#### Terms of office that have expired in the last five years

- Director of CNP Assurances
- Director of Bpifrance SA

\* Listed company.

## 5. GOVERNANCE

### Structure and composition of the governance bodies



**Date of birth:**  
30/04/1967

**Business address:**  
Caisse des Dépôts  
56, rue de Lille  
75356 Paris 07 SP, France

**Attendance rate at Board meetings in 2022:**  
77.8%

#### OLIVIER SICHEL

Director

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Olivier Sichel started his career as a financial inspector before becoming Agency Manager at France Télécom in 1998. In 2000, he became Chairman and Chief Executive Officer of alapage.com, an e-commerce company and subsidiary of Wanadoo. He then took over the integration of Wanadoo into France Télécom, where he became Executive Director of the Fixed-line Telephone & Internet Europe Division. He left the company in 2006 after launching triple play offerings with Livebox and VOIP. In 2012, he became Chairman and Chief Executive Officer of the European leader in pure play online shopping guides, LeGuide.com, which he sold to Kelkoo in 2016. He founded and chairs the Digital New Deal Foundation, a digital think tank. In December 2017, Olivier Sichel was appointed Executive Vice President of Caisse des Dépôts, in charge of managing the strategic review of subsidiaries and financial investments.

##### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

###### Current terms of office

- Member of the Supervisory Board of CDC Habitat
- Director of Transdev Group
- Member of the Board of Directors of Assia INC
- Member of the Supervisory Board of Euronext NV\*

###### Terms of office that have expired in the last five years

- Director of Bpifrance SA
- Director of CNP Assurances
- Member of the Supervisory Board of La Banque Postale
- Chairman and Chief Executive Officer of leguide.com
- Director of Alpha Mos SA



**Date of birth:**  
04/07/1969

**Business address:**  
Engie  
1, place Samuel-de-Champlain  
Faubourg de l'Arche  
92930 Paris La Défense  
Cedex, France

**Attendance rate at Board meetings in 2022:**  
100%

#### CLAIRE WAYSAND

Director

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Claire Waysand (X-ENSAE) holds a doctorate in economics. She has been an Executive Vice President and the General Secretary of Engie since October 2019. Inspector-General of Finance (2016) and Director of Radio France (2017-2019), Claire Waysand was previously Chief of Staff to Michel Sapin, the Minister for Finance and Public Accounts (2014-2016), Deputy Chief of Staff to Jean-Marc Ayrault, Prime Minister, and Deputy Director of the Treasury.

##### LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES

###### Current terms of office

- Deputy CEO of Engie\*

###### Terms of office that have expired in the last five years

- Director of Société Nationale de Programme Radio France from March 2017 to October 2019
- Director of Consortium de Réalisation (CDR) from March 2017 to October 2019

\* Listed company.

**Date of birth:**

24/10/1967

**Business address:**

Caisse des Dépôts  
56, rue de Lille 75356  
Paris 07 SP, France

**Attendance rate at Board meetings in 2022:**

N/A

**NATHALIE TUBIANA**

Director appointed at the Board of Directors meeting of 23 February 2023

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Nathalie Tubiana is a graduate of *École Supérieure de Gestion de Paris* and holds an MBA from HEC. She worked as Head of Analytical Accounting in a precious metals metalworking industry from 1991 to 1997, then became Head of Partnership Management Control at CNP Assurances from 1998 to 2005. Following this, she served as Head of Strategic Planning at CNP Assurances group (2005-2009), Head of the CSR Programme at Caisse des Dépôts (2009-2010), Secretary-General of the Savings Directorate (2010-2014) then Director in charge of the budget and economic and real estate performance (2015-2018) at Caisse des Dépôts, Director of Finance at Banque des Territoires (Caisse des Dépôts), and Director of Risks at Caisse des Dépôts group (2020-2023). Since 1 February 2023, she has been Director of Finance and Sustainable Policy and a member of the Executive Committee at Caisse des Dépôts group.

**LIST OF OTHER TERMS OF OFFICE AND POSITIONS HELD IN FRENCH OR FOREIGN COMPANIES****Current terms of office**

- Member of the Board of Directors of Bpifrance (since February 2023)
- President of CDC Développement Solidaire, a CDC group non-profit organisation (since 2013)

**Terms of office that have expired in the last five years**

- Member of the Board of Directors of AFD
- Member of the Board of Directors of CDC Habitat
- Member of the Board of Directors of SCET

**Date of birth:**

12/07/1973

**Business address:**

Mairie de Châteauroux  
1, place de la République  
36000 Châteauroux,  
France

**GIL AVÉROUS**

Non-voting member

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Gil Avérous has been Mayor of Châteauroux and President of Châteauroux-Métropole since 2014. In 2021, he was elected Vice President of the Indre *département*. Working closely with local authorities on regional matters, he is a member of the Steering Committee of the Association of French Mayors, Vice President of the Inter-Municipalities of France and a member of the Boards of Directors of Villes de France and the French Federation of Management Centres. As a regional attaché, Gil Avérous previously served as Chief of Staff to the Senator-Mayor of Châteauroux and also as Director-General of Services within various local authorities.

**Date of birth:**

30/10/1955

**Business address:**

Association Familles Rurales  
7, cité d'Antin  
75009 Paris, France

**GUYLAINE BROHAN**

Non-voting member

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

An accountant by profession, Guylaine Brohan joined the Familles Rurales movement in 1988 as a volunteer for her local Familles Rurales non-profit organisation, in charge of school transport in particular. In 1989, she became Chairwoman of the Saint-Georges-de-Montaigu non-profit organisation, joined the Vendée departmental federation in 1993, the Pays de la Loire regional federation in 2007 and became Chairwoman of the Vendée departmental federation in 2013. In 2016 she was appointed as Treasurer of the Familles Rurales national federation and was elected as Chairwoman of the Board of Directors of Familles Rurales on 2 April 2022. Guylaine Brohan was also elected as a municipal councillor in her commune of Montaigu-Vendée in 1995, and was then re-elected and appointed as Deputy Mayor, serving in this role until 2020.

## 5. GOVERNANCE

### Structure and composition of the governance bodies



**Date of birth:**  
14/01/1970

**Business address:**  
Conseil régional de Bourgogne-Franche-Comté  
17, boulevard Trémouille  
31000 Dijon, France

#### PATRICK MOLINOZ

Non-voting member

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Patrick Molinoz graduated in 1992 from *Institut d'Études Politiques de Grenoble* and holds a postgraduate degree in international security and defence (Lyon III University, 1993) as well as a postgraduate degree from the College of Europe in Bruges (1997). In 2003, he became a certified IHEDN auditor. Between 1994 and 1995, he served as Linguistic Attaché at the French Consulate in Toronto, in charge of setting up the Lycée Français. Then from 1998 to 2000, he led the international development of the Essonne Chamber of Commerce and Industry (France). Patrick Molinoz has been Mayor of Venarey-lès-Laumes (Côte-d'Or region, France) since 2001. Between 2014 and 2020, he was Vice-Chairman of the Association of French Mayors (AFM) and Co-Chairman of the AFM's Secularism working group, and since 2020 has co-chaired the AFM's Digital Commission. Since 2004 he has served as President of the Pays d'Alésia et de la Seine association of municipalities. He has been President of the Pays de l'Auxois Morvan Côte d'Or since 2016, having held this same role between 2008 and 2014. He was a member of France's Economic, Social and Environmental Council (ESEC) from 2015 to 2021, having previously served as General Councillor of the Côte-d'Or region from 2001 to 2015. Patrick Molinoz is Vice President of the Bourgogne-Franche-Comté region, in charge of digital transition, innovation, European policies, international action and exports.



**Date of birth:**  
03/10/1972

**Business address:**  
Ministère de l'Économie et des Finances  
Direction générale des entreprises  
67, rue Barbès  
BP 80001  
94201 Ivry-sur-Seine  
Cedex, France

#### THOMAS COURBE

Government representative

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

As a general weapons engineer, he began his career in 1995 at the Ministry of Defence in charge of the programme of fighter planes in service before becoming Chief of Staff of the Director of Aeronautic Programmes. He moved to the French Treasury in 2002, where he held the positions of Deputy to the Head of Office for Asia, Head of the Africa-Maghreb Office, Head of Aeronautical, Military and Naval Affairs, Secretary General of the Paris Club and Deputy Director of Bilateral Economic Relations.

In 2010, he was appointed Chief of Staff of the Secretary of State responsible for foreign trade (Pierre Lellouche) and Deputy Office Director of the Ministers for the Economy, Finance and Industry (Christine Lagarde then François Baroin). He held the position of General Secretary of the French Treasury in 2012, before becoming Executive Vice President in 2015. He has been Director General of Companies since July 2018.

Thomas Courbe is an officer of the French Legion of Honour and the French National Order of Merit.



**Date of birth:**  
20/10/1962

**Business address:**  
La Poste  
9, rue du Colonel-Pierre-Avia  
Case postale A 506  
75757 Paris Cedex 15,  
France

#### EMMANUEL CHARRON

Head of the French State's Economic and Financial Control Unit for La Poste

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Emmanuel Charron has worked as a student-administrator of the City of Paris at *École Nationale d'Administration* (ENA) (Fernand Braudel class, 1985-1987), Head of the Budget Office of the Social Services and Transport Office of the City of Paris (1987-1990), Head of the Overall Budget at the Department of Finance and Economic Affairs (DFEA) of the City of Paris (1990-1992), Deputy Secretary-General of the City of Nice (1992-1995), Deputy Director of Management Control (1996-1997), Deputy Director of Finance (1997-2001), Director of Finance and Economic Affairs (2001-2002) at the DFEA (City of Paris), Inspector General of the City of Paris (2002), Technical Advisor to the Office of Jean-Pierre Raffarin (Prime Minister) (2002-2005), Chairman of the Interministerial Mission for Repatriates (2005-2007), and General Economic and Financial Controller (2007-2010).

He was a member of the General Economic and Financial Control mission for Social Security and Social Action, then of the Social Security and Social Cohesion Funding Mission (2007-2010), Secretary-General of the French State Property Council (2010), Head of the Economic and Financial Control Mission (since 2016), Government Representative with Crédit Foncier de France (2016-2017) and with Sociétés pour le Financement de l'Industrie Cinématographique et Audiovisuelle (since 2017), and Head of the Financial Activities Control mission (since 2017).



## 5.1.2 Executive Management

### Combined offices of Chairman of the Board of Directors and Chief Executive Officer

The Chairman of the Board of Directors is responsible for managing the Company. He or she also holds the position of Chief Executive Officer. This method of organisation is governed by Article 11 of the French law of 2 July 1990, which stipulates that the positions of Chairman and Chief Executive Officer must be held by the same person.

He or she is appointed from among the directors by decree, following a proposal by the Board of Directors. Philippe Wahl was appointed Chairman and Chief Executive Officer of La Poste by a Decree dated 4 March 2020, following the Board of Directors' proposal to the President of the French Republic.

### Powers and duties of the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer organises and coordinates the work of the Board of Directors and reports to the General Meeting on that work. He oversees the proper functioning of the company's corporate bodies and, in particular, ensures that directors are in a position to fulfil their duties.

The Chairman and Chief Executive Officer is fully empowered to act in all circumstances on the company's behalf, within the limits of the corporate purpose and subject to the powers of the General Meeting and those reserved for the Board of Directors by law, La Poste's Articles of Association and the Board of Directors' internal rules of procedure, as amended by deliberation on 4 March 2020.

Accordingly, the Chairman and Chief Executive Officer must obtain prior approval from the Board of Directors for:

- any transaction (including any material changes) involving acquisitions, equity investments and asset disposals (including financial assets and excluding day-to-day cash flow management), capital restructuring (in particular mergers, spin-offs or asset transfers, with the exception of La Poste Groupe internal transactions) for a unit amount exceeding €100 million per transaction, this threshold taking into account, where applicable, the price, the net debt of the target, the amount of any purchase or subscription guarantee made by La Poste and any off-balance sheet commitments given;
- any transaction (including any material changes), involving mergers or the sale or issue of equity securities or financial

instruments giving access to the share capital carried out by La Poste (or to which La Poste is party), for a unit amount exceeding €30 million per transaction, this threshold taking into account, where applicable, the price, the net debt of the target, the valuation of any promise to purchase or subscribe granted by La Poste and any off-balance sheet commitment given; any strategic partnership for which the average annual revenue over the period of its business plan exceeds €100 million (including any renewal of partnership);

- any capital expenditure or divestment transaction (including any material changes) not covered in paragraph b) above), carried out by La Poste (or to which La Poste is party) for a unit amount exceeding €200 million per transaction, this threshold taking into account, where applicable, any off-balance sheet commitments given;
- any transaction (including any material changes) involving debt, cash or hedging management (excluding day-to-day management) carried out by La Poste for a unit amount exceeding €700 million per transaction;
- any transaction (including any material changes) involving the securitisation of financial or commercial assets carried out by La Poste for a unit amount exceeding €100 million per transaction;
- any new direction for La Poste's business activities or a change in its purpose, or any material transaction reflecting a new direction for the business or a strategic refocusing of La Poste;
- any decision to bring legal (including arbitration), regulatory or administrative proceedings by La Poste or to enter into a settlement agreement or arbitration agreement with respect to legal, regulatory or administrative proceedings to which La Poste is party, for a unit amount exceeding €50 million, it being added that where a number of such proceedings are based on the same or a related event, this threshold is assessed based on all relevant proceedings;
- any decision to carry out a potential public offering of financial instruments issued by La Poste outside programmes that were already authorised as part of the budget approval by the Board of Directors;
- any material change or planned material change to La Poste Groupe's accounting practices.

In addition, the Chairman and Chief Executive Officer is expressly authorised to provide bonds, guarantees and endorsements binding La Poste up to an overall annual limit excluding taxes set by the Board of Directors and a maximum unit amount excluding taxes of €100 million.

The Chairman and Chief Executive Officer is authorised to delegate these powers.

## 5.1.3 Executive Committee

The Executive Committee is the body for discussing strategy, consulting on all cross-functional group issues, considering important decisions and monitoring targets and operating results. It meets on a weekly basis under the chairmanship of the Chairman and Chief Executive Officer.

The members of the Executive Committee are appointed by the Chairman and Chief Executive Officer. In accordance with Article 1.2 of the internal rules of procedure of La Poste's Compensation and Governance Committee, the Chairman and Chief Executive Officer informs the Compensation Committee of the appointment, compensation and planned replacement of the senior executives of La Poste and its main subsidiaries. Where appropriate, the Committee may pass its observations on to the members of the Board of Directors.

## 5. GOVERNANCE

### Structure and composition of the governance bodies

The current members of the Executive Committee are as follows:

Philippe Wahl	Chairman and Chief Executive Officer of La Poste Groupe Chairman of Geopost
Philippe Bajou	Executive Vice President, General Secretary of La Poste Groupe Chairman of La Poste Immobilier
Yves Brassart	Executive Vice President in charge of Finance and Development
Nathalie Collin	Executive Vice President in charge of the Retail Customers & Digital Services business line
Valérie Decaux	Executive Vice President, Group Head of Human Resources
Yves Delmas	Executive Vice President Chief Executive Officer of Geopost
Philippe Dorge	Executive Vice President in charge of the Services-Mail-Parcels business line
Philippe Heim	Executive Vice President Chairman of the Executive Board of La Banque Postale
Nicolas Routier	Executive Vice President in charge of Institutional Strategy and Regulatory Affairs

## Profiles of the members of the Executive Committee



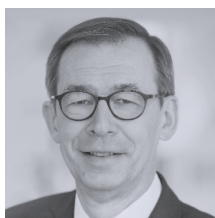
Date of birth:  
11/03/1956

### PHILIPPE WAHL

Chairman and Chief Executive Officer of La Poste Groupe  
Chairman of Geopost

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

See Section 5.1.1 of this Universal Registration Document for Philippe Wahl's full profile.



Date of birth:  
09/09/1958

### PHILIPPE BAJOU

Executive Vice President  
General Secretary of La Poste Groupe  
Chairman of La Poste Immobilier

#### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Philippe Bajou graduated from *École Nationale Supérieure des PTT* with a degree in electronics in 1989, having begun his career at La Poste Groupe in 1982. Special advisor at the Ministry of Postal and Telecommunications Services with the Director of General Affairs from 1989 to 1990, he then held various positions within the Finance Department of La Poste and was appointed Director of Financial Affairs and Equity Investments at La Poste in 1995. He was responsible for the CCP fund management project in November 1998, which resulted in the formation of Efiposte in March 2000, where he became Chief Operating Officer.

Philippe Bajou was a member of the Management Board of La Banque Postale from its creation on 1 January 2006 until the end of 2012. On 19 December 2012, he became group Executive Vice President and Chief Operating Officer of the La Poste Network, a position that he held until 1 June 2015. On 19 February 2015, he was appointed Chairman of La Poste Immobilier and then Executive Vice President in charge of transformation on 24 February 2015. On 2 February 2016, he was appointed General Secretary of La Poste Groupe. He retains his responsibilities related to transformation and is taking on additional responsibilities for cross-functional departments and regional development.



Date of birth:  
25/08/1960

## YVES BRASSART

Executive Vice President in charge of Finance and Development

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Yves Brassart is a former student of ENSPTT and a graduate of EDHEC (1981) and *Institut d'Études Politiques de Paris* (IEP). He also holds a postgraduate degree in accounting (DECS). He has worked for La Poste since 1987, first as Head of Mail Sales/Marketing at the head office (1987-1993) and then as La Poste's Financial Director for western France (1993-1999). In 1999, he became Financial Director of La Poste's financial services before also becoming Financial Director of the Post Office network from 2001 to 2003.

In 2004, he helped create La Banque Postale, where he became Chief Financial Officer and a member of the Executive Committee on 1 January 2006. In 2011, he was appointed Head of Finance and Strategy of La Banque Postale, a member of the Operational Committee, then a member of the Management Board in 2013. On 7 April 2014, he became Executive Vice President and Chief Financial Officer of La Poste Groupe. As such, he also became a member of the Executive Committee. On 7 September 2015, he was appointed Executive Vice President in charge of Finance and Development.



Date of birth:  
26/09/1964

## NATHALIE COLLIN

Executive Vice President in charge of the Retail Customers & Digital Services business line

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of *École Supérieure des Sciences Économiques et Commerciales* (ESSEC) and holder of a master's degree in corporate and tax law, Nathalie Collin began her career in 1987 as a Consultant at Arthur Andersen before joining Cité Mondiale des Vins et Spiritueux as Director of Finance in 1990. In 1993, Nathalie Collin became Director of Finance Europe for Interleaf in London. In 1997, she joined Virgin Music France as Chief Financial and Administration Officer before becoming Chief Executive Officer in 1999.

In 2002, she orchestrated the merger between Virgin Music and its parent company, EMI Music France, and successively held the positions of Chief Executive Officer (2002-2007) and Chairwoman in the new group (2007-2009). In 2009, she left the music production industry for the press industry and became Chairwoman of the Management Board of *Libération* before joining the *Nouvel Observateur* group as Managing Director and Chairwoman of the Management Board in 2011. As Chairwoman of SEPM and AIPG, she led negotiations with Google on behalf of the profession, which resulted in the creation of the Digital Innovation Press Fund, of which she became the first Chairwoman.

On 28 April 2014, she was appointed Executive Vice President and member of the Executive Committee in charge of Communications for La Poste Groupe. On 9 February 2015, she became Executive Vice President in charge of Digital Services and Communications.



Date of birth:  
07/07/1967

## VALÉRIE DECAUX

Executive Vice President, Group Head of Human Resources

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of Sup de Co Le Havre, Valérie Decaux joined the Human Resources Department of *Nouvelles Messageries de la Presse Parisienne* (Presstalis) in 1990, where she had various responsibilities for ten years. In 2001, she joined *Vediorbis/Randstad*, where she became Head of Human Resources and a member of the Management Committee in 2003. In 2008, she was appointed group Head of Human Resources and a member of the Executive Committee of the Saur group.

In 2014, Valérie Decaux joined the Monoprix retail chain (Casino group) to become group Head of Human Resources, Communication and CSR, and a member of the Executive Committee.

She joined La Poste in September 2019 as a group Executive Vice President and member of the Executive Committee, in charge of human resources and labour relations.

## 5. GOVERNANCE

### Structure and composition of the governance bodies



Date of birth:  
20/12/1962

#### YVES DELMAS

Executive Vice President  
Chief Executive Officer of Geopost

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Yves Delmas graduated in law from Paris-X University (Nanterre) and in history from Paris-IV University (Sorbonne), and holds a master's degree from *Institut d'Études Politiques de Paris*, as well as an MBA from *École Nationale Supérieure des Postes et Télécommunications (Paris)*. He has held various management positions in the express transport sector, notably at Geopost, a subsidiary of La Poste, specialising in express transport.

He has been Chairman of Seur since 2012, a position that he has coordinated with Geopost's Executive Management in Europe since 2016.



Date of birth:  
06/04/1966

#### PHILIPPE DORGE

Executive Vice President  
Chief Operating Officer of the Services-Mail-Parcels business line

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Philippe Dorge studied at *Sciences Po Paris*, majoring in public service. He also holds a postgraduate diploma (DESS) in Human Resources and Labour Relations (Paris). He is a graduate of Ciffop in Labour Relations. He spent 25 years at PSA, where he alternated between positions in the industrial and human resources fields. After in-plant operational positions in Sochaux, then in Aulnay, he became the group's Head of Employee Relations and Employment in 2002, responsible for collective bargaining, occupational health and safety and human resources management in the Industrial Department. In 2010, he was appointed Plant Manager at Trémery, the leading site for engine manufacturing near Metz, in the Lorraine region of France. He was appointed Group HR Director in early 2013.

After restoring employee dialogue within the company, he successfully negotiated a "new labour agreement" on sharing corporate strategy with the trade unions and the "Generation PSA" Agreement on the competitiveness of the company's industrial bases in France. He established a global HR structure in line with the group's new organisational structure.

On 7 September 2015, he became Executive Vice President and Chief Operating Officer of the Services-Mail-Parcels business line and joined La Poste Groupe's Executive Committee.



Date of birth:  
03/04/1968

#### PHILIPPE HEIM

Executive Vice President  
Chairman of the Executive Board of La Banque Postale

##### BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of *École Supérieure de Commerce de Paris (ESCP Europe)* and *Institut d'Études Politiques de Paris (Sciences Po)*, Philippe Heim began his career in 1997, after studying at *École Nationale d'Administration (ENA)*, at the Ministry for the Economy and Finance, where he held different functions before being appointed Economic Counsellor at the French Embassy in Singapore. In 2003, he was appointed Technical Advisor to Francis Mer, then Minister for the Economy, Finance and Industry. The following year, he became Budget Advisor to Nicolas Sarkozy, the then Minister for the Economy, Finance and Industry. Then, in 2006, he was promoted to Chief of Staff of Jean-François Copé, French Budget Minister and Government Spokesman.

He joined Société Générale in 2007 as Senior Banker, in charge of global relations with a portfolio of strategic clients within SG CIB. In 2009, he was appointed group Chief Strategy Officer before becoming group Deputy Chief Financial Officer and Chief Strategy Officer in April 2012. Philippe Heim was appointed group Chief Financial Officer in March 2013 as well as becoming a member of the group's Executive Committee. In 2018, he was appointed Executive Officer in charge of international retail banking, financial services and insurance.

On 31 August 2020, he was appointed Chairman of the Executive Board of La Banque Postale and as such joined the Executive Committee of La Poste Groupe as Executive Vice President.



Date of birth:  
07/03/1963

## NICOLAS ROUTIER

Executive Vice President in charge of Institutional Strategy and Regulatory Affairs

### BIOGRAPHY – PROFESSIONAL EXPERIENCE

Nicolas Routier is a graduate of *Institut d'Études Politiques de Paris* (IEP), holds a bachelor's degree in economics from Paris-I Panthéon-Sorbonne University and is a graduate of ENSPTT. He joined La Poste's Finance Department as Head of Strategic Planning (1988-1991) and then Head of Management Control (1991-1994). From 1994 to 1997, he was Director of La Poste in the Oise area of France. In 1997, he joined La Poste's Management Committee and created the Purchasing Department, which he managed until 2001. At the same time, he was Director of Management Control from 1998 to 2001. In 2001, he became Director of Group Strategy then joined the group's Executive Committee. He then became a director of Sopassure, a member of the Supervisory Board of CNP Assurances (2001-2003) and a director of Geopost (from 2001).

In 2002, he was appointed Executive Officer responsible for group strategy and development and Chairman of Sofipost. In 2004, he became Advisor to the group Chairman and Chairman and CEO of Mediapost, until 2009. At the same time, he was Chairman of STP from 2005 to 2009 and of Neopress from 2007 to 2009. Since 2009, Nicolas Routier has been Executive Vice President of La Poste Groupe, Executive Vice President of the Mail division and Chairman of Sofipost, which includes Mediapost Communication, Docaposte and Viapost. He has been Vice-Chairman of the Board of Directors of Asendia since mid-2012. He is also Chairman of the professional trade union for postal operators. Before being appointed Executive Vice President in charge of institutional strategy and regulatory affairs on 7 September 2015, he had been Executive Vice President of La Poste Groupe and Chief Operating Officer of the Services-Mail-Parcels business line since July 2014.

## 5.1.4 Other information

### No family ties

To La Poste's knowledge, there are no family ties between the corporate officers of La Poste or the members of the Executive Committee.

### No conviction for fraud

To La Poste's knowledge, none of the corporate officers of La Poste or members of the Executive Committee:

- has been convicted of fraud in the last five years at least;
- has been declared bankrupt, put into receivership or undergone liquidation in the last five years at least;
- has been subject to an official public incrimination or sanction delivered by statutory or regulatory authorities in the last five years at least.

Furthermore, to La Poste's knowledge, none of the corporate officers of La Poste or the members of the Executive Committee has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in the last five years at least.

### Conflicts of interest

To La Poste's knowledge, and as at the date of filing of this Universal Registration Document, there were no potential conflicts of interest at La Poste between the duties of the corporate officers and members of the Executive Committee, and their private interests or other duties.

To La Poste's knowledge, there are no arrangements or understandings between shareholders, customers, suppliers or any other parties under which a member of the Board of Directors has been appointed to this position.

Article 7 of the La Poste Directors' and Censeurs' Charter, appended to the Board of Directors' internal rules of procedure, specifies that: "Directors undertake to avoid any conflicts which might exist between their moral or material interests and those of La Poste or of the entities of its group. They shall inform the Board of Directors and its Chairman, upon becoming aware of it, of any situation concerning them, which is liable to create a conflict of interest, even potential or temporary, with the interests of La Poste or of its group. In the event of such a situation occurring, the director concerned shall not participate in discussions or any decision-making on the subjects concerned."

## 5.2 OPERATING PROCEDURES OF THE GOVERNANCE BODIES

### 5.2.1 Roles and responsibilities of the Board of Directors

In accordance with the legal and regulatory provisions in force and with the terms of the public service agreement, and as specified in its internal rules of procedure available on the group's website, the Board of Directors sets out the general policies and business priorities of La Poste and its group. Under these rules, the group includes subsidiaries in which La Poste directly or indirectly holds at least 50% of the share capital or voting rights.

In particular, the Board of Directors determines the strategic, economic, financial and technological priorities of La Poste's activities and monitors their implementation. Any significant group transaction outside the stated strategy, or which could have a material impact on the group's financial structure or results, must be referred to the Board of Directors.

The Board may discuss any issue pertaining to the smooth running of the Company and make decisions on any relevant matters. It carries out the controls and checks it deems necessary.

The Board of Directors reviews La Poste's draft individual and consolidated financial statements, forecasts and results in terms of the objectives set out in the public service agreement between the French State and La Poste and in its strategic trajectory. The Chairman informs the Board whether the defined objectives have been achieved and, if applicable, presents suitable measures to reduce the actual or expected shortfall.

The strategic trajectory of the group and each of its business lines, and the multi-annual business plan, are reviewed at least

once a year by the Board of Directors. The Board of Directors approves the business plan, the group's annual budget, the related financing plan and the dividend-paying capacity, and the key objectives of the group's financial framework.

Each quarter, the Chairman reports to the Board of Directors on the monitoring of the group's activities and the key operating performance indicators.

Twice a year, the Board of Directors reviews a report on the group's main subsidiaries. For each of these subsidiaries, the report sets out the main highlights and indicators, in particular the main acquisitions, disposals, equity investments or financial transactions that do not require the prior approval of the Board of Directors.

The Board of Directors is kept regularly informed of the financial position and any significant commitments; it is also kept informed of major debt and cash management transactions, excluding La Banque Postale and its consolidated subsidiaries.

### Delegations granted by the General Meeting to the Board of Directors

No delegation was granted by the General Meeting to the Board of Directors regarding capital increases pursuant to Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code.

### 5.2.2 Activities and assessment of the Board of Directors

#### Activities

The Board of Directors meets as often as Company interests require, and at least six times a year. It may also meet if more than one third of its members request that a meeting be convened and present an agenda in this respect.

In 2022, the Board met nine times. The Board members' average attendance at these meetings was 91.5%.

Two half-day strategy seminars were also organised during the year. Whenever necessary or advisable, Committee meetings are held prior to the Board meeting, to prepare the work and discussions of the Board.

In 2022, in addition to recurring matters (annual and half-year financial statements, adoption of the budget, the Chairman's roadmap, allocation of earnings, gender balance report, annual HR report), the Board of Directors deliberated on several particularly important topics. It examined and approved the acquisition of Scalefast, an e-commerce solutions provider, by eShopWorld (ESW) - the world's leading direct-to-consumer (DTC) e-commerce company - which is expected to enable ESW to diversify and boost its market strength in the apparel, luxury and entertainment sectors. The Board also reviewed

various Geopost development projects for the home delivery business (acquisition of C Chez Vous). In the digital sector, the Board examined and approved the acquisition of Maincare, specialising in healthcare software, by its subsidiary, Docaposte. The acquisition is a strategic fit with the business activities of the healthcare subsidiary of La Poste Groupe, which in 2022 acquired Happytal, a company specialising in hospital concierge services. In addition, the Board approved several acquisitions by CNP Assurances, aimed at structuring and consolidating its positions in Italy (purchase of Aviva from Unicredit, which has doubled CNP Assurances' market share in Italy) and in Brazil (buyout of Caixa Seguridade's and Icatu's interests in five companies that distribute death/disability and health insurance). The Board reviewed the progress of the strategic plan, one year after its launch. Lastly, in line with the recommendations of Article 5 of the Afep-Medef Code (January 2020 version), the Board of Directors determined the group's corporate social responsibility (CSR) objectives when drawing up the Chairman and Chief Executive Officer's roadmap, which includes three indicators in this area: an SBTi<sup>(1)</sup> greenhouse gas emissions pathway indicator, a well-being at work indicator and a non-financial rating indicator.

(1) Science Based Targets initiative.

## Assessment

Once a year since 2006, the Board of Directors has devoted an item on the agenda to assessing its internal practices, paying particular attention to its internal rules of procedure and to any improvements that could be made.

Since 2010, the annual assessment process has been led by the Compensation and Governance Committee, whose Chairman then presents a summary to the Board and suggests areas of improvement. La Poste has also decided to carry out this assessment once every three years with the help of an external firm.

### 5.2.3 Board Committees

To fulfil its duties, the Board of Directors has set up five Board Committees tasked with examining and preparing certain projects before they are presented at plenary sessions, by either adding them to the agenda or mentioning them in the report on the work carried out by the Chairman. The government representative and the head of the economic and financial control unit attend the meetings of each committee. Furthermore, an ad hoc committee meets to prepare for Board of Directors' meetings a day or two before they take place. These committees are as follows:

#### Audit Committee

##### Composition

- Chairman: Charles Sarrazin (representing the French State);
- Other members: Virginie Chapron-du Jeu (CDC), Stéphane Chevet, Franck Haspot, Olivier Mareuse (CDC).

##### Duties

The Audit Committee:

- checks the relevance and consistency of the accounting standards and practices applied by La Poste and the group in preparing the parent company and consolidated financial statements;
- ensures that the parent company and consolidated financial information produced by La Poste is true and fair;
- reviews La Poste's financial disclosure policy;
- carries out a prior review of the accounting and financial documents to be submitted to the Board of Directors;
- with the help of the Finance Department, establishes the procedure for selecting La Poste's Statutory Auditors;
- periodically reviews the progress of the Statutory Auditors' work and their recommendations;
- assesses the effectiveness of the internal control and risk management systems;
- carries out a periodic review of major unresolved disputes;
- reviews the nature and scope of material off-balance sheet commitments.

The Board of Directors may also ask the Audit Committee to carry out any other regular or ad hoc assignments. In addition, the Committee may suggest that the Board of Directors consult it on any specific issue that it considers necessary or relevant.

The assessment that took place in 2022 showed that, overall, the directors were very satisfied with the Board's involvement in strategic matters and review of acquisition projects, and felt it has a good level of awareness of the risks to which the group is exposed. A number of improvements have been requested and these will be carried out in 2023, including a greater number of strategic seminars (at least three per year), particularly on cybersecurity and insurance-related issues, less use of "Franglais" in business matters, training on new IFRS standards, an annual meeting between the Audit Committee and the Statutory Auditors without Management being present, more frequent visits to postal sites, and thought processes about how to make the Board's membership structure more international.

#### Activities in 2022

- 7 meetings;
- Average attendance rate: 90%.

In addition to recurring matters, such as the review of the annual and half-year financial statements, risk mapping, scheduling of audits and the annual report by the Purchasing Committee, the Audit Committee reviewed: the management of credit risks by La Banque Postale, the management of La Banque Postale's prudential ratios, financial risk management within the framework of the Limits Handbook, changes in regulations and standards, creation of the Compliance Department and the Compliance roadmap, application of the General Data Protection Regulation (GDPR), and the fight against cybercrime.

#### Appointments, Compensation and Governance Committee

##### Composition

- Chairman: Philippe Lemoine (CDC);
- Other members: Éric Lombard (CDC), Charles Sarrazin (French State), Hugo Reis.

##### Duties

With a view to preparing the work of the Board of Directors, the Committee:

- issues recommendations on the appointment and compensation of La Poste's corporate officers;
- formulates an opinion on any proposal pertaining to the general principles of the appointment and compensation policy, excluding the salary or base salary of the senior executives of La Poste and the main subsidiaries;
- makes any recommendation concerning the total amount of directors' fees to be allocated annually to certain members of the Board of Directors and makes propositions to the Board of Directors as to rules for their allocation, taking into account, in particular, attendance at the meetings of the Board of Directors and Board Committees;
- issues an opinion on any planned capital increase reserved for employees or free share awards pursuant to Articles 32 and 32-3 of law no. 90-568 of 2 July 1990, as amended, relating to the organisation of the public service provided by La Poste and France Télécom;
- coordinates the annual assessment of the Board of Directors;

## 5. GOVERNANCE

### Operating procedures of the governance bodies

- reports to the Board of Directors and brings to its attention any significant issues that could require the Board's special deliberation on matters within the Committee's remit.

The Appointments Committee is informed by the Chairman and Chief Executive Officer of the appointment, compensation and planned replacement of the senior executives of La Poste and its main subsidiaries. Where appropriate, the Committee passes on its observations to the Board of Directors.

The Committee may also be asked to carry out any other regular or ad hoc work given to it by its Chairman, the Board of Directors or the Chairman and Chief Executive Officer of La Poste. In addition, the Committee may suggest that the Board of Directors consult it on any specific issue that it considers necessary or relevant.

## Strategy and Investment Committee

### Composition

- Chairwoman: Françoise Malrieu (CDC);
- Other members: Irène Baudry, Florence Fimbel, Isabelle Fleurence, Sylvie Joseph, Hugo Reis, Corinne Lejbowicz (CDC), Antoine Saintoyant, Charles Sarrazin (French State).

### Duties

With a view to preparing the work of the Board of Directors and offering any useful opinion or recommendations, the Strategy and Investment Committee:

- analyses the strategic growth drivers of La Poste and the group in France and abroad;
- studies proposed strategic agreements and monitors partnerships;
- studies planned asset acquisitions or disposals within the group, plans to create subsidiaries and plans to buy and sell equity investments for amounts exceeding €30 million;
- reviews the multi-annual business plan;
- oversees the main items of the public service agreement signed with the French State.

### Activities in 2022

- 9 meetings;
- Average attendance rate: 84%.

The Committee mainly worked on acquisition and disposal projects led by Geopost, the Retail Customers & Digital Services business line and La Banque Postale.

## Quality and Sustainable Development Committee

### Composition

- Chairwoman: Marie-Pierre de Bailliencourt (CDC);
- Other members: Virginie Chapron-du Jeu (CDC), Isabelle Fleurence, Philippe Lemoine (CDC), Franck Gervais (French State), Sylvie Joseph, Guylaine Brohan.

### Duties

The Quality and Sustainable Development Committee's role is to prepare the Board of Directors' work and send the Board any useful recommendations on any issue concerning the quality of

the relations between La Poste or group companies and their customers, as well as on sustainable development and well-being, especially regarding the following:

- the customer satisfaction survey;
- the assessment of the quality of customer service;
- the review of best practices in terms of customer service;
- the review of best practices in terms of sustainable development and corporate social responsibility;
- the review of the well-being of those working at La Poste as well as best practices in this regard.

The Board of Directors may also ask the Quality and Sustainable Development Committee to carry out any other work relating to its area of expertise. In addition, the Committee may suggest that the Board of Directors consult it on any specific issue that it considers necessary or relevant.

### Activities in 2022

- 4 meetings;
- Average attendance rate: 96%.

In particular, the Committee examined: the Net Promoter Score of the group's main businesses, the results of the group's CSR policies and outlook, the CSR targets in the Chairman and Chief Executive Officer's roadmap, customer satisfaction initiatives, the Ombudsman's report, and changes in well-being at work indicators.

### Activities in 2022

- 2 meetings;
- Average attendance rate: 88%.

The Committee examined the roadmap and compensation of the Chairman and Chief Executive Officer, the principles governing the compensation of senior executives, and the policy for managing high potentials within the group.

## Public Service Missions Committee

### Composition

- Chairman: Franck Gervais (French State);
- Other members: Catherine Mayenobe (CDC), Irène Baudry, Stéphane Chevet, Gil Avérous, Patrick Molinoz, Guylaine Brohan.

### Duties

The Public Service Missions Committee is tasked with preparing the work of the Board of Directors and with making any useful recommendations to the Board of Directors on any issue concerning La Poste's public service missions, as defined by law and specified in the public service agreement, namely:

- the universal postal service;
- contribution to regional development;
- press transport and delivery;
- accessible banking.

The Public Service Missions Committee also monitors the implementation of La Poste's voluntary commitments to the community.



To this end, the Public Service Missions Committee:

- performs a yearly review of the assessment of the execution of each of the four public service missions as defined by law and the public service agreement in force;
- verifies the appropriateness of the means implemented by the Company, the compensation allocated to it in respect of those missions and the results expected in this regard;
- makes any useful suggestions on how to improve mission performance.

## 5.2.4 Mission Committee

France's PACTE law of 22 May 2019 on business growth and transformation allows any company to adopt a purpose (*raison d'être*), setting corporate and environmental objectives, by declaring itself a mission-led company (*entreprise à mission*) in its Articles of Association.

With its four public service missions, La Poste is by nature a company that is committed to serving all (see Section 1.1.3 "A mission-led company").

In this context, La Poste has set up a Mission Committee, which is responsible for monitoring the implementation of the commitments it has undertaken in its role as a mission-led company. This Committee has 17 members, representing La Poste's stakeholders, as follows:

- nine qualified external individuals:
  - Géraud Guibert, Chairman of Fabrique Écologique,
  - Marie Trelle-Kane, Chairwoman of Unis-Cité and member of *Conseil Économique, Social et Environnemental* (CESE),
  - Natalie Rastoin, Chairwoman of Polytane,
  - Nathalie Balla, company director,
  - Laetitia Puyfaucher, founder of Pelham Media Ltd.,
  - Fatima Riahi, director of Jardins de la Montagne Verte,
  - Christian Gollier, economist, Executive Director of the Toulouse School of Economics,
  - Jacques Levy, geographer, professor emeritus at the Swiss Federal Institute of Technology in Lausanne,
  - Claudia Senik, economist, professor at the Paris School of Economics;

The Board of Directors may also ask the Public Service Missions Committee to carry out any other work relating to its area of expertise. In addition, the Committee may suggest that the Board of Directors consult it on any specific issue that it considers necessary or relevant.

### Activities in 2022

- 3 meetings;
- Average attendance rate: 100%.

The Committee examined the prospects for changes to the four public service missions.

- eight members of La Poste's Board of Directors:
  - Philippe Wahl, Chairman and Chief Executive Officer of La Poste,
  - Catherine Mayenobe, director of La Poste representing Caisse des Dépôts, General Secretary of Caisse des Dépôts,
  - Franck Gervais, director of La Poste representing the French State, Chief Executive Officer of Pierre & Vacances Center Parcs,
  - Stéphane Chevet, director representing employees,
  - Franck Haspot, director representing employees,
  - Gil Avérous, non-voting member of the Board of Directors of La Poste, Mayor of Châteauroux,
  - Patrick Molinoz, non-voting member of the Board of Directors of La Poste, Vice President of the Bourgogne-Franche-Comté region,
  - Guylaine Brohan, non-voting member of the Board of Directors of La Poste, Chairwoman of the Board of Directors of the Familles Rurales non-profit organisation.

The Mission Committee appointed Natalie Rastoin as its Chairwoman.

This Committee is responsible for:

- monitoring the execution of the missions carried out by the Company in its role as a mission-led company, within the meaning of Article L. 210-10 of the French Commercial Code;
- informing the Executive Committee and Board of Directors of La Poste on the expectations of the various stakeholders (in particular customers, employees, suppliers, regions, future generations) with regard to the Company, and on the best ways to meet them.

In 2022, the Mission Committee met three times to define the indicators for monitoring the group's societal commitments and examine their level of achievement.

## 5.3 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

La Poste has adhered to and referred to the Afep-Medef Code on Corporate Governance since 2011, in accordance with Article L. 225-37-4-8° of the French Commercial Code, subject to specific legal and regulatory provisions.

These specific provisions arise from La Poste's status as a public-sector company, in particular the fact that the Company is subject to French law no. 90-568 of 2 July 1990 on the organisation of the public service provided by La Poste and

France Télécom, as amended by French law no. 2019-486 (PACTE law of 22 May 2019), and Order no. 2014-948 of 20 August 2014 on governance and transactions involving the share capital of state-owned companies.

The table below lists the recommendations of the Afep-Medef Code (January 2020 version) that are not applied by the Company, with the corresponding explanations:

Afep-Medef 2020 recommendation number	Principles of the Code	Situation of the Company and comments
<b>1</b>	<b>Missions of the Board of Directors</b>	
1.3	Appointment of the Executive Director and method of organising functions: "[...] The Board of Directors [...] appoints the executive corporate officers responsible for managing the Company [...] and chooses the method of organisation (separating the functions of Chairman and Chief Executive Officer or uniting the functions)[...]."	The manner in which the Board of Directors of La Poste is organised results from Article 11 of the law of 2 July 1990, as amended by law no. 2019-486 (PACTE law of 22 May 2019), which states that the positions of Chairman and Chief Executive Officer must be held by the same person, and specifies that the Chairman and Chief Executive Officer is appointed on the basis of Article 6 of Order no. 2014-948 of 20 August 2014, by a decree of the President of the French Republic upon the proposal of the Board of Directors and after considering the opinion of the Economic Affairs Commission of the French National Assembly and Senate.
<b>3</b>	<b>Diversity of governance methods</b>	
3.2	Appointment of a senior independent director: "The Board may appoint a senior independent director from among the independent directors, in particular when the duties are of a unique nature."	The composition of the Board of Directors is fixed in accordance with the provisions of Article 10 of the law of 2 July 1990, as amended by law no. 2019-486 (PACTE law of 22 May 2019), included in Article 13 of the Articles of Association.
<b>9</b>	<b>Independent directors</b>	
9.3	"In controlled companies, the proportion of independent directors must be at least one third. Directors representing employee shareholders and directors representing employees are not included in the calculation of these percentages."	La Poste's Board of Directors has 21 members: seven directors representing employees, one director representing the French State appointed by decree and 13 directors appointed by the General Meeting, including two put forward by the French State and 11 put forward by CDC. A certain number of the directors appointed by the General Meeting meet most of the independence criteria of the Afep-Medef Code: four of them meet seven of the eight criteria defined in Article 9.5 of the Code, and two of them meet six of the eight criteria (due to the changes in governance that took place in March 2020, the shareholders at the General Meeting considered it was in the best interests of the group to renew the directorships of Françoise Malrieu and Philippe Lemoine – directors of La Poste since 2005 and 2009 respectively – in view of the fact that long-serving members are important for building up corporate memory and ensuring strategic continuity within the Board).  The composition of the Board of Directors has been defined by law (law no. 2019-486 of 22 May 2019) in such a way as to allow the majority shareholder to exercise exclusive control of the Company. In line with this, the 11 directors put forward by CDC, irrespective of whether or not they are employees of CDC, are deemed to represent CDC's best interests on the Board. Similarly, for directors put forward by the French State, in Article 6 of the 2014 governmental order concerning the governance of public companies – pursuant to which such directors are appointed – it is specified that these directors must "represent the best interests of the State". For all of these reasons, the eighth independence criterion of the Afep-Medef Code of not being, or representing, a significant shareholder is not applicable to any of these 14 La Poste directors, and directors representing employees cannot be considered as independent either. However, La Poste's directors retain their freedom of judgement and expression, as shown by the discussion and debate that takes place within the Board.

**Afep-Medef 2020  
recommendation  
number**

**Principles of the Code**

**Situation of the Company and comments**

14	<b>Duration of the term of office of directors</b>	
14.1	"[...] the duration of directors' terms of office, which are set forth by the Articles of Association, must not exceed four years [...]."	The duration of the term of office of La Poste's directors is set by Decree no. 2010-191 of 26 February 2010 which sets out La Poste's initial Articles of Association. In addition, the shareholders feel that this duration, which is not much longer than that recommended in the Afep-Medef Code, is more suited to the specific nature of La Poste Groupe. In particular, La Poste directors need time to familiarise themselves with the businesses conducted by La Poste – a group that is very large, very international and which operates in highly diverse domains (parcel transport, logistics, personal care services, bancassurance), some of which are subject to complex regulations. A five-year term allows directors not only to progressively follow the training they require for understanding the group's businesses, but also to make the most of that training for the Company's governance. In addition, La Poste's strategic plans and their rollouts cover periods that span more than four years.
16	<b>Audit Committee</b>	
16.11	Composition: "The portion of independent directors in the Audit Committee (excluding [...] directors representing employees, which are not included in the calculation scope) must be at least two thirds."	As none of the directors making up the Audit Committee can meet all of the independence criteria of the Afep-Medef Code, this Committee is unable to comply with the recommendations of the Code.
18	<b>Compensation Committee</b>	
18.1	Composition: The Compensation Committee "[...] must be composed of a majority of independent directors [...]. It is recommended that the Chairman of the Committee be independent and that an employee director be a member."	As none of the directors making up the Compensation Committee can meet all of the independence criteria of the Afep-Medef Code, this Committee is unable to comply with the recommendations of the Code.
20	<b>Ethics concerning directors</b>	
	Unless otherwise provided for by law, directors must be shareholders on a personal basis and, in application of the provisions of the Articles of Association or internal rules of procedure, hold a significant number of shares with regard to the directors' fees allocated. Should directors not hold these shares at the time of taking up office, they shall use their directors' fees to obtain them. The directors submit this information to the Company, which includes said information in its annual report.	The law reserves the ownership of La Poste's share capital to the French State and CDC, subject to any employee share ownership (not put in place). In consequence, it is impossible for a director who is a private individual to be a shareholder.
23	<b>Obligation for executive corporate officers to hold shares</b>	
	"The Board of Directors defines a minimum quantity of shares that executive corporate officers must hold in their name until the end of their service. This decision is reviewed at least every time their terms of office are renewed [...]."	The Chairman and Chief Executive Officer cannot hold Company shares in his name because Article 1-2 of the law of 1990 reserves the ownership of La Poste's share capital to the French State and CDC, and if applicable, employees.

## 5.4 COMPENSATION AND BENEFITS OF CORPORATE OFFICERS

### 5.4.1 Total compensation of the Chairman and Chief Executive Officer

La Poste currently has one executive corporate officer, its Chairman and Chief Executive Officer, Philippe Wahl, who has held this office since 26 September 2013.

The total compensation of Philippe Wahl for the year 2022 was set at €450,000 gross per year by the Board of Directors on 24 March 2022. It consists exclusively of a fixed portion.

The compensation of Philippe Wahl, unchanged since 26 September 2013, complies with the compensation ceiling set for public-sector companies.

The annual objectives of Philippe Wahl are set out in a roadmap approved by the Board of Directors, without entitlement to a variable portion of compensation. Philippe Wahl's roadmap

for 2022 was approved by the Board of Directors on 24 March 2022. This roadmap consists of the following: (i) economic and financial indicators (50%); (ii) social and environmental indicators (30%); and (iii) the group's ability to adapt and the care it takes of its postal workers (20%). Achieving the objectives of this roadmap has a 50% impact on the variable portion of the compensation awarded to members of the Executive Committee.

The table below presents a summary of all types of compensation due to the Chairman and Chief Executive Officer in respect of the 2021 and 2022 financial years.

#### Summary of the compensation awarded to the Chairman and Chief Executive Officer, Philippe Wahl

Gross amounts before tax	2022	2021
Compensation due for the year (including benefits in kind)	€455,620	€455,624
Value of options awarded during the year	None	None
Value of performance shares awarded during the year	None	None
<b>TOTAL (including benefits in kind)</b>	<b>€455,620</b>	<b>€455,624</b>
<b>TOTAL (excluding benefits in kind)</b>	<b>€450,000</b>	<b>€450,000</b>

#### Company car

A company car is made available to the Chairman and Chief Executive Officer. La Poste bears all costs related to the company car (i.e., maintenance, insurance and fuel). This benefit is accounted for as a benefit in kind.

#### Health and death/disability insurance coverage

The Chairman and Chief Executive Officer of La Poste receives the health and supplementary death/disability coverage provided to all senior executives, with premiums paid in full by La Poste.

#### Pension plan

The Chairman and Chief Executive Officer of La Poste does not receive any supplementary pension plan.

#### Compensation allocated for participation in governance bodies

The Chairman and Chief Executive Officer of La Poste receives no compensation for his participation in the governance bodies as Chairman of the Board of Directors and director of La Poste, nor does he receive any compensation for positions held in companies controlled by La Poste.

## Summary of the compensation of the Chairman and Chief Executive Officer, Philippe Wahl

Gross amounts before tax	2022		2021	
	Amounts due for the year	Amounts paid during the year	Amounts due for the year	Amounts paid during the year
Fixed compensation	€450,000	€450,000	€450,000	€450,000
Variable compensation	None	None	None	None
Special compensation	None	None	None	None
Compensation allocated for participation in governance bodies	None	None	None	None
<b>TOTAL (excluding benefits in kind)</b>	<b>€450,000</b>	<b>€450,000</b>	<b>€450,000</b>	<b>€450,000</b>
Benefits in kind <sup>(a)</sup>	€5,620	€5,620	€5,624	€5,624
<b>TOTAL (including benefits in kind)</b>	<b>€455,620</b>	<b>€455,620</b>	<b>€455,624</b>	<b>€455,624</b>

(a) Company car (€5,620 in 2022 and €5,264 in 2021) and communication bonus paid to all postal workers (€360).

## Employment contract, supplementary pension, severance or job transfer allowance and compensation for non-compete clauses

	Employment contract		Supplementary pension plan		Compensation payable due to severance or job transfer		Compensation for a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Philippe Wahl, Chairman and Chief Executive Officer		X		X		X		X

## Ratio between the compensation of the Chairman and Chief Executive Officer and the compensation of La Poste employees over five years

	2022	2021	2020	2019	2018
Ratio between the compensation of the Chairman and CEO and the average compensation of La Poste employees	13.7	14.2	14.3	14.5	14.7
Ratio between the compensation of the Chairman and CEO and the median compensation of La Poste employees	16.2	17.0	17.1	17.2	17.3

### 5.4.2 Total compensation of directors

#### Compensation allocated for participation in governance bodies

The members of the Board of Directors appointed by the General Meeting receive compensation for their participation in the governance bodies according to the following principles, adopted by the General Meeting of 27 April 2011:

- the annual budget represents a gross total of €320,000;
- this amount is divided up as follows:
  - €1,300 gross per Board meeting or Board Committee meeting attended,
  - €2,000 gross per meeting attended for the Chair of a Board Committee.

If, at the end of the period, the aggregate amounts allocated to the directors on the basis of the above scale were to exceed the allocated amount of €320,000 (because of additional meetings), these amounts would be reduced accordingly, so as to distribute a gross total of €320,000.

For 2022, the total compensation allocated to the directors for their participation in governance bodies amounted to €250,200 gross.

Directors representing employees exercise their office free of charge in accordance with French law no. 83-675 of 26 July 1983 on the democratisation of the public sector, and the Chairman and Chief Executive Officer receives no compensation for his directorship.

## 5. GOVERNANCE

### Compensation and benefits of corporate officers

Pursuant to French Order no. 2014-948 of 20 August 2014, the compensation allocated to the State representative appointed pursuant to Article 4 of said Order, as well as the compensation allocated to the directors appointed by the General Meeting on proposal of the State pursuant to Article 6 of the Order, said directors being civil servants, is fully paid to the State budget.

In accordance with the order of the Minister for the Economy and Finance of 5 January 2018, the compensation of the other directors appointed by the General Meeting, on proposal of the French State, who are not civil servants, is paid up to 85% to the directors concerned and up to 15% to the State budget.

The amounts allocated to the directors appointed by the General Meeting on the proposal of Caisse des Dépôts are paid to Caisse des Dépôts in compliance with its Code of Ethics. The amounts allocated to directors not from Caisse des Dépôts appointed by the General Meeting on the proposal of Caisse des Dépôts are paid to the directors concerned.

Gross amounts allocated to directors appointed by the GM		2022	2021
	Éric Lombard, permanent representative of CDC	€10,400	€15,600
	Marie-Pierre de Bailliencourt	€19,700	€20,300
	Virginie Chapron-du Jeu	€22,100	€26,700
	Corinne Lejbowicz	€20,800	€24,700
	Philippe Lemoine	€20,900	€22,200
As proposed by Caisse des Dépôts	Françoise Malrieu	€29,700	€32,300
	Catherine Mayenobe	€15,600	€19,500
	Olivier Mareuse	€18,200	€19,500
	Antoine Saintoyant	€20,800	€23,400
	Olivier Sichel	€9,100	€11,700
	Claire Waysand	€11,700	€11,700
French State	represented by Charles Sarrazin	€33,500	€39,300
As proposed by the French State	Franck Gervais	€17,700	€22,300
<b>TOTAL</b>		<b>€250,200</b>	<b>€289,200</b>

### Related-party agreements

Pursuant to Article L. 225-38 of the French Commercial Code, it is indicated that the following agreement was authorized by the Board of Directors of La Poste on 24 February 2022 and approved by the General Meeting of 8 June 2022: agreement between Caisse des Dépôts and La Poste SA, with retroactive effect from 1 January 2021 for a period of five years, then tacitly renewable for a period of one year, under the terms of which La Poste SA will pay Caisse des Dépôts, in respect of head office expenses, an annual fee equal to 0.03% of its revenue, with the following ceilings:

- €25,000 if revenue is below €100 million;
- €100,000 if revenue is between €100 million and €1 billion;
- €250,000 if revenue is above €1 billion.

In addition, it is indicated that the following agreements, approved at the meeting of the Board of Directors on 17 December 2020, remain in force until 31 December 2023: two mission agreements with two directors, Corinne Lejbowicz and Philippe Lemoine.

No other compensation was allocated or paid to the directors in 2022, either for their term of office or on an exceptional basis.

### Statutory auditors' special report on related-party agreements

*This is a free translation into English of a report issued in French. It is provided solely for the convenience of English speaking users. This report should be read and construed in accordance with French law and professional auditing standards applicable in France*

#### General Meeting for the approval of the financial statements for the year ended 31 December 2022

To the Shareholders:

In our capacity as Statutory Auditors of La Poste, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the

implementation during the year of agreements already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

## Agreements submitted for the approval of the general meeting

In accordance with the article L. 225-40 of the French Commercial Code (*Code de commerce*), we have been advised of the following agreements entered into during the past financial year which were subject to the prior authorisation of your Board of Directors.

### Management Fee Agreement

**Date of authorisation by the Board of Directors:** 24 February 2022

**Contracting entities:** Caisse des Dépôts.

**Persons concerned:** Philippe Wahl (Chairman and Chief Executive Officer of La Poste and Chairman of the Supervisory Board of La Banque Postale), Caisse des Dépôts (holding more than 10% of the share capital of La Poste).

**Nature and purpose:** The purpose of the agreement is management fees invoiced by Caisse des Dépôts to La Poste SA for various services (operations related to the management of HR executives, access to CDC framework contracts, etc.). The agreement took effect retroactively on 1 January 2021 for a period of five years, renewable thereafter tacitly for a period of one year.

**Terms and conditions:** La Poste SA will pay Caisse des Dépôts an annual fee equal to 0.03% of its turnover, with the following steps:

- €25,000 if turnover is less than €100 million;
- €100,000 if the turnover is between €100 million and €1 billion;
- €250,000 if the turnover is over €1 billion.

**Reason provided by the Company:** This agreement provides a framework for the remuneration of Caisse des Dépôts for the various services provided to La Poste.

**Amount recognised during the year:** €500,000 of which €250,000 for 2021.

## Agreements already approved by the general meeting

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed that the implementation of the following agreements which were already approved by the General Meetings of Shareholders in prior years continued during the year.

### Agreement with Mr. Lemoine

**Date of authorisation by the Board of Directors:** 17 December 2020

**Contracting entity:** N/A

**Person concerned:** Philippe Lemoine, a director of La Poste SA

**Nature and purpose:** the purpose of the agreement is to define the conditions under which Philippe Lemoine, a director of La Poste SA, performs an independent consulting assignment in relation to the updating of the digital strategy of La Poste Groupe, particularly with regard to integrating the concept of trusted third parties into the digital strategy and thoughts regarding complementarity between physical and digital networks. The agreement took effect on January 1<sup>st</sup> 2021 and will expire on December 2023.

**Terms and conditions:** as consideration for the assignment, Philippe Lemoine will receive an overall fixed annual fee of €7,800, excluding taxes. His travel costs in the Île-de-France region (greater Paris) are included in the aforementioned fixed fee amount. Subject to being approved in advance and in writing by La Poste, other travel costs are reimbursed by La Poste upon presentation of supporting documents and according to the conditions of the travel costs reimbursement schedule defined in the agreement.

**Reason provided by the Company:** the assignment was entrusted to Philippe Lemoine due to his specific knowledge of digitalization and new technologies, gained during his career.

**Amount recognised during the year:** €8,190.

### Agreement with Ms Lejbowicz

**Date of authorisation by the Board of Directors:** 17 December 2020

**Contracting entity:** N/A

**Person concerned:** Corinne Lejbowicz, a director of La Poste SA

**Nature and purpose:** the purpose of the agreement is to define the conditions under which Corinne Lejbowicz, a director of La Poste SA, performs an independent consulting assignment in relation to the updating of the digital strategy of La Poste Groupe, particularly with regard to integrating the concept of trusted third parties into the digital strategy and thoughts regarding complementarity between physical and digital networks. The agreement took effect on January 1<sup>st</sup> 2021 and will expire on December 2023.

**Terms and conditions:** as consideration for the assignment, Corinne Lejbowicz will receive an overall fixed annual fee of €7,800, excluding taxes. Her travel costs in the Île-de-France region (greater Paris) are included in the aforementioned fixed fee amount. Subject to being approved in advance and in writing by La Poste, other travel costs are reimbursed by La Poste upon presentation of supporting documents and according to the conditions of the travel costs reimbursement schedule defined in the agreement.

**Reason provided by the Company:** the assignment was entrusted to Corinne Lejbowicz due to her specific knowledge of digitalization and new technologies, gained during her career.

**Amount recognised during the year:** €8,190.

#### Memorandum of understanding between the French State, Caisse des Dépôts, La Poste and La Banque Postale

**Date of authorisation by the Board of Directors:** 31 July 2019

**Contracting entities:** the French Republic (hereinafter “the French State”), Caisse des Dépôts and La Banque Postale.

**Persons concerned:** Philippe Wahl (Chairman and Chief Executive Officer of La Poste and Chairman of the Supervisory Board of La Banque Postale), Eric Lombard (a director of La Poste and Chief Executive Officer of Caisse des Dépôts), Charles Sarrazin (a director of La Poste and representative of the French State on the Board of Directors of La Poste), Caisse des Dépôts and the French State (each holding more than 10% of the share capital of La Poste).

**Nature and purpose:** in 2019, as part of the overall transaction through which the French State and Caisse des Dépôts intend to create a large public financial group serving the regions and thereby create a public banking and insurance division around La Banque Postale and CNP Assurances via various transactions, including the acquisition by Caisse des Dépôts of a majority interest in the share capital of La Poste, the French State, Caisse des Dépôts, La Banque Postale and La Poste entered into a binding Memorandum of Understanding on 31 July 2019.

**Terms and conditions:** under the terms of the Memorandum of Understanding:

- Caisse des Dépôts and the French State have undertaken, each acting on its own behalf, to contribute to the Company their entire stakes in the share capital of CNP Assurances

(“the Contributions”), i.e., 280,615,140 ordinary CNP Assurances shares by Caisse des Dépôts and 7,645,754 ordinary CNP Assurances shares by the French State, subject to fulfilment of the conditions precedent provided for in the Memorandum of Understanding. Once the contributions have been made, the French State and Caisse des Dépôts will respectively hold 41.60% and 58.40% of the share capital and voting rights of La Poste; and

- La Poste has undertaken to contribute all of the CNP Assurances shares contributed by Caisse des Dépôts and the French State (i.e., 288,260,894 ordinary CNP Assurances shares) to its subsidiary La Banque Postale, which will thereby – directly and indirectly – hold approximately 62.13% of the share capital of CNP Assurances through Sopassure; and
- Concurrently with the Contributions, Caisse des Dépôts will purchase 131,729,136 La Poste shares from the French State, thereby ultimately holding a 66% interest in the share capital of the Company upon completion of the Contributions and the transfer of the shares sold.

**Reason provided by the Company:** the aim of the project to create a large public financial group is to strengthen regional cohesion and address regional divide in mainland France and the overseas regions and departments through La Poste and Caisse des Dépôts, local operators serving French citizens. La Poste will create a public bancassurance division around its La Banque Postale subsidiary.

**Amount recognised during the year:** nil.

Paris La Défense, 16 March 2023

The Statutory Auditors

KPMG S.A.

Mazars

Stéphanie Millet

Partner

Xavier de Coninck

Partner

Gonzague Senlis

Partner

Charles de Boisriou

Partner

### 5.4.3 Additional information

#### Total provisions and amounts recognised for pensions and other benefits

The Chairman and Chief Executive Officer, the only executive corporate officer, does not receive any supplementary pension plan, and neither do the members of the Executive Committee.

#### Stock options and free shares allocated

La Poste has not implemented any system for granting performance shares or stock options to any of its employees, regardless of category.





# 6.

## FINANCIAL STATEMENTS

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## 6.1 CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated income statement

<i>(in € millions)</i>	Note	2022	2021
Revenue from commercial activities	6	27,103	26,617
Net banking income	7	8,289	7,992
<b>Operating revenue</b>	<b>5.2</b>	<b>35,392</b>	<b>34,609</b>
Purchases and other expenses	8	(16,556)	(15,490)
Personnel expenses	9	(13,935)	(14,154)
Taxes other than on income	10	(465)	(449)
Depreciation, amortisation, provisions and impairment	11	(3,888)	(1,772)
Other operating expenses and income	12	566	577
Proceeds from asset disposals		52	23
<b>Net operating expenses</b>		<b>(34,226)</b>	<b>(31,265)</b>
Share in net profit/(loss) of jointly-controlled companies	19	31	87
<b>Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies)</b>		<b>1,197</b>	<b>3,431</b>
Cost of net debt	13.1	(214)	(233)
Other financial items	13.2	7	31
<b>Net financial income/(expense)</b>	<b>13</b>	<b>(207)</b>	<b>(202)</b>
<b>Share in net profit/(loss) of other equity-accounted companies</b>	<b>19</b>	<b>(88)</b>	<b>(12)</b>
<b>Profit/(loss) before income tax</b>		<b>902</b>	<b>3,217</b>
Income tax	14	605	(620)
<b>CONSOLIDATED NET PROFIT/(LOSS)</b>		<b>1,507</b>	<b>2,597</b>
Attributable to non-controlling interests		304	528
<b>NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>1,203</b>	<b>2,069</b>

## Consolidated statement of comprehensive income

Amounts after tax

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
<b>CONSOLIDATED NET PROFIT / (LOSS)</b>	<b>1,507</b>	<b>2,597</b>
<b>OTHER COMPREHENSIVE INCOME RECOGNISED IN EQUITY</b>		
<b>Items that may be reclassified to profit or loss</b>	<b>(4,485)</b>	<b>513</b>
Change in unrealised gains and losses on financial instruments	(4,635)	(643)
<i>Reclassification to profit or loss</i>	1,943	1,250
Translation adjustments	549	108
<i>Reclassification to profit or loss</i>		(3)
Impact of the overlay approach	(426)	1,024
Share in other reclassifiable comprehensive income of equity-accounted companies	27	24
<b>Items that will not be reclassified to profit or loss</b>	<b>114</b>	<b>70</b>
Actuarial gains and losses on employee benefits	42	84
Change in credit risk of financial liabilities designated as at fair value through profit or loss	4	(8)
Remeasurement of equity instruments at fair value through other comprehensive income (excluding instruments sold during the year)	11	(6)
Share in other not reclassifiable comprehensive income of equity-accounted companies	57	
<b>Total other comprehensive income/(loss) recognised in equity (after tax)</b>	<b>(4,371)</b>	<b>583</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(2,864)</b>	<b>3,180</b>
Total comprehensive income/(loss) attributable to non-controlling interests	125	668
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>(2,989)</b>	<b>2,512</b>

## Consolidated balance sheet

### Assets

<i>(in € millions)</i>	Note	31/12/2022	31/12/2021
Goodwill	15	5,092	4,464
Intangible assets	16	6,126	6,133
Property, plant and equipment	17	6,582	6,792
Right of use assets	18	3,426	3,700
Investments in equity-accounted companies	19	2,031	1,900
Other non-current financial assets	21	591	500
Deferred tax assets	14	2,976	205
<b>Non-current assets</b>		<b>26,824</b>	<b>23,694</b>
Inventories and work-in-progress	23.1	207	190
Trade and other receivables	23.2	5,503	5,554
Other current financial assets	21	702	436
Income tax credit		961	651
Other accruals - Assets		121	118
Cash and cash equivalents	24.1	4,537	2,895
Assets held for sale	25	62	200
<b>Current assets</b>		<b>12,093</b>	<b>10,044</b>
Cash, central banks	24.2	39,355	50,812
Financial assets at fair value through profit or loss	22.1	222,722	231,420
Hedging derivatives	22.2	1,139	1,022
Financial assets at fair value through OCI	22.3	194,534	228,310
Securities at amortised cost	22.4	27,193	23,480
Loans and advances to credit institutions at amortised cost	22.5	67,095	67,823
Loans and advances to customers at amortised cost	22.6	129,628	123,117
Revaluation differences on portfolios hedged against interest rate risks	22.7	721	101
Other financial assets and accruals	22.9	35,847	33,149
Net participating benefit	22.9	9,692	0
Investment property	22.8	6,280	3,393
<b>Specific assets of banking and insurance activities</b>		<b>734,206</b>	<b>762,627</b>
<b>TOTAL ASSETS</b>		<b>773,123</b>	<b>796,365</b>

## Equity and liabilities

<i>(in € millions)</i>	Note	31/12/2022	31/12/2021
Share capital and share premium		6,788	6,668
Reserves		12,534	10,648
Financial instrument reserves reclassifiable to profit or loss		(3,301)	1,373
Translation reserve		(422)	(570)
Perpetual hybrid subordinated notes		744	744
Net profit/(loss) attributable to owners of the parent		1,203	2,069
<b>Equity attributable to owners of the parent</b>		<b>17,546</b>	<b>20,932</b>
Non-controlling interests		7,767	11,718
<b>CONSOLIDATED EQUITY</b>		<b>25,313</b>	<b>32,650</b>
Bonds and debt <sup>(1)</sup>	28.1	11,564	10,149
Lease liabilities <sup>(1)</sup>	28.1	3,869	3,760
Provisions for contingencies and losses <sup>(1)</sup>	27	885	816
Employee benefits <sup>(1)</sup>	30	2,687	3,157
Deferred tax liabilities (non-current)	14.5	886	1,217
Trade and other payables <sup>(1)</sup>	32	9,903	9,140
Income tax liabilities (current)		320	199
Other accruals - Liabilities (current)		180	233
Liabilities directly associated with assets held for sale (current)	25	47	0
<b>Non-current liabilities</b>		<b>16,269</b>	<b>16,411</b>
<b>Current liabilities</b>		<b>14,072</b>	<b>12,260</b>
Financial liabilities at fair value through profit or loss	31.1	13,359	4,253
Hedging derivatives	31.2	2,371	333
Liabilities due to credit institutions	31.3	26,445	30,393
Customer deposits	31.4	233,276	234,582
Debt securities	31.5	29,052	21,693
Revaluation differences on portfolios hedged against interest rate risks	31.6	294	422
Other financial liabilities and accruals	31.7	19,810	18,674
Banking and insurance activity technical provisions and shadow accounting reserves	31.8	383,763	414,584
Subordinated debt	31.9	9,099	10,110
<b>Specific liabilities of banking and insurance activities</b>		<b>717,469</b>	<b>735,044</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>773,123</b>	<b>796,365</b>
<i>(1) Of which current share:</i>			
<i>Bonds and debt</i>		1,430	541
<i>Lease liabilities</i>		766	741
<i>Provisions for contingencies and losses</i>		700	678
<i>Employee benefits</i>		729	754
<i>Trade and other payables</i>		9,900	9,114

## Changes in consolidated equity

Amounts after tax 2022

<i>(in € millions)</i>	Share capital and share premium	Retained earnings	Translation reserve	Financial instruments reserve reclassifiable to profit or loss	Perpetual hybrid subordinated notes	Other reserves	Attributable total	Non-controlling interests	Total
<b>Consolidated equity at 31 December 2021</b>	6,668	2,069	(570)	1,373	744	10,648	20,932	11,718	32,650
Issue of perpetual notes						0	0	29	29
Dividend payments <sup>(b)</sup>	120					(529)	(409)	(372)	(781)
Remuneration of perpetual hybrid subordinated notes <sup>(a)</sup>						(144)	(144)	0	(144)
Put options written over non-controlling interests						(55)	(55)	(31)	(86)
Transactions with non-controlling interests <sup>(c)</sup>			(82)	(137)		457	238	(3,903)	(3,665)
Appropriation of 2021 net profit/(loss)		(2,069)				2,069			
Comprehensive income for the period		1,203	230	(4,536)		114	(2,989)	125	(2,864)
<i>Of which:</i>									
■ Net profit/(loss)		1,203					1,203	304	1,507
■ Reserves reclassifiable to profit or loss			230	(4,536)			(4,306)	(179)	(4,485)
■ Financial instrument reserves not reclassifiable to profit or loss						15	15		15
■ Actuarial gains and losses						99	99	0	99
Other			0	(1)		(26)	(27)	201	174
<b>CONSOLIDATED EQUITY AT 31 DECEMBER 2022</b>	<b>6,788</b>	<b>1,203</b>	<b>(422)</b>	<b>(3,301)</b>	<b>744</b>	<b>12,534</b>	<b>17,546</b>	<b>7,767</b>	<b>25,313</b>

(a) Remuneration of hybrid subordinated notes from La Poste (€23 million), La Banque Postale (€55 million) and CNP Assurances (€66 million).

(b) La Poste dividends paid out in cash and shares (see Note 26.1).

(c) Including the acquisition of CNP Assurance's non-controlling interest (see Note 1.2).

## Amounts after tax 2021

<i>(in € millions)</i>	Share capital and share premium	Retained earnings	Translation reserve	Financial instruments reserve reclassifiable to profit or loss	Perpetual hybrid subordi- nated notes	Other reserves	Attribu- table total	Non- controlling interests	Total
<b>Consolidated equity at 31/12/2020 – reported</b>	6,668	2,084	(574)	836	744	8,489	18,247	13,712	31,959
Change in the calculation of certain post-employment benefits following the IFRS- IC agenda decision of May 2021						143	143		143
<b>Consolidated equity at 31/12/2020 – restated</b>	6,668	2,084	(574)	836	744	8,632	18,390	13,712	32,102
Issue of perpetual loan								942	942
Dividend payments								(655)	(655)
Remuneration of perpetual hybrid subordinated notes <sup>(a)</sup>						(91)	(91)	(23)	(114)
Put options written over non-controlling interests						(26)	(26)	(14)	(40)
Transactions with non-controlling interests			(98)	270		(30)	142	(3,368)	(3,226)
Appropriation of 2020 net profit/(loss)		(2,084)				2,084			
Comprehensive income for the period		2,069	102	267		74	2,512	668	3,180
<i>Of which:</i>									
■ Net profit/(loss)		2,069					2,069	528	2,597
■ Reserves reclassifiable to profit or loss			102	267			369	144	513
■ Financial instrument reserves not reclassifiable to profit or loss						(14)	(14)		(14)
■ Actuarial gains and losses						88	88	(4)	84
Other <sup>(b)</sup>						5	5	456	461
<b>CONSOLIDATED EQUITY AS AT 31/12/2021</b>	<b>6,668</b>	<b>2,069</b>	<b>(570)</b>	<b>1,373</b>	<b>744</b>	<b>10,648</b>	<b>20,932</b>	<b>11,718</b>	<b>32,650</b>

(a) Remuneration of hybrid subordinated notes from La Poste (€23 million), La Banque Postale (€29 million) and CNP Assurances (€62 million).

(b) Including the increase in non-controlling interests following the acquisition of control of life insurance activities in Italy.

## Consolidated statement of cash flows

(in € millions)	Note	2022			2021		
		Group	Industrial and commercial activities	Banking and insurance activities	Group	Industrial and commercial activities	Banking and insurance activities
<b>EBITDA</b>	40.10	4,811	2,031	2,780	5,422	2,602	2,820
Change in provisions for current assets and irrecoverable receivables		(40)	(40)		(28)	(28)	
Miscellaneous financial income and expenses		(7)	(7)		0	0	
<b>Cash flows from operating activities before cost of net debt and taxes</b>	40.1	4,764	1,984	2,780	5,394	2,574	2,820
Change in working capital requirement	40.3	264	121	143	(445)	(361)	(84)
Change in balance of banking and insurance assets and liabilities	40.4	(6,313)	0	(6,313)	8,911	32	8,879
Taxes paid		(934)	(100)	(834)	(446)	(62)	(384)
Dividends paid by La Banque Postale to La Poste			1,542	(1,542)		171	(171)
Dividends received from equity accounted companies		114	31	83	67	19	48
<b>Cash flows from operating activities</b>		<b>(2,105)</b>	<b>3,578</b>	<b>(5,683)</b>	<b>13,481</b>	<b>2,373</b>	<b>11,108</b>
Purchases of property, plant and equipment and intangible assets	40.5	(1,704)	(1,217)	(487)	(1,747)	(1,301)	(446)
Purchases of financial assets		(157)	(109)	(48)	(1,267)	(829)	(438)
Proceeds from disposals of property, plant and equipment and intangible assets		125	121	4	120	119	1
Proceeds from disposals of financial assets		283	43	240	123	122	1
Impact of changes in consolidation scope		(1,612)	(656)	(956)	(495)	(187)	(308)
Change in financial assets held for cash management purposes		(230)	(230)		(51)	(51)	
<b>Cash flows from investing activities</b>		<b>(3,295)</b>	<b>(2,048)</b>	<b>(1,247)</b>	<b>(3,317)</b>	<b>(2,127)</b>	<b>(1,190)</b>
Capital increases		14	14	0	0	0	0
Perpetual loans		29	29	0	942	198	744
Dividends paid and remuneration of hybrid subordinated notes		(928)	(442)	(486)	(769)	(33)	(736)
Purchases of non-controlling interests		(3,753)	(139)	(3,614)	(3,018)	(556)	(2,462)
Interest paid		(199)	(199)		(240)	(240)	0
Proceeds from new borrowings	40.6	3,477	2,474	1,003	4,826	2,957	1,869
Repayment of borrowings	40.7	(2,795)	(1,045)	(1,750)	(3,540)	(1,789)	(1,751)
Repayment of lease liabilities		(873)	(816)	(57)	(802)	(751)	(51)
Other cash flows from financing activities	40.8	(46)	(46)		6	6	
Intra-group flows			302	(302)		76	(76)
<b>Cash flows from financing activities</b>		<b>(5,074)</b>	<b>132</b>	<b>(5,206)</b>	<b>(2,595)</b>	<b>(132)</b>	<b>(2,463)</b>



(in € millions)	Note	2022		2021			
		Group	Industrial and commercial activities	Banking and insurance activities	Group	Industrial and commercial activities	Banking and insurance activities
Decrease (increase) in cash and cash equivalents from banking activities before impact of changes in consolidation scope	40.9	12,136		12,136	(7,455)		(7,455)
Impact of subsidiaries held for sale		(15)	(15)		0	0	
Impact of changes in exchange rates		(5)	(5)		18	18	
<b>Change in cash and cash equivalents</b>		<b>1,642</b>	<b>1,642</b>		<b>132</b>	<b>132</b>	
<b>Opening cash and cash equivalents</b>		<b>2,895</b>	<b>2,895</b>		<b>2,763</b>	<b>2,763</b>	
<b>Closing cash and cash equivalents</b>		<b>4,537</b>	<b>4,537</b>		<b>2,895</b>	<b>2,895</b>	

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## GENERAL ITEMS

### NOTE 1 Significant events of the year

#### 1.1 Bond issuances

In 2022, La Poste Groupe carried out several bond issuances, as detailed below. These issuances qualify as debt instruments under IFRS 9 and IAS 32.

##### La Poste bond issuances

On 14 September 2022, La Poste Groupe carried out a €1,200 million sustainable bond issue, comprising a first tranche of €600 million maturing in September 2028, and a second tranche of €600 million maturing in March 2033, at annual rates of 2.625% and 3.125%, respectively. This issue forms part of La Poste Groupe's societal commitment policy and will be used to finance (or refinance) assets that contribute to the social and environmental objectives enshrined in La Poste's Articles of Association and that comply with strict eligibility criteria.

In addition, La Poste Groupe increased the following existing bond issuances:

- on 21 January 2022, to the bond issuance maturing on September 2034, for €100 million, at a rate of 1%;
- on 30 May 2022, to the bond issuance maturing on October 2026, for €150 million, at a rate of 0.625%;
- on 28 September 2022, on a bond issue maturing in July 2029, for an amount of €100 million at a rate of 0%, with share premium of €20 million.

##### La Banque Postale bond issuances

On 13 September 2022, La Banque Postale issued GBP 425 million worth of senior non-preferred notes with a final spread of Gilt +260 bps and a fixed-rate coupon of 5.625%. It was the first benchmark issuance from La Banque Postale in a foreign currency.

On 5 December 2022, La Banque Postale carried out a €500 million Tier 2 subordinated notes issue, maturing in March 2034, at a rate of 5.5% until March 2029.

La Banque Postale Home Loan SFH (a subsidiary of La Banque Postale dedicated to the refinancing of the mortgage loans granted by its French network) has issued a "green" secured bond on 4 May 2022. This €750 million issuance

was carried out in the form of an 8-year covered bond, with a final spread of MS + 4 bps and a fixed coupon of 1.625%.

In addition, on 19 November 2022, La Banque Postale called the €750 million worth of 2.75% bonds issued in 2015.

##### CNP Assurances bond issuances

On 27 January 2022, CNP Assurances issued €500 million of 7-year *Restricted Tier 3* subordinated notes, paying interest at a fixed rate of 1.25%.

The Lamartine residential property fund (SCI Lamartine), 85%-owned by CNP Assurances (see Note 4.1) and 15%-owned by CDC Habitat since March 2022, issued two green bonds for a total amount of €850 million.

Lastly, in October 2022, CNP Assurances redeemed a €1 billion bond issued in October 2016 at a rate of 1.875%.

#### 1.2 Purchase of non-controlling interests of CNP Assurances

Throughout the first semester, La Poste Groupe gradually bought the non-controlling interests of CNP Assurances to reach the percentage of interest of 100% as at 30 June 2022:

- March: purchase of 6.3% of non-controlling interests;
- May: Simplified tender offer at €20.90 per share (dividend of €1 paid to non-controlling shareholders);
- June: implementation of a mandatory delisting of CNP Assurances to enable La Banque Postale becoming the only shareholder.

The result of the year of CNP Assurances has been assigned to La Poste Groupe following the acquisition timing of CNP Assurances' shares in that period.

In accordance with IFRS 10, CNP Assurances being already under exclusive control of the group, these purchases of shares are purchases of non-controlling interests recognised as equity transactions. This means that non-controlling interests have decreased by their carrying amounts of €3,462 million and that the share of the Group share in the equity has increased by €387 million that corresponds to the surplus of this carrying amount over the amount paid out.

### 1.3 Disposal project of DPD Russia

After having signalled its decision to suspend all flows to and from Russia on 28 February 2022, La Poste Groupe announced in first-half 2022 its intention to withdraw completely from the Russian market.

Accordingly, all assets and liabilities of DPD Russia has been presented as at 31 December 2022 as assets and liabilities held for sale for respective amounts of €42 million and €47 million after impairment.

Given the current circumstances, the difficulties being encountered by the subsidiary and the risks involved in the sale, the goodwill, intangible assets and property, plant and equipment of DPD Russia were written down in full in 2022 for a total amount of 9,741 million roubles, mostly converted at the exchange rate of 5 May 2022 (*i.e.*, 65.87 roubles/euro), with the exception of movements in the second half of the year, which were converted at the average rate for the period, representing €149 million (including €104 million worth of goodwill). The impairment losses recorded in the balance sheet on these assets amounted to €126 million, converted at the 31 December 2022 exchange rate (*i.e.*, 77.59 roubles/€).

The currency translation reserve amounts to €37 million as at 31 December 2022. It represents the impact generated by the unfavourable evolution of the Russian rouble rate since the DPD Russia's entry into the scope of consolidation. When the disposal of this entity is effective, this cumulative amount of translation reserve will be reclassified from equity to profit and loss.

### 1.4 Recognition of deferred tax

The purchase of non-controlling interests of CNP Assurances (see Note 1.2) permits to consider including this entity in the tax integration group starting from 2023 and significantly improves tax result forecasts. Thus and on the basis of the best forecasts available, the carry-forward deficit of the tax integration group will be absorbed within 5 years. Therefore, the group recognises in 2022 all deferred tax assets related to its carry-forward deficit and related to other temporary differences that will reverse within 10 years.

In this respect, deferred tax income of €903 million was recognised under "Income tax" in the 2022 financial statements. (impact calculated at 1 January 2022).

### 1.5 Impairment of the assets of La Poste's Mail CGU

Despite the compensation for the universal postal service granted by the French State in 2021, on-going notification to the European Commission, the business plan of the La Poste's Mail CGU sharply deteriorated in 2022 mainly because of the fast-increasing inflation on 2022. This inflation is expected to remain at a high level for a while and therefore induces significant higher costs that can be passed on only partially to rates.

The impairment test of this CGU was carried out on the basis of the up-dated business plan with the best forecasts for the next five years and a WACC of 6.5%. It resulted in all non-current assets of the CGU being impaired for a total amount of €940 million. All these assets are amortising ones: mainly software, equipment, building fittings and IFRS 16 rights of use related to buildings and vehicles.

The standard growth rate adopted is -5% and takes into account the structural decline in the volumes of this activity. Changes in this rate and in WACC have very little impact on the result of the test.

Impairment recognised in the financial statements for the year breaks down as follows:

- Intangible assets: €228 million;
- Property, plant and equipment: €250 million;
- Rights of use: €462 million.

Because their fair values were assessed as higher than their net carrying amounts, no impairment was accounted for on buildings or vehicles own in full ownership, affected to another business unit of the group and used by the Mail's CGU.

## NOTE 2 Basis of preparation of the consolidated financial statements

**La Poste**, the parent company of **Le Groupe La Poste** ("Le groupe La Poste" or "the Group") has been a **Société Anonyme** (French public limited company) since 1 March 2010, with its registered office at **9, rue du Colonel-Pierre-Avia, 75015 Paris, France**.

Prior to this, it was an independent state-owned entity, that was already subject to the same financial management and accounting policies as commercial businesses. La Poste Groupe is a large **multi-business services Group**.

The group's consolidated financial statements for the year ended 31 December 2022 were approved for issue by the Board of Directors (meeting on 23 February 2023) and are subject to the approval of the General Meeting.

No change in the company's name occurred in 2022.

Group address: 9, rue du Colonel Avia, 75015 Paris, France.

Principal place of business: 9, rue du Colonel Avia, 75015 Paris, France

### 2.1 Accounting basis

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of La Poste Groupe for the year ended 31 December 2022 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These standards are available on the website of the European Commission:

[https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting\\_fr](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_fr)

The accounting principles applied at 31 December 2022 are unchanged from those applied at 31 December 2021.

The consolidated financial statements are presented in millions of euros.

#### 2.1.1 Standards and interpretations effective for annual reporting periods beginning on 1 January 2022

The standards and interpretations effective for annual reporting periods beginning on 1 January 2022 had no material impact on La Poste Groupe's financial statements for the year ended 31 December 2022.

#### 2.1.2 Standards and interpretations effective after 31 December 2022 and not early adopted

The Group has not early adopted any standard or interpretation effective after 31 December 2022.

IFRS 17 - *Insurance Contracts* was published and amended by the IASB on 18 May 2017 and 25 June 2020, respectively. The amended standard was adopted by the European Union on 19 November 2021.

It is effective for annual reporting periods beginning on or after 1 January 2023 (with mandatory comparative information for 2022 to be presented on the same basis), superseding IFRS 4.

The purpose of the new standard is to set out principles for the recognition, measurement, presentation and disclosure of insurance and reinsurance contracts issued, all reinsurance contracts held with a significant insurance risk and investment contracts with discretionary participation features issued.

In addition, IFRS 17 requires certain components to be accounted for separately from insurance contracts so that the relevant standard can be applied. These include some embedded derivatives, distinct investment components and other performance obligations, such as to provide goods and non-insurance services.

Each group of insurance contracts in force at the transition date will be recognised and measured as if IFRS 17 had always been applied. There are three types of transition methods under IFRS 17:

- the Fair Value Approach (FVA), whereby insurance contracts are measured at fair value at the transition date. This approach will be applied to the majority of insurance contracts written by La Banque Postale, particularly savings and pension contracts;
- the Full Retrospective Approach (FRA), whereby all accounting components of insurance contracts are recalculated from the contracts' inception. This approach will be applied for La Banque Postale Assurances IARD and for certain cohorts of CNP Assurances contracts for which the necessary data is available;
- the Modified Retrospective Approach (MRA), a simplified version of the FRA that avoids the additional cost of producing historical contract data. This approach will be used for La Banque Postale Prévoyance.

In the IFRS 17 financial statements, the liability recognised when an insurance contract is written will be measured using the Building Block Approach (BBA), based on the following blocks:

- discounted present value of future cash flows that relate directly to the fulfilment of the contractual obligations (fulfilment cash flows);
- an adjustment for non-financial risks that contribute to uncertainty in the amount and timing of the future cash flows;
- a Contractual Service Margin (CSM).

The CSM represents the unearned profit of the group of insurance contracts that the entity will recognise as it provides services in the future. It is included on the liabilities side of the balance sheet and recognised in income over time on the residual maturity of the contracts and based on coverage units. If the group of insurance contracts is expected to generate a loss, rather than recording a negative CSM, the expected loss is recognised immediately in profit or loss when the contracts are written (onerous contracts).

A second model-The Variable Fee Approach (VFA)-is applicable to insurance contracts with direct participation features that contain the following conditions:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay the policyholder an amount equal to a substantial share of the fair value of returns from the underlying items;
- a substantial proportion of the cash flows the entity expects to pay to the policyholder are expected to vary in line with changes in the fair value of the underlying items.

The VFA is similar to the default BBA, with the difference that the CSM absorbs not only technical shocks but also financial shocks.

In addition to the General Model (BBA), IFRS 17 also includes an optional simplified measurement approach - the Premium Allocation Approach (PAA) - which may be applied to:

- all insurance contracts, provided that the PAA produces a measurement of the liability that would not be materially different from that produced applying the BBA;
- contracts with a short duration (coverage period of one year or less).

The initial liability corresponds only to the premiums received at initial recognition (no CSM). Acquisition costs may be deferred or immediately recognised as an expense.

The group's insurance entities will use these three models.

Under IFRS 17, insurance liabilities will be measured at a more granular level. They will now be divided into portfolios as follows:

- the first step will be to define a portfolio of contracts (a set of contracts managed together and subject to similar risks);
- each portfolio will then be divided into three accounting groups on initial recognition of the contracts, to enable the CSM to be calculated and tracked. The groups correspond to (i) onerous contracts; (ii) contracts which, at initial recognition, have no significant possibility of becoming onerous subsequently; and (iii) the remaining contracts in the portfolio.

IFRS 17 stipulates that a portfolio could not include contracts written more than one year apart. To avoid the economic reality of insurance contracts involving intergenerational pooling of risks (savings contracts, pension contracts, etc.) not being properly reflected in the financial statements, the European Union has introduced an optional exemption from the application of this annual cohort requirement. CNP Assurances and La Banque Postale group have both opted to apply this exemption.

For contracts measured using the BBA, VFA and PAA, IFRS 17 offers companies the option of recognising the effect of changes in financial assumptions in other comprehensive income in order to reduce their earnings volatility. The group has chosen to apply this option.

The yield curve used to discount future cash flows is determined in a similar manner to that applied under the Solvency II framework, based on a risk-free rate and an

illiquidity premium that varies according to the group of contracts concerned.

The concurrent adoption of IFRS 9 and IFRS 17 by the insurance business will have no impact at group level except for the following two changes:

- the overlay approach will no longer be applied;
- companies will have the option of measuring equity instruments available for sale at fair value through other comprehensive income not reclassifiable to profit or loss.

Concerning the presentation of La Banque Postale group's consolidated financial statements, from 1 January 2023, recommendation no. 2022-01 of 8 April 2022 relating to the format of the IFRS consolidated financial statements of banking institutions supersedes recommendation no. 2017-02 of 2 June 2017. This new recommendation is designed to ensure that insurance activities in the financial statements of banks are presented in line with the enforcement of IFRS 17. As provided for in the recommendation, La Banque Postale group has opted to analyse its insurance investments based on the same categories as the investment portfolios of the banking business.

The effects of applying IFRS 17 have been analysed by the group and have been the subject of an IFRS implementation project.

In 2022, the IFRS 17 implementation project mainly involved:

- further assessing how best to present the insurance business in the group's consolidated financial statements;
- stabilizing the main methodological options (accounting models, yield curve, risk adjustment, etc.);
- continuing to design target accounts production processes;
- carrying out preliminary work to prepare for the production and compilation of the opening IFRS 17 balance sheet and IFRS 17 comparative information.

Application of IFRS 17 will have a significant impact on the group's consolidated financial statements:

- it will modify the presentation of the balance sheet and the notes;
- it will set up a new presentation of statement of financial performance that will comprise (i) income from insurance contracts written and expenses relating to insurance contracts written (including amortisation of the CSM, amortisation of the risk adjustment, experience variances (*i.e.*, the difference between expected claims and expenses and actual claims and expenses that were reported under other operating expenses in the previous presentation) and the impact of onerous contracts), (ii) insurance and reinsurance finance expenses (income from insurance investments is reported on the same line as income from banking investments);
- it will also lead to a major reorganisation of management processes, including statutory accounting, account closing, management accounting and internal and external reporting systems;
- actuarial modelling tools will also be affected;
- in addition, the internal organisation of accounting processes will be adjusted, with the introduction of new measurement, consolidation and reporting processes.

Concerning the expected financial impacts, application of IFRS 17 to CNP Assurances and its subsidiaries from 1 January 2022 could lead to an increase of around €1.3 billion in La Banque Postale's equity at that date, of which €0.8 billion attributable to owners of the parent and €0.5 billion attributable to non-controlling interests.

### 2.1.3 European Single Electronic Format

In accordance with Commission Delegated Regulation (EU) 2019/815, as amended by Delegated Regulation (EU) 2022/352, the requirements of the European single electronic format apply to all consolidated financial statements prepared under IFRS, with some notable differences between the primary financial statements and the notes.

As was the case last year, each amount in La Poste Groupe's primary financial statements is marked up in detail.

As of this year, La Poste Groupe has also block tagged the notes to the financial statements using the block tags provided in the ESEF. Each relevant block tag is linked to a disclosure in the notes (which may include one or more paragraphs).

### 2.1.4 IBOR reform

The process of replacing interbank offered rates (IBORs) with alternative reference rates (ARRs) continued in 2022.

Details of the work performed and the amounts involved are provided in Notes 22.10 and 31.10 respectively on assets and liabilities specific to banking and insurance activities.

## 2.2 Valuation basis and use of estimates

When preparing the financial statements, the Group is required to make the best possible estimates and use assumptions that affect the values of assets and liabilities in the balance sheet, contingent assets and liabilities disclosed in the notes, as well as the income and expenses in the income statement. The actual amounts may subsequently differ from the estimates and assumptions used.

The main items concerned are as follows:

- calculation of employee benefits;
- estimates of provisions for contingencies and losses;
- calculation of right of use assets and lease liabilities;
- measurement of goodwill and other assets and liabilities recognised on business combinations;
- assumptions used for impairment tests on goodwill, other intangible assets and property, plant and equipment;
- estimates of specific provisions for banking and insurance activities (including the home savings provision);
- measurement of financial instruments not listed on organised markets;
- credit risk estimates by La Banque Postale;
- assumptions and estimates used to measure hedge effectiveness;
- more specifically, in recent years the group has developed a general framework for identifying and managing climate risk. This framework will enable uncertainties associated with climate risk to be taken into account in an appropriate manner in the assumptions used to prepare estimates. Lastly, details of the group's carbon neutrality strategy are provided in the non-financial performance statement included in the Universal Registration Document.

## NOTE 3 Significant accounting policies

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### 3.1 Consolidation methods

#### 3.1.1 Full consolidation

Companies controlled by the group are consolidated using the full-consolidation method.

Control is defined as having power over the relevant activities of the investee, exposure to variable returns from involvement in the investee and the ability to use the power over the investee to affect the amount of the investor's returns.

#### 3.1.2 Equity method

Associates and joint ventures are accounted for using the equity method.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint control is the sharing of control of an arrangement by a limited number of partners or shareholders, so that the financial and operating policy decisions of the investee require the unanimous consent of the parties sharing control.

An associate is an entity over which the group has significant influence.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of the investee.

Investments accounted for using the equity method are initially recognised at cost in the balance sheet under "Investments in equity-accounted companies" and their carrying amount is adjusted thereafter for the post-acquisition change in the group's share of their net assets, less impairment losses.

Their profits or losses are presented in the consolidated income statement under "Share in profits of jointly-controlled companies", or under "Share in profits of other equity-accounted companies" when the group has only a significant influence.

#### 3.1.3 Non-material controlled entities

Non-material and/or dormant entities, whose consolidation would not have a material impact on the presentation of a true and fair view of the net assets, financial position or profits and losses of the group's business activities, are not consolidated.

#### 3.1.4 Intra-group transactions

All material transactions between consolidated companies, and proceeds on internal disposals, are eliminated.

#### 3.1.5 Acquisition and disposal of non-controlling interests

Acquisitions and disposals of non-controlling interests that do not result in a change in control over the company in question are recognised in equity.



### 3.2 Translation of financial statements of foreign companies

The consolidated financial statements are presented in euros, which is the functional and presentation currency of La Poste, the group's parent company.

The financial statements of group companies that use a functional currency other than the presentation currency are translated into the presentation currency as follows: the balance sheets are translated into euros at the period-end exchange rate and the income statements are translated into euros at the average exchange rate for the period. Any resulting translation differences are recognised directly in the consolidated balance sheet in equity, under "Translation reserve".

Goodwill and fair value adjustments resulting from the acquisition of a foreign operation are treated as the assets and liabilities of the foreign operation and converted at the period-end exchange rate.

Translation differences stemming from transactions consisting of net investments between group companies are recognised in the balance sheet in equity under "Translation reserve". Translation differences arising on the translation of loans and other foreign exchange instruments designated as hedging instruments for these net investments are charged to equity on consolidation.

When a foreign operation is disposed of, the translation differences initially recorded in equity are recognised in the income statement under disposal gains and losses.

### 3.3 Foreign currency transactions

Transactions denominated in foreign currencies are recognised based on the applicable exchange rates at the recognition date.

At the reporting date, assets and liabilities denominated in foreign currencies are translated at the applicable period-end exchange rate.

Translation differences arising on transactions denominated in foreign currencies are recognised in the income statement under "Other financial items", in the "Net foreign exchange gains/(losses)" line (see Note 13).

### 3.4 Consolidation of the La Banque Postale segment

To improve the clarity of the financial statements, items specific to La Banque Postale, corresponding to banking and insurance activities are presented on separate lines in the consolidated balance sheet and income statement. A detailed presentation of these items is provided in the notes, in accordance with IFRS requirements.

The accounting policies applied to operations in the La Banque Postale segment are described in Sections 3.13.1 and seq.

### 3.5 Business combinations

Business combinations are recognised using the acquisition method, in line with IFRS 3 - *Business Combinations*.

When an exclusively controlled company is first consolidated, the acquisition cost corresponds to the fair value of the assets transferred, equity instruments issued or liabilities incurred or assumed at the date of exchange for control, and any adjustments to the cost contingent on future events.

**Goodwill** is the excess of the cost of a business combination over the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Negative goodwill (or a gain from a bargain purchase) is recognised in profit or loss on the acquisition date.

Goodwill is not amortised but is subject to impairment tests annually or more frequently when there are indications that it may have been impaired, using the method described in Note 3.11.

### 3.6 Operating revenue

#### 3.6.1 Revenue from commercial activities

Revenue from the sale of goods and services is recognised upon transfer of the significant risks and rewards of ownership of an asset to the customer. It is thus recorded as and when the related service is provided, with the exception of revenue from sales of postage stamps and pre-paid envelopes, which is recognised at the time of sale (except in exceptional circumstances).

As a result, the time taken to ship mail and parcels is taken into consideration when assessing revenue at the reporting date.

#### 3.6.2 Net banking income

Net banking income in the consolidated income statement is the net balance of banking income and expenses for La Banque Postale and all its subsidiaries, including CNP Assurances' insurance businesses. It is measured in accordance with the accounting policies applicable to banks. A breakdown of net banking income is provided in Note 7.

### 3.7 Taxes

The La Poste parent company has opted for a tax consolidation regime and is the head of the tax group.

Deferred taxes are recognised whenever there is a temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred taxes recognised in prior periods are adjusted to reflect any changes in tax rates. The corresponding impact is recorded as an increase or decrease in the deferred tax expense in the income statement unless it relates to items recognised directly in equity, in which case the tax is recognised in equity.

All deferred tax liabilities related to taxable temporary differences are recognised. Deferred tax assets resulting from temporary differences, the carryforward of tax losses or tax credits are recognised if it is probable that they will be recovered (*i.e.* to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised). This is determined based on a schedule for all deferred tax bases, using the entity's best estimate of future changes in its taxable profit (see Note 14).

Deferred tax assets and liabilities are offset within the same taxable entity.

The income tax consequences of dividend payments on financial instruments classified as equity instruments are recognised in profit or loss.

### 3.8 Intangible assets

IAS 38 – *Intangible Assets* defines an intangible asset as an identifiable non-monetary asset without physical substance. An asset is identifiable if it either is separable or arises from contractual or other legal rights.

Intangible assets primarily consist of software and leasehold rights and are recognised at acquisition cost less amortisation and any impairment losses.

Software is amortised on a straight-line basis over its useful life (usually one to three years). Leasehold rights are not amortised.

#### Research and development expenditure

Expenditure on research is recognised as an expense when it is incurred.

Development expenditure is recognised as an intangible asset if all of the recognition criteria set out in IAS 38 are met. The asset is amortised on a straight-line basis over its useful life (three years on average, five years maximum) from the day it is commissioned.

Development expenditure that does not meet the above criteria is recognised as an expense when it is incurred.

#### Contractual customer relationships

When an insurance business is acquired, the fair value of the future economic benefits expected to flow to the group from the current contractual customer relationships is recognised as an intangible asset, provided that a sufficiently reliable estimate can be made of premium renewals. Contractual customer relationships are amortised on a straight-line basis over their estimated useful life, reflecting the period during which the economic benefits are expected to be consumed.

<i>(in number of years)</i>	<b>France</b>	<b>Italy</b>	<b>Brazil</b>	<b>Spain</b>	<b>Ireland</b>
Traditional savings and pensions <i>(in euros)</i>	11.9 – 19	4.5 – 19	3.8 – 12	6.3 – 12	11.9 – 19
Unit-linked savings	10.5	4.8	10.5	7.7	10.5
Term Creditor Insurance	5.9	6.4	6.8	3.3	1.7
Death & Disability	1.3 – 7.5	1.3 – 7.5	4.8 – 7.1	1.3 – 7.1	1.3 – 7.5

#### Distribution agreements

The value of a distribution agreement represents the future cash flows expected to be generated by new business written through the partner network under the agreement. The intangible asset recognised for a distribution agreement is determined based on the agreement’s specific terms and conditions and is amortised over the term of the agreement taking into account a residual value where appropriate.

Amortisation and impairment of contractual customer relationships and distribution agreements are recognised in “Amortisation of value of in-force business and distribution agreements” in the income statement.

#### Acquired in-force insurance business

On acquisition of an insurance business, the insurance liabilities assumed, and related insurance assets acquired are measured at fair value. Under IFRS 4, the net fair value may be allocated between:

- a liability measured in accordance with the insurer’s accounting policies for insurance contracts written by the insurer;
- an intangible asset for the Value of Business Acquired (VOBA), representing the difference between:
  - the fair value of the contractual rights acquired and contractual obligations assumed, and
  - the above liability.

When the group acquired control of CNP Assurances, VOBA was calculated and recognised as an intangible asset. VOBA is excluded from the scope of IAS 36 and IAS 38 (IFRS 4, Paragraph 33).

VOBA is tracked by entity and sub-segment and amortised over the remaining life of the contracts in line with the expected pattern of estimated future profits. These periods are shown in the table below:

### 3.9 Property, plant and equipment

Property, plant and equipment consists primarily of land, buildings, technical facilities, equipment, tools, and computer hardware. These assets are recognised at cost less depreciation and any impairment losses.

#### 3.9.1 Acquisition cost of property, plant and equipment

The cost of an item of property, plant and equipment is only capitalised if it gives rise to a resource controlled by the group as a result of past events and it is probable that future economic benefits associated with the item will flow to the group.

The cost of the asset includes any additional costs directly attributable to acquiring the asset and to bringing it to the condition necessary for it to be capable of operating.

Borrowing costs are included in the acquisition cost of qualifying assets, in accordance with IAS 23 – Borrowing Costs.

Investment grants received for the acquisition of property, plant and equipment are presented as a liability in the balance sheet and recognised in profit or loss on a straight-line basis over the useful life of the asset.

#### 3.9.2 Breakdown of the original value of property, plant and equipment by component

A component is a part of property, plant and equipment that has a different useful life, or that generates economic benefits at a rate that differs from that of the asset as a whole. La Poste Groupe has identified the following components:

Asset	Components
Property portfolio	Shell, roofing, joinery and external work, major equipment items, small equipment items, fixtures and fittings, land
Sorting machines	Mechanical parts, intelligence, peripherals A fourth component (feeders and measuring instruments) has been identified for TPGD parcel sorting machines
Sorting-area equipment	Mechanical parts, intelligence
Automated teller machines (ATMs)	Machine, installation

#### 3.9.3 Depreciation periods

Property, plant and equipment is depreciated on a straight-line basis over its useful life. The average useful lives are as follows:

Asset	Depreciation period
<b>BUILDINGS</b>	
Shell	20 to 80 years
Roofing	20 to 60 years
Joinery and external work	20 to 40 years
Major equipment items	15 to 20 years
Small equipment items, fixtures and fittings	5 to 10 years
<b>EQUIPMENT</b>	
Sorting machines	5 to 15 years
Sorting-area equipment	5 to 8 years
Office equipment and computer hardware	3 to 5 years
Office furniture	10 years
ATMs	5 to 10 years
Transport vehicles	3 to 5 years

Land is not depreciated.

#### 3.9.4 Special case of investment property

##### Classification on the group's balance sheet

At 31 December 2022, virtually all investment property was within the scope of La Banque Postale's insurance businesses. They are thus presented in assets specific to banking and insurance activities.

Investment property for other activities represents a non-material amount and is presented under property, plant and equipment.

##### Principles

Investment property is property (land or building) held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.

The group has elected to measure investment property using the cost model, as allowed by IAS 40, except for properties held in unit-linked portfolios which are measured at fair value.

The fair values of properties measured using the cost model are also disclosed in these notes to the financial statements. Fair value is the price that would be received to sell a property or shares in a non-trading property company in an orderly transaction. It is determined on the basis of five-year valuations performed by a qualified expert recognised by the French insurance supervisor (ACPR). In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by a qualified expert.

## Impairment of investment property

At the end of each reporting period, properties are assessed to determine whether there is any indication that they may be impaired. One such indicator is a fall in value to more than 20% below cost. If there is an indication of impairment, the recoverable amount of the property concerned is estimated.

The recoverable amount of a property is the higher of its value in use and its market price less costs to sell, as determined by annual independent valuations of the group's entire property portfolio.

## 3.10 Leases

As allowed under IFRS 16, the group has opted not to apply this standard to leases of intangible assets.

Under IFRS 16, a contract – regardless of its legal form – is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When the asset is not identified, the contract is qualified as a contract for the provision of services.

For all external leases for which the Group is the lessee, it has the following consequences:

- recognition of a lease liability equal to the present value of the lease payments not paid for the remainder of the lease term (non-cancellable period as well as both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option);
- recognition of a right-of-use asset, depreciated over the term of the lease.

At 1 January 2019, La Poste Groupe elected to use the modified retrospective approach.

The group thus applied the following practical expedients provided for in the standard:

- exclusion of leases for which the underlying asset is of low value;
- exclusion of leases with a remaining term of 12 months or less;
- option not to capitalise initial direct costs incurred to obtain leases;
- adjustment of the right-of-use asset by the amount of any provisions for onerous leases as an alternative to impairment testing.

In addition, as provided for in the standard, leases previously classified as finance leases are recognised the same as under IAS 17.

Lease terms are determined based on an analysis of any termination and extension options. This position is consistent with that published by the IFRS IC on 16 December 2019 insofar as the group's open-ended leases may be terminated by either party at any time subject to a negligible penalty at most, and insofar as the carrying amount of the arrangements in question may not, in the cases at hand, constitute anything more than an insignificant penalty.

Discount rates were determined at the transition date and are measured in subsequent periods, in accordance with the standard, in reference to the lessee's incremental borrowing rate for each term, taking into account the timetable of debt repayments. They are based on the risk-free rate for the

currency of the lease, the group's credit risk and the estimated additional credit risk for subsidiaries.

At the transition date, the group used the term of each lease as at the commencement date so as to ensure consistency with the method used to determine the carrying amount of the aforementioned right-of-use asset.

With regard to the right-of-use asset, the group opted for the transition on 1 January 2019 to apply to most of its leases the provision whereby the carrying amount of the right-of-use asset is determined as if the standard had been applied on the commencement date of the lease, taking into account any subsequent changes to the contract.

The principles applied to external leases where the group is the lessor are described in Section 3.13.

## 3.11 Impairment of goodwill, other intangible assets and property, plant and equipment

Goodwill and other intangible assets with indefinite useful lives are systematically tested for impairment at least annually, and whenever an indication of impairment is identified.

Other intangible assets and property, plant and equipment are only tested for impairment when there is an indication that they may be impaired.

An impairment test involves comparing the carrying amount of an asset, or of the cash-generating unit to which it belongs, with its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Where the recoverable amount of a capitalised asset or group of assets falls below the carrying amount, an impairment loss is recognised to reduce the carrying amount to the recoverable amount, starting with any goodwill.

Fair value less costs of disposal is the amount that could be obtained by selling an asset at the measurement date in an arms' length transaction, net of any disposal costs.

The value in use of an asset or group of assets is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

The value in use of goodwill and certain other assets is generally determined using cash flow projections based on financial budgets/forecasts approved by the group. These forecasts generally cover a five-year period within the group, beyond which cash flows are extrapolated using a low growth rate, usually corresponding to inflation. These cash flows are discounted by applying the weighted average cost of capital for each relevant asset or group of assets.

## 3.12 Other financial assets

### 3.12.1 Other non-current financial assets

This item includes notably (see Note 21):

- loans granted for social housing, recognised at amortised cost using the effective interest rate method. Loss allowances are set aside to take into account the maturities and repayment terms of these loans, as well as the estimated risk of non-recovery;

- unconsolidated equity investments. Under IFRS 9 an irrevocable election may be made, at the date of initial recognition of each instrument, to present subsequent changes in fair value in other comprehensive income not reclassifiable to profit or loss. In this case, the cumulative unrealised gain or loss in other comprehensive income is not transferred to profit or loss on disposal of the instrument. Only the dividends received on the instrument affect profit or loss. In the case of sale of these investments, the cumulative unrealised gain or loss in other comprehensive income is reclassified to reserves on 1 January of the following year;
- the group has elected to classify its equity investments in this category, with the exception of the Visa shares;
- in the event that no active market exists, and the fair value cannot be reliably determined using alternative measurement methods, unconsolidated equity investments are carried at cost;
- the non-current portion of the fair value of derivative financial instruments relating to La Poste's bond debt (see Note 28).

### 3.12.2 Other current financial assets

These primarily include the current portion of the fair value of derivative financial instruments relating to La Poste's bond debt (see Notes 3.15 and 28).

## 3.13 Assets and liabilities of banking and insurance activities

On the balance sheet, the specific assets and liabilities of banking and insurance activities are grouped together in dedicated items, whose content is similar to that presented in the La Banque Postale group's financial statements.

### 3.13.1 General principles for the recognition of financial assets and liabilities

#### Initial recognition

At initial recognition, financial assets and liabilities are measured at fair value plus or minus transaction costs directly attributable to their acquisition (with the exception of financial assets and liabilities recognised at fair value through profit or loss, for which transaction costs are recognised as an expense on initial recognition).

In practice, fair value generally corresponds to the instrument's sale price or transaction price.

#### Date of initial recognition

Securities are initially recognised at their fair value on the settlement/delivery date and derivatives are initially recognised at their fair value on the trade date. Changes in fair value between the trade date and the settlement/delivery date are recorded in profit or loss.

Loans and receivables are initially recognised at their fair value on the disbursement date.

### 3.13.2 Recognition of financial assets

According to IFRS 9, financial assets are classified based on the business model for managing the asset and the characteristics of the asset's contractual cash flows (basic lending arrangement criterion).

#### Business models

A business model corresponds to the way a group of financial assets is managed together to generate income. It describes the way in which the assets are managed. The group identifies business models based on objective and observable facts such as the business' organisation, IT system, internal reports, risk-monitoring process, or past management decisions (past disposals, for example).

There are three types of business model:

- a business model whose objective is achieved by holding financial assets in order to collect contractual cash flows ("hold to collect" model);
- a business model whose objective is achieved by collecting contractual cash flows and selling the financial assets ("hold to collect and Sell" model);
- a model specific to other financial assets, notably those held for trading.

Identification of the business model is documented within each of the group's business lines.

Changes in business model are very rare by nature. When they do occur, they must be decided by the management of the business line with the agreement of Senior Management in response to internal or external developments that are significant in relation to the business and observable by external parties. In practice, a change of business model may be decided only in response to the discontinuation or launch of a material line of business. One example would be the disposal of a business line previously managed according to the "hold to collect" model: in this case, the entity no longer sells this type of financial instrument and reclassifies all the assets concerned to a "Trading" business model.

The reclassification of debt instruments that pass the SPPI test is mandatory in the event of a change of business model and is not allowed in all other cases.

The reclassification is performed prospectively, without restating prior period balance sheets or income statements.

Moreover, the reclassification must be performed at the opening date of the first reporting period starting after the effective date of change in the business model (*i.e.*, either 1 July or 1 January).

#### Basic lending arrangement criteria, or the "SPPI" test

The objective of the SPPI test is to ensure that the instrument's contractual cash flows consist "solely of payments of principal and interest" on the principal amount outstanding. In other words, the instrument must have the features of a "basic lending arrangement".

Principal is defined as the fair value of the financial instrument at initial recognition in the balance sheet.

Interest can include several components, of which:

- compensation for the passage of time, *i.e.* the time value of money;
- compensation for the credit risk on the loaned amount;

- compensation for liquidity or administrative costs; and;
- a profit margin.

Financial assets that meet the basic lending arrangement criterion are debt instruments such as traditional loans, fixed and variable-rate bonds and trade receivables.

Financial assets that do not meet the basic lending arrangement criterion include debt instruments such as units in UCITS or structured securities.

By definition, derivatives and equity instruments such as equities and non-consolidated equity investments do not meet the basic lending arrangement criterion.

Under IFRS 9, financial assets are classified in one of the four categories described in sections 3.13.3 to 3.13.6.

### 3.13.3 Financial assets at amortised cost

Debt instruments that are managed to collect contractual cash flows until maturity ("hold to collect" model) and whose contractual flows consist solely of payments of principal and interest on the principal amount outstanding (*i.e.*, meeting the basic lending arrangement or SPPI test criterion) are classified as financial assets at amortised cost.

The objective of the "Hold to collect" business model is to hold the assets over a long period or until maturity to collect the contractual cash flows. In principle, financial assets allocated to this business model are not sold. However, their sale may be allowed in some circumstances (for example, sales due to an increase in the credit risk or of assets that are close to maturity, frequent sales representing non-material amounts, and isolated sales representing material or non-material amounts).

After initial recognition, financial assets at amortised cost are measured using the effective interest method, with application of the impairment requirements of IFRS 9.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to its initial fair value. Effective interest includes transaction costs and all fees and points paid (arrangement fees, commitment fees – when drawdown is deemed more likely than not – or participation fees) and all other premiums or discounts. This effective interest rate corresponds to the yield to maturity.

Within the group, this category of financial assets includes most loans and advances to customers and credit institutions, as well as most of the debt securities that make up the investments of the banking activity.

### 3.13.4 Financial assets at fair value through other comprehensive income reclassifiable to profit or loss

Debt instruments that are managed to collect the contractual cash flows and sell the assets ("hold to collect and sell" model), with contractual flows that consist solely of payments of principal and interest on the principal amount outstanding (meeting the basic lending arrangement or SPPI test criterion), are classified as financial assets at fair value through other comprehensive income reclassifiable to profit or loss. They are initially recognised at fair value and fall within the scope of IFRS 9 impairment requirements.

Accrued or earned income is qualified as interest income and recognised in the income statement under net banking income at the effective interest rate.

At the reporting date, financial instruments in this category are measured in the balance sheet at fair value and changes in fair value excluding revenue are recognised in other comprehensive income reclassifiable to profit or loss, except for exchange differences on foreign currency monetary assets, which are recognised directly in profit or loss.

In accordance with the credit risk impairment model, changes in expected credit losses on these instruments are reclassified to profit or loss under cost of risk.

When the securities are sold, the cumulative unrealised gain or loss previously recorded in other comprehensive income is transferred to profit or loss under "Net gains or losses on financial assets at fair value through other comprehensive income reclassifiable to profit or loss".

### 3.13.5 Financial assets at fair value through other comprehensive income not reclassifiable to profit or loss

For investments in equity instruments that are not held for trading, under IFRS 9 an irrevocable election may be made, at the date of initial recognition of each instrument, to present subsequent changes in fair value in other comprehensive income not reclassifiable to profit or loss. The same accounting treatment as for non-consolidated equity investments then applies (see Note 3.12.1).

The group has elected to classify its non-consolidated equity investments in this category, with the exception of the Visa shares.

In the case of sale of these investments, the cumulative unrealised gain or loss in other comprehensive income is reclassified to reserves on 1 January of the following year.

### 3.13.6 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss is the default category under IFRS 9.

It includes debt securities that do not meet the basic lending arrangement criterion (units in UCITS, for example) and equity instruments that are not classified as financial assets at fair value through other comprehensive income not reclassifiable to profit or loss.

It also includes derivatives and other financial assets that are held for trading, *i.e.*, acquired or issued with the intention to sell them in the short term. In the case of the group, it notably includes loans to local authorities eligible for sale to Caffil.

More broadly, this category includes all financial assets held under a management model that is neither a hold to collect nor a hold to collect and sell model.

Changes in fair value of assets classified in this category are recorded in the income statement.

### 3.13.7 Impairment of financial assets

The impairment method set out by IFRS 9 requires loss allowances to be recognised for expected credit losses (and not incurred losses as was previously the case), and for changes in credit risk since initial recognition of an asset to be taken into account.

IFRS 9 defines an impairment model applicable to all financial assets giving rise to a counterparty risk (excluding equity instruments) that are not measured at fair value through profit or loss, including all financial assets at amortised cost and at fair value through other comprehensive income reclassifiable to profit or loss. The model also applies to lease receivables, loan commitments and financial guarantee contracts.

A loss allowance corresponding to 12-month expected credit losses is recorded on initial recognition of financial assets measured at amortised cost and at fair value through other comprehensive income reclassifiable to profit or loss. The allowance is maintained at that amount provided that the credit risk does not increase significantly. 12-month expected credit losses correspond to the total loss given default, weighted by the 12-month probability of default. These assets are classified in bucket 1.

If the credit risk on a financial asset has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. Lifetime expected credit losses correspond to the total loss given default weighted by the lifetime probability of default. These assets are classified in bucket 2.

Financial assets that are credit impaired are classified in bucket 3 and the loss allowance corresponds to an amount equal to the lifetime expected credit losses.

For assets at amortised cost, the expected credit losses are recognised in "Cost of risk" in the income statement, and the loss allowance is deducted from the carrying amount of the financial asset.

#### Significant increase in credit risk

Increase in credit risk is defined in relative, not absolute, terms. This relative approach implies being able to track the change in credit quality over time.

The group uses a certain number of indicators to detect a possible deterioration in credit quality of a counterparty (the principles are described in Note 34).

#### Bucket 1 and bucket 2 impairment methodology

Expected credit losses correspond to the difference between the contractual cash flows that the entity has the right to receive and the cash flows that the entity expects to recover, discounted at the financial asset's effective interest rate.

The cash flows that the entity has the right to receive take account of all the contractual terms of the financial instrument over its expected lifetime (for example, early repayment options, extension options, etc.), and include cash flows from

exercising contractual guarantees that are analysed as being integral to the asset.

Expected credit losses are estimated based on the probability of default by the counterparty. Probability of default corresponds to the probability of the debtor defaulting within a given time period.

For bucket 1, the time period is 12 months. For bucket 2, the time period is the lifetime of the instrument. The methodology for calculating expected credit losses is described in Note 34.

Within the group, impairment of credit is statistical (by homogeneous categories presenting similar risk characteristics), with the possibility of adjustment based on an expert's opinion in certain particular cases, notably for loans granted to corporates.

Measurement of expected credit losses under IFRS 9 takes into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions ("forward looking" information).

The forward looking component is obtained *via* an approach consisting of three modelled scenarios. The final loss allowance corresponds to the average of the scenarios weighted by each scenario's probability of occurrence. The methodology for calculating this component is described in Note 34.

#### Defaulted loans in bucket 3

IFRS 9 does not provide any definition of default. On the contrary, it encourages the use of a definition that is consistent with the one used by the entity for the purpose of its risk management policy.

European Banking Authority (EBA) guidelines concerning application of the definition of default in Article 178 of Regulation (EU) No 575/2013, applicable from 1 January 2021, and the provisions of Regulation (EU) No 2018/1845 of the European Central Bank in relation to the threshold for assessing the materiality of credit obligations past due, applicable from 31 December 2020 at the latest, must strengthen overall consistency in the practices of European credit institutions as regards the identification of defaulted loans.

The definition of defaulted loans has been clarified by the introduction of a relative threshold and an absolute threshold to be applied to payments past due for the purpose of identifying situations of default, by clarifying the criteria for reclassifying loans as performing after a probationary period and introducing explicit criteria for classifying restructured loans as defaulted loans.

The group has applied these new guidelines for the purpose of identifying defaulted loans since 2020. The clarifications are consistent with the criteria used to assess the impaired status of bucket 3 loans by applying the impairment requirements of IFRS 9 relating to the recognition of expected credit losses.

In addition to identifying defaulted loans on the basis of regulatory criteria applicable to payments past due, a financial asset is considered to be credit impaired when a credit event has occurred that is indicative of financial difficulties.

The group considers that there is an objective indication of default when:

- one or more missed payments are overdue by more than three months;
- an application for relief from excessive levels of consumer debt has been made to the Banque de France, even if no payment incident has occurred;
- legal proceedings are in progress;
- the loan is considered "high-risk" under the group's risk management policy.

**For home loans**, allowances for defaulted home loans are calculated by weighting the regulatory "best estimate of the expected credit loss on the exposure at default" are weighting by the regulatory "best estimate of the expected credit loss on the exposure at default" subject to certain accounting adjustments (such as the elimination of overweighting in risk monitoring analyses for the impact of an economic slowdown). The best estimate takes into account the period during which the loan is in default and the type of guarantee.

**For lease finance and corporate loans**, specific loss allowances are tracked monthly and adjusted as necessary based on expert judgement. An impairment loss is recognised for the difference between the carrying amount and the net present value of the expected cash flows, discounted at the original effective interest rate and determined after taking account of the financial position of the borrower and the present value of guarantees received.

### Loans no longer classified in bucket 3

**For home loans**, in the event of reassessment of impaired home loans, all or part of the loss allowance may be reversed, and the loan removed from bucket 3 when all arrears have been settled and at least three consecutive monthly instalments have been paid on time (except for restructured loans, which are subject to a 12-month probationary period prior to their removal from bucket 3).

**For lease finance and corporate loans**, the loans may be removed from bucket 3 following a probationary period during which no credit event occurs (90 days, except for restructured loans for which the probationary period to exit from bucket 3 is 12 months).

### Write-offs

Writing off a financial asset means reducing its gross carrying amount when there is no longer a reasonable expectation of recovering the asset in its entirety or a portion thereof, or when repayment of all or part of the amount due has been waived.

The decision about when to write off a financial asset is guided by expert judgement based on knowledge of the matter (period during which the loan has been in default, loss allowance, amount involved, absence of any recent recoveries or other specific details). Amounts are only written off when all attempts at recovery have failed.

### Restructuring operations

Restructured loans are loans for which the original financial terms have been modified due to the borrower's financial difficulties.

Restructuring operations are defined according to two main criteria:

- concessions by the bank;
- financial difficulties experienced by the borrower.

When the loan is maintained on the balance sheet, the discount on interest payments on its restructuring is recorded under cost of risk and on the balance sheet as a deduction from the outstanding loan. It corresponds to the difference between the nominal value of the debt before the restructuring and the discounted value at the original effective rate of the new expected future cash flows. The discount is recognised through profit or loss in the interest margin, according to an actuarial method over the term of the loan.

Any relinquishment of the capital is directly recorded in the income statement.

### 3.13.8 Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when these rights and substantially all the risks and rewards of ownership are transferred to a third party.

Within the group, most loan renegotiations lead to derecognition, as the contractual rights are substantially modified.

### Collateralised repurchase agreements

Securities sold under collateralised repurchase agreements are not derecognised and a liability is recognised for the obligation to return the cash received. This financial liability is recognised at amortised cost, with the exception of transactions entered into as part of trading activities, which are recognised as liabilities at fair value through profit or loss.

The acquirer does not recognise the securities received but records a receivable for the cash loaned to the seller.

This receivable is carried in loans and receivables for its nominal amount, except for transactions entered into as part of trading activities, which are recognised in financial assets at fair value through profit or loss.

In subsequent reporting periods, the securities continue to be measured using the model applicable to their original category.

### Securities lending

Securities lending/borrowing transactions do not qualify as transfers of financial assets as defined in IFRS. Consequently, the loaned securities are not derecognised, but continue to be classified in their original category and measured according to the requirements of that category.

### 3.13.9 Financial liabilities

#### General principle for the classification of financial liabilities

All financial liabilities are classified by default as subsequently measured at amortised cost.

At each reporting date, financial liabilities are recorded in the balance sheet under "Liabilities due to credit institutions", "Customer deposits", "Debt securities" or "Subordinated debt".

They are measured using the effective interest rate except where they are the subject of a fair value hedge.

#### Liabilities due to credit institutions and customer deposits

Liabilities due to credit institutions and customer deposits are broken down by original maturity and by type: demand (demand deposits, ordinary accounts) or term (regulated savings accounts). Liabilities due to credit institutions include loans represented by collateralised repurchase agreements.



### Debt securities

Debt securities consist of issued money market securities.

### Subordinated debt

Subordinated debt is debt that is subordinate in ranking to all other debts of the issuer for repayment purposes in the case of a liquidation. It is measured at amortised cost, except where it is the subject of a fair value hedge.

### Financial liabilities at fair value through profit or loss

Financial liabilities classified in this category correspond to derivatives and other financial liabilities held for trading and liabilities designated at initial recognition as measured at fair value through profit or loss in accordance with the option provided by IFRS 9, when doing so results in more relevant information because:

- it eliminates or significantly reduces an accounting mismatch – this is the case for some of the group’s structured issues;
- a group of financial liabilities is managed and its performance is evaluated on a fair value basis;
- the financial liabilities are hybrid financial instruments containing one or more embedded derivatives that are not closely linked to the host contract.

Financial liabilities designated as measured at fair value through profit or loss are accounted for as follows:

- changes in the fair value of these liabilities are recognised in profit or loss except for the portion relating to the group’s own credit risk;
- changes in fair value relating to the group’s own credit risk are recorded in other comprehensive income not reclassifiable to profit or loss. The cumulative gain or loss related to the group’s own credit risk is not reclassified to profit or loss in the event of early repayment of the debt.

### Financial liabilities with embedded derivatives

An embedded derivative is a component of a hybrid contract. It is separated from the host contract and recorded separately when, from the inception of the contract, its economic characteristics and the related risks are not closely linked to those of the host contract, except where the entire hybrid contract is measured at fair value through profit or loss. Within the group, this category of liability notably includes structured issues (Euro Stoxx-indexed).

### Reclassification of financial liabilities

The classification of a financial liability at initial recognition is definitive and no subsequent reclassification is permitted.

### Derecognition of financial liabilities

Financial liabilities are derecognised when the contractual obligation is extinguished, cancelled, or expires.

### 3.13.10 Derivatives and hedge accounting

A derivative is a financial instrument or other contract that has the following three characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (sometimes called the “underlying”);
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

Derivatives are classified in two categories:

#### Derivatives held for trading

Derivatives are classified as held for trading, except for derivatives designated as hedging instruments. They are recognised in the balance sheet at fair value in “Financial instruments at fair value through profit or loss”. Changes in fair value and accrued interest are recognised in “Net gains and losses on financial instruments at fair value through profit or loss”.

#### Hedging derivatives

Entities may elect not to apply the new hedge accounting requirements in IFRS 9 pending adoption of the new standard on macro-hedge accounting (also referred to as portfolio fair value hedge accounting). The group elected to apply the micro-hedge accounting requirements of IFRS 9 with effect from 1 January 2020.

Concerning macro-hedges of interest rate risks, the accounting standard adopted for use in the European Union continues to apply.

Derivatives that qualify as hedging instruments based on the criteria in IFRS 9 (IAS 39 for portfolio fair value hedges) are classified as “fair value hedges” or “cash flow hedges” or “net investment hedges” as applicable. They are included in “Hedging derivatives” in the balance sheet. Other derivative instruments are classified as “Assets or liabilities at fair value through profit or loss” by default, even if they represent an economic hedge of one or several transactions.

A hedging relationship qualifies for hedge accounting only if there is formal designation and documentation of the hedging relationship (strategy for undertaking the hedge, designation of the hedged risk, the hedged item and the hedging instrument, description of the hedge effectiveness). Hedge effectiveness is assessed when the hedge is set up and at each reporting date while it remains in place.

There are three types of hedging relationships: fair value hedge, cash flow hedge and hedge of a net investment in a foreign operation.

### Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of financial assets or liabilities. Fair value hedges are primarily used to hedge the interest rate risk on fixed-rate assets and liabilities, as well as on demand deposits on the basis allowed by the European Union.

Gains or losses attributable to the hedged risk are recognised in "Net gains or losses on financial instruments at fair value through profit or loss" in the income statement. The effective portion of the gain or loss on the hedging instrument offsets the loss or gain on the hedged item. The ineffective portion of the gain or loss, if any, is recognised directly in profit or loss. The portion corresponding to accrued income or expenses and interest rate payments on the derivative is recognised in "Interest income and expense" in the income statement at the same time as the interest income and expense on the hedged item.

When the hedging instrument is sold, hedge accounting is discontinued prospectively and the cumulative gain or loss on the hedged item is amortised over the remainder of the initial hedging period.

If the hedged item ceases to exist, the hedging instrument, also no longer qualified as such but still existing, continues to be carried in the balance sheet and measured at fair value through profit or loss. Any gain or loss on the sale of the hedged item is recognised in profit or loss, including the reclassification to profit or loss of the cumulative gain or loss in the balance sheet related to the previously hedged item.

### Portfolio fair value hedges (macro-hedges)

Portfolio fair value hedging transactions carried out in connection with the management of fixed rate assets and liabilities are accounted for in accordance with IAS 39, as adopted by the European Union.

Portfolio fair value hedging instruments are mainly interest rate swaps designated as fair value hedges of the group's fixed-rate liabilities.

They are accounted for according to the same principles as those described above. Fair value adjustments to the hedged positions are recorded in "Revaluation differences on portfolios hedged against interest rate risk".

### Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows from financial assets or liabilities, firm commitments or highly probable future transactions. Cash flow hedges are used to hedge the variability of future cash flows on adjustable-rate assets and liabilities.

The effective portion of the change in the fair value of the hedging instrument is accumulated in the cash flow hedge reserve in equity and the ineffective portion is recognised in the income statement in "Net gains or losses on financial instruments at fair value through profit or loss".

The portion corresponding to accrued income or expenses and interest rate payments on the hedging instrument is recognised in "Interest income and expense on hedging transactions" in the income statement at the same time as the interest income and expense relating to the hedged item.

The hedged item continues to be measured according to the principles that apply to its accounting category.

When the hedging instrument is sold, hedge accounting is discontinued. The cumulative gain or loss on the hedging instrument recorded in the cash flow hedge reserve is adjusted to the cumulative change in fair value of the hedged item through interest income or expense, or recognised immediately in profit or loss.

If the hedged item is sold or otherwise disposed of or the hedged future transaction is no longer expected to occur, the hedging instrument is reclassified in "Financial assets or liabilities at fair value through profit or loss", and the gains and losses accumulated in the cash flow hedge reserve are reclassified immediately to profit or loss.

### Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation are intended to protect against exchange rate fluctuations when a net investment is denominated in a currency other than the euro.

A hedge of a net investment in a foreign operation is recognised like a cash flow hedge.

The amounts recognised in equity for the effective portion of the hedge are reclassified to profit or loss when the net investment is deconsolidated.

### 3.13.11 Offsetting of financial assets and liabilities

A financial asset and liability are offset and the net amount presented in the balance sheet when, and only when, (i) the group has a legally enforceable right to set off the recognised amounts, and (ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The legally enforceable right must be irrevocable and must be enforceable under all circumstances.

The legally enforceable right covers all transactions carried out with clearing houses and applies to the nominal amount of cash and interest included in the return cash flow.

Collateralised repurchase transactions that fulfil the above two criteria are set off in the balance sheet when:

- both sides of the transaction have the same maturity;
- both sides of the transaction are denominated in the same currency;
- the transaction is settled using a settlement/delivery system that guarantees delivery of the securities against receipt of the associated cash, *i.e.*, the same central securities depository.

Offsetting primarily concerns repurchase transactions carried out with the LCH Clearnet clearing house

### 3.13.12 Guarantee commitments

#### Financial guarantee contracts

The group has opted to account for financial guarantee commitments in accordance with IFRS 9. According to IFRS 9, a contract meets the definition of a financial guarantee contract if it includes an indemnity clause whereby the issuer is required to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued by the entity are initially recognised at their fair value on the date of issue. They are subsequently measured at the higher of the amount of the obligation and the amount initially recognised, less the related fee income, where applicable.

Financial guarantees (which are not subsequently measured at fair value through profit or loss) are subject to the impairment requirements of IFRS 9, with any loss allowance recorded in liabilities. Financial guarantees are allocated to buckets and an allowance is recorded for expected losses in the same way as for financial assets at amortised cost or at fair value through other comprehensive income reclassifiable to profit. Changes in the loss allowance are recorded in cost of risk.

### 3.13.13 Financing commitments

Financing commitments that are not classified as derivatives are not recognised in the balance sheet.

However, in the same way as for financial guarantees, financing commitments (not classified as derivatives) are subject to the impairment requirements of IFRS 9, with any loss allowance recorded in liabilities.

### 3.13.14 Lease accounting – group as lessor

Leases where the group is lessor are classified as either operating leases or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. Finance leases are analysed as financing granted to the lessee for the purchase of an asset.

At the commencement date of the finance lease, the net investment in the lease – corresponding to the present value of future lease payments plus any residual value – is recognised as an asset, under “Loans and advances to customers”.

The interest component of lease payments is recorded under “Interest income” in the income statement.

Periodic lease payments are applied against the gross investment in the lease to reduce both the principal and the unearned finance income, based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. The interest rate used to measure the net investment in the lease is the interest rate implicit in the lease.

Lease receivables are subject to the impairment requirements of IFRS 9.

Lease receivables are allocated to buckets and an allowance is recorded for expected losses in the same way as for financial assets at amortised cost or at fair value through other comprehensive income reclassifiable to profit. Changes in the loss allowance are recorded in cost of risk.

### 3.13.15 Insurance activities

#### Overlay approach

The financial assets and liabilities of fully-consolidated insurance subsidiaries are measured and recognised in accordance with IFRS 9 and presented using the overlay approach.

The overlay approach addresses the temporary accounting consequences of the difference in application dates of IFRS 9 and the new insurance contracts standard replacing IFRS 4 (IFRS 17). It eliminates from profit or loss some of the additional accounting mismatches and temporary volatility that may occur due to the application of IFRS 9 before IFRS 17.

The overlay approach consists of reclassifying fair value adjustments to eligible designated financial assets from the income statement to other comprehensive income, so that the amount reported in the income statement is the same as if IAS 39 had been applied to the designated financial assets.

#### Application of IFRS 4

Pending application of IFRS 17 – *Insurance Contracts* as of 1 January 2023, IFRS 4 has been applied to the following contracts:

- contracts that expose the policyholder to a risk. This category includes death & disability policies, pension contracts, property damage policies and unit-linked savings policies with a capital guarantee;
- investment contracts with a discretionary participation feature (DPF).

In accordance with IFRS 4, technical provisions for contracts in both categories continue to be measured based on local GAAP.

The investment contracts accounted for in accordance with IFRS 9 are contracts without DPF, *i.e.*, unit-linked savings contracts without a traditional savings component (in euros) and without a capital guarantee.

Pursuant to the shadow accounting principles set out in IFRS 4, a deferred participation provision is recorded for insurance policies with DPF. This provision is determined in a way that reflects the potential rights of policyholders to a share of unrealised gains or their potential participation in unrealised losses on financial instruments measured at fair value.

At each reporting date, the group’s fully-consolidated insurance subsidiaries perform liability adequacy tests to check that recognised insurance liabilities, net of deferred acquisition costs and related intangible assets, are adequate. These tests are performed using current estimates of future cash flows arising from insurance liabilities and investment contracts with DPF.

## Technical provisions and mathematical reserves

Technical provisions reflect the insurer's obligations towards policyholders.

- mathematical reserves for traditional savings contracts (in euros) correspond to the difference between the present value of the insurer's obligation and that of the policyholder;
- life insurance provisions are determined using discount rates not exceeding a conservative estimate of the future yield on the underlying assets;
- the insurer's obligations are discounted at a rate not exceeding the rate used to price the policy concerned, and take into account statutory mortality tables or experience-based tables if these are more conservative. The discount rate applied to annuity obligations takes into account the consequences of a fall in interest rates when the rate used to price the policy is considered too high relative to expected reinvestment rates;
- mathematical reserves for unit-linked contracts are determined on the basis of the underlying assets. Gains or losses resulting from the remeasurement of the assets at fair value are recognised in profit or loss to offset the impact of changes in the technical provisions;
- claims equalisation provisions are set aside to cover the exceptional cost of claims relating to natural disasters, atomic, radiation, pollution-related civil liability, space, air transport and terrorism;
- outstanding claims provisions are determined based on the estimated cost of settling the claims, net of subrogation and salvage.

## Deferred participation

Most investment contracts sold to policyholders by the group's life insurance subsidiaries include a discretionary participation feature (DPF).

The DPF clause entitles life insurance policyholders to a share of investment income over and above the guaranteed yield. Pursuant to the shadow accounting principles set out in IFRS 4, the deferred participation provision recorded for these contracts is adjusted to reflect the potential rights of policyholders to a share of unrealised gains or their potential participation in unrealised losses on financial instruments measured at fair value. The share of gains attributed to the policyholder is determined based on the specific terms of the investment contract with DPF.

The net deferred participation resulting from the application of shadow accounting principles is recognised either in liabilities (deferred participation provision) or assets (deferred participation asset) as appropriate.

Deferred participation assets are subject to a recoverability test. The purpose of this test is to demonstrate, based on the going concern assumption, that the deferred participation asset will be recoverable against the policyholder's share of future investment income or capital gains, and that the liabilities recognised by the group are adequate relative to its economic liability. The recoverability test is performed using current estimates of future contractual cash flows. The subsidiaries' asset/liability management models are used to assign a value to liabilities under a wide range of economic scenarios based on a stochastic approach.

In accordance with the recommendation of the French National Accounting Board (CNC) of 19 December 2008 on the recognition of deferred participation assets, recoverability of the asset is confirmed by a conservative assessment of the group's ability to continue holding the underlying assets supported by projections of future cash inflows.

Likewise, the ability to generate adequate future gains to absorb unrealised losses is tested, based on a worst-case surrender scenario that has never yet been experienced.

## Acquired in-force insurance business

On acquisition of an insurance business, the insurance liabilities assumed and related insurance assets acquired are measured at fair value. Under IFRS 4, the net fair value may be presented between:

- a liability measured in accordance with the insurer's accounting policies for insurance contracts written by the insurer;
- an intangible asset for the Value of Business Acquired (VOBA), representing the difference between:
  - the fair value of the contractual rights acquired and contractual obligations assumed,
  - the above liability.

The value of in-force business corresponding to purchased insurance portfolios is generally amortised by the effective interest method over the portfolios' remaining life.

## Contribution of the insurance activities to the group's financial statements

The group has elected not to present its insurance activities as separate items in assets and in the income statement, but rather to include them in existing balance sheet and income statement captions.

Specific information on insurance activities is provided in Note 39 "Additional details on banking and insurance activities".

## Insurance investments

Investments are included in the following captions:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income;
- securities at amortised cost;
- loans and advances to customers at amortised cost;
- investment properties.

## Other insurance-related assets

- the reinsurers' share of technical provisions is recorded in "Accruals and other assets";
- insurance and reinsurance receivables are recorded in "Accruals and other assets".

### Insurance company technical provisions and shadow accounting reserves

This items includes:

- technical provisions relating to life and non-life insurance contracts;
- deferred participation liabilities.

### Other insurance-related liabilities

Liabilities arising from insurance and reinsurance transactions are recorded in "Accruals and other liabilities". They mainly consist of cash deposits received from reinsurers.

### Insurance-related income and expenses

- income and expenses from insurance investments are included in the income statement caption used for the underlying assets;
- income from insurance activities (earned premiums from insurance contracts and investment contracts with or without a discretionary participation feature) is classified as "Income from other activities";
- expenses from insurance activities (paid claims and benefits, changes in technical provisions) are classified as "Expenses from other activities".

## 3.14 Distinction between debt instruments and equity instruments

### Distinction between debt instruments and equity instruments

The distinction between debt instruments and equity instruments is based on an analysis of the substance of the contractual characteristics of each instrument.

A non-derivative debt instrument is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities, at conditions that are potentially unfavourable to the issuer.

A non-derivative equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities, with no contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities, at conditions that are potentially unfavourable to the issuer.

### Perpetual deeply subordinated securities

Perpetual deeply-subordinated securities are classified as debt or equity instruments according to whether or not their remuneration is discretionary.

When subordinated securities meet the criteria for classification as equity instruments, the remuneration is treated as a dividend and deducted from equity.

All other dated and undated debt instruments, especially those with a repayment schedule, are classified as subordinated debt in accordance with IAS 32.

## 3.15 Bond debt and derivative financial instruments relating to the management of bond debt

Bond debt excluding banking and insurance activities are presented in the balance sheet under "Bonds and debt".

### 3.15.1 Bonds backed by fixed-for-floating swaps

As part of the group's bond management strategy, some fixed-rate bonds are converted to floating-rate bonds *via* fixed-for-floating swaps.

Depending on the circumstances, these bonds can be designated at fair value through profit or loss or documented in a fair value hedge relationship.

#### Bonds designated at fair value through profit or loss

In accordance with IFRS 9, some bonds backed by fixed-for-floating swaps are recognised at fair value through profit or loss. The credit risk component of the change in fair value is therefore recognised in "Other comprehensive income".

The corresponding swaps are also measured at fair value through profit or loss, in accordance with the general rule for measuring derivatives set out in IFRS 9.

#### Bonds documented in a fair value hedge relationship

Some bonds are designated as subject to fair value hedging through fixed-for-floating swaps. The application of fair value hedge accounting leads to the recognition in profit or loss of (i) the change in the fair value of hedging swaps, and (ii) the change in the value of the efficient portion of the hedging swap, as an adjustment to the value of the bond. These effects offset one another where the effective portion of the hedge is concerned.

Moreover, depending on market developments, the group may also use floating-for-fixed swaps to re-stabilise the interest rates of some borrowings over short periods of time. These swaps are also measured at fair value through profit or loss.

### 3.15.2 Bonds measured at amortised cost

Bonds not backed by fixed-for-floating swaps are measured at amortised cost based on the effective interest rate.

### 3.15.3 Forward swaps for loans

In some cases, La Poste uses forward swaps to protect itself against a rise in interest rates. These cash flow hedging instruments are terminated when the bond is issued, which gives rise to the payment of a balancing payment (paid or received depending on the value of the swap). These payments are recognised in reserves reclassifiable to profit or loss as part of the application of the cash flow hedge, and then reclassified to profit or loss over the life of the initially hedged loan, in accordance with the provisions of IFRS 9 regarding the termination of hedges.

### 3.16 Lease liabilities

Lease liabilities recognised in the balance sheet are the result of the application of IFRS 16 as of 1 January 2019 (see Note 28).

### 3.17 Put options written over non-controlling interests (NCI puts)

Pursuant to IAS 32 – Financial Instruments: Presentation, La Poste Groupe recognises a financial liability for put options granted to non-controlling shareholders of consolidated subsidiaries. When the value of the liability exceeds the value of the non-controlling interests, IFRS does not specify how it should be recognised.

La Poste Groupe has elected to recognise the difference between the liability and value of the non-controlling interests under reserves attributable to owners of the parent. Subsequent changes in the liability relating to variations in the estimated strike price of the NCI put and of the carrying amount of the non-controlling interests are recognised in attributable reserves.

### 3.18 Inventories and work-in-progress

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The value of inventories is measured using the weighted average cost method, and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

### 3.19 Trade receivables

When initially recognised, trade receivables on commercial activities are recognised at their nominal value, which in practice corresponds to the fair value of the receivables.

Provisions are calculated on an individual basis, based on an assessment of the risk of non-recovery.

### 3.20 Provisions

Provisions are recognised when (i) the group has a present obligation (legal or constructive) towards a third party as a result of a past event at the reporting date, (ii) it is probable that an outflow of resources embodying economic benefits will

be required to settle the obligation; and (iii) a reliable estimate can be made of the obligation.

Provisions are measured based on the group's best estimate of the expenditure required to settle the present obligation, determined using management data from the IT system and assumptions made by the group, supplemented by experience of similar transactions and, in some cases, reports from independent experts or supplier quotes. The assumptions are reviewed at each reporting date.

### Provisions for commitments on home savings agreements

The home savings accounts (CEL) and home savings plans (PEL) introduced for future home buyers by the law of 10 July 1965 include two phases: a saving phase, during which the saver earns interest, and a borrowing phase, in the form of a home loan.

They generate two types of obligation for the distributing institution:

- an obligation to remunerate future savings at a rate that is set for an indefinite period when the account is opened (PEL accounts opened before 28 February 2011) or that is revised annually (new generation plans);
- an obligation to grant a home loan to customers who request it, at a rate set when the account is opened.

These obligations have potentially unfavourable consequences for the group, which are covered by provisions recorded in liabilities (under "Provisions"). Changes in these provisions are taken into account for the determination of the net interest margin included in net banking income.

The provisions are estimated on the basis of customer behaviour statistics and market data for each generation of plans, in order to cover the future cost arising from the products' potentially unfavourable interest rate terms relative to the rates offered to individual customers for similar products for which the remuneration is not regulated. The provisions only concern obligations in respect of home savings accounts and plans in progress at the date the provision is calculated.

Provisions are calculated for each generation of home savings plan, without offsetting obligations between generations, and for all the home savings accounts, which are considered as representing a single generation.

During the saving phase, the provision is measured as the difference between expected average savings deposits and expected minimum savings deposits, determined in both cases on a statistical basis taking into account observed historical customer behaviours.

During the borrowing phase, the provision concerns outstanding loans not yet due at the reporting date and future loans that are considered as statistically probable based on balance sheet deposits at the calculation date and observed historical customer behaviours.

A provision is recorded when the net present value of future income is negative for a given generation of loans.

The net present value of future income is assessed relative to the interest rates offered to individual customers on equivalent savings and lending products for similar periods and with similar commencement dates.

## 3.21 Employee benefits

### 3.21.1 Post-employment benefits

Post-employment and long-term obligations under defined benefit plans and the related costs are measured by the projected unit credit method, in accordance with IAS 19. Actuarial assessments are performed every year.

The assessment takes into account external economic assumptions (discount rates, inflation rates, pension increases, etc.), together with assumptions that are specific to La Poste (employee turnover rates, mortality rates, future salary levels, etc.).

The provision recorded in the balance sheet for post-employment defined benefit plans corresponds to the projected benefit obligation at the reporting date, less the market value of any plan assets where applicable (Geopost UK). The projected benefit obligation is calculated on an annual basis using the projected credit unit method. It is determined by discounting expected future cash outflows at the market interest rate for investment grade corporate bonds denominated in the currency in which the benefit will be paid and with a maturity that is close to the average estimated maturity of the underlying obligation.

Actuarial gains and losses resulting from experience-based adjustments and the impact of changes to actuarial assumptions are recognised as "Other comprehensive income".

Past service cost, which arises when a defined benefit plan is adopted or modified, are immediately expensed.

Pension and other employee benefit arrangements, as well as the main assumptions used, are described in Note 29.

### 3.21.2 End-of-career arrangements

La Poste recognises a provision for the costs of the end-of-career arrangements made for its employees. The amount of the provision takes into account both persons who have joined one of the existing plans, and those who are expected to join on the basis of arrangement terms and conditions as well as past take-up rates and Management's best estimates.

## 3.22 Assets held for sale

A non-current asset, or group of assets and liabilities (disposal group), is classified as being held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This assumes that the asset is available for immediate sale in its present condition and that its sale is highly probable within one year.

These assets and groups of assets, along with all associated liabilities, are presented separately from other assets and liabilities and are measured at the lower of carrying amount and fair value less costs to sell. These assets cease to be depreciated or amortised from the date when they are classified in this category.

## 3.23 Statement of cash flows

The statement of cash flows presents the inflows and outflows of cash and cash equivalents classified under operating, investing and financing activities.

The statement of cash flows presents separately cash flows associated with the La Banque Postale group and cash flows associated with industrial and commercial activities (including the La Poste division providing staff to La Banque Postale).

The change in cash and cash equivalents presented in the statement of cash flows corresponds to that of industrial and commercial activities. Cash and cash equivalents from La Banque Postale and its subsidiaries (including cash held at post offices) are disclosed on a separate line in the balance sheet. Changes in those amounts are recognised in "Decrease/(increase) in cash and cash equivalents from banking activities before impact of changes in consolidation scope", positioned under net cash from/(used in) financing activities.

In addition, cash flows relating to changes in banking and insurance assets and liabilities (excluding flows related to subordinated debt) are combined on a separate line in the statement of cash flows ("Change in balance of banking and insurance assets and liabilities") in cash flows from operating activities.

They include:

- cash flows from customer deposits;
- cash flows from liabilities due to credit institutions;
- acquisitions and disposals of securities in the investment portfolio;
- cash flows relating to loans and advances;
- changes in the fair value of financial instruments.

**Operating activities** are the main revenue-generating activities and any other activities other than those defined as investing or financing activities. Cash flows from operating activities are determined using the indirect method.

The calculation of EBITDA is described in Note 40.10.

**Investing activities** relate to the acquisition and disposal of non-current assets and to any other investments not included in cash and cash equivalents.

La Poste Groupe's cash flows from investing activities consist mainly in acquisitions and disposals of the following:

- intangible assets and property, plant and equipment, adjusted for non-cash transactions (accounts receivable or payable on non-current assets);
- equity investments in other companies;
- other financial assets (guarantees and deposits, receivables on investments, etc.).

The impact of changes in the consolidation scope of industrial and commercial activities on cash flows is presented separately under "Impact of changes in consolidation scope".

**Financing activities** relate to transactions that affect the amount and composition of equity and debt. Cash flows from financing activities include sources of financing (new borrowings) and related outflows (dividends paid to non-controlling shareholders, La Poste savings bond redemptions and debt repayments).

Concerning changes in debt instruments for La Banque Postale, only movements in subordinated debt and lease liabilities are classified as cash flows from financing activities.

**Cash and cash equivalents** are very short-term liquid investments that are readily converted into known amounts of cash and are subject to an insignificant risk of changes in value.

La Poste Groupe's cash and cash equivalents include cash in hand, bank debit balances, term deposits and marketable securities that do not carry any material risk of changes in value and can be readily converted into cash (particularly money-market UCITS), and the portion of bank credit balances and related interest accrued corresponding to temporary overdrafts.

Regardless of their characteristics, securities in the banking activities' investment portfolio are not classified as cash. The related cash flows are included in "Change in balance of banking and insurance assets and liabilities" in the statement of cash flows (see above).

## NOTE 4 Changes in the consolidation scope

The scope of consolidation in Note 43.

### 4.1 Main acquisitions of control and investments

#### CitySprint

In January 2022, La Poste Groupe (Geopost business line/DPD Europe CGU) acquired control of CitySprint, the United Kingdom's leading courier and express delivery operator. Acquisition of 100% of CitySprint's shares generated estimated goodwill of 249 million pounds sterling (€296 million). In 2022, CitySprint contributed €196 million to consolidated Group revenue.

#### Scalefast

On 23 June 2022, La Poste Groupe (Geopost business line/Asendia CGU) acquired control of Scalefast, a global e-commerce solutions provider, by acquiring 100% of its shares. Provisional goodwill on this acquisition was estimated at 291 million US dollars (€278 million). In 2022, Scalefast contributed €92 million to consolidated Group revenue.

#### SCI Lamartine

On 9 March 2022, as part of its insurance investments business, CNP Assurances (La Banque Postale business line) acquired an 85% interest in SCI Lamartine from CDC Habitat. Lamartine owns a portfolio of over 7,600 affordable housing units of high environmental quality worth €2.4 billion.

### 4.2 Main acquisitions of non-controlling interests

#### Purchase of non-controlling interests of CNP Assurances

(see significant events of the year Note 1).

#### Streamlining of the ownership structure of life insurance subsidiaries in Italy

On 26 October 2022, following its acquisition of Aviva's life insurance activities in Italy in the prior year, CNP Assurances finalised an agreement with UniCredit covering:

- acquisition by CNP Assurances of UniCredit's 49% interest in CNP Vita Assicura S.p.A. for €501 million, increasing CNP Assurances' interest to 100%;
- sale of 6.5% of CNP UniCredit Vita S.p.A. to UniCredit for €70 million, with CNP Assurances retaining a controlling interest of 51%.

This transaction reduced equity by €-431 million, including €-51 million attributable to owners of the parent and €-381 million attributable to non-controlling interests.



### Buy out of minority shareholders of CNP Consórcios and Odonto Empresa

CNP Assurances completed the acquisition of 100% of the shares held by Caixa Seguridade in two companies: CNP Consórcios on 17 November 2022 for €409 million Brazilian reais (€79 million), and Odonto Empresa on 23 December 2022 for €18 million Brazilian reais (€3 million).

This transaction reduced equity by €-77 million, including €-38 million attributable to owners of the parent and €-39 million attributable to non-controlling interests.

## 4.3 Main disposals

### Disposal project of DPD Russia

See significant events Note 1.

## 4.4 Income statement at constant scope and exchange rates

The restated income statement eliminates the effect of all acquisitions made during the current year and the prior-year acquisitions concluded during the year. It also presents foreign currency transactions from the prior year at the average exchange rate for the current year.

(in € millions)	Reported amount		Restated amount excluding scope and exchange rate effects	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
<b>Revenue and NBI</b>	<b>35,392</b>	<b>34,609</b>	<b>34,699</b>	<b>34,817</b>
Purchases and other expenses	(16,556)	(15,491)	(16,092)	(15,603)
Personnel expenses	(13,935)	(14,154)	(13,820)	(14,177)
Taxes other than on income	(465)	(449)	(462)	(448)
Depreciation, amortisation, provisions and impairment	(3,888)	(1,772)	(3,865)	(1,771)
Other operating expenses and income	566	577	562	556
Proceeds from asset disposals	52	23	52	22
<b>Net operating expenses</b>	<b>(34,226)</b>	<b>(31,265)</b>	<b>(33,625)</b>	<b>(31,420)</b>
Share in net profit/(loss) of jointly-controlled companies	31	87	14	87
<b>RECURRING OPERATING PROFIT/(LOSS) (AFTER SHARE IN NET PROFIT/(LOSS) OF JOINTLY-CONTROLLED COMPANIES)</b>	<b>1,197</b>	<b>3,431</b>	<b>1,088</b>	<b>3,483</b>

### Disposal of AEW Europe SA and Ostrum Asset Management

Last 13 May, the disposals to groupe BPCE group of La Banque Postale's interests in AEW Europe SA (40%) and Ostrum Asset Management (45%) were finalised. The impact on profit before income tax/net profit attributable to owners of the parent was €60 million. At 31 December 2021, these two interests were presented on the balance sheet as non-current assets held for sale.

### Completion of sale of CNP Partners

On 29 December 2022, CNP Assurances completed the sale of its Spanish life insurance subsidiary CNP Partners to Mediterráneo Vida for €126 million, resulting in a capital loss of €32 million.

Transition from reported data to data at constant scope and exchanges rates:

(in € millions)	31/12/2022		31/12/2021	
	Operating revenue	Recurring operating profit/(loss)	Operating revenue	Recurring operating profit/(loss)
<b>Consolidated financial statements restated for changes in scope and exchange rates</b>	<b>34,699</b>	<b>1,088</b>	<b>34,817</b>	<b>3,483</b>
Impact of changes in scope and exchange rates:				
CitySprint (consolidated on 11 January 2022)	196	18		
CNP Assurances Italy (consolidated on 1 December 2021)	178	79		
Scalefast (consolidated on 23 June 2022)	92	(12)		
Tipsa (consolidated on 1 August 2021)	66	2		
Speedy AD (consolidated on 19 March 2021)	41	5		
Cession de Tigers (deconsolidated on 30 April 2021)			101	
Changes in exchange rates <sup>(a)</sup>			(309)	(54)
Other	120	17	1	2
<b>REPORTED CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>35,392</b>	<b>1,197</b>	<b>34,609</b>	<b>3,431</b>

(a) The negative €-309 million and negative €-54 million restated in 2021 correspond to the impact of recalculating revenue and operating profit for the year using the average exchange rates of 2022.

## NOTE 5 Segment information

### 5.1 Definition of operating segments

For the purpose of segment reporting, operating segments are defined based on La Poste groupe's existing management structure. An operating segment is component of the group for which discrete financial information is available and whose operating results are regularly reviewed by group Management to make decisions about resources to be allocated to the segment and assess its performance.

The criteria used for determining operating segments include:

- the nature of the products services;
- the type or class of customer for the products and services;
- the nature of the production processes and distribution methods;
- the nature of the regulatory environment.

The group is organised into the four operating segments below, as well as the Real Estate and Support & Corporate segments:

Segment	Activities
<b>Services-Mail-Parcels</b>	<ul style="list-style-type: none"> <li>■ mail activity (collection, sorting and delivery of correspondence, advertising, press and international mail) and related services</li> <li>■ parcels activity in France carried out under the Colissimo brand</li> <li>■ health and autonomy activity for human and healthcare services</li> <li>■ new services by postal carriers</li> </ul>
<b>Geopost</b>	<ul style="list-style-type: none"> <li>■ express activity carried out by the Geopost sub-group's brands, primarily DPD, Chronopost and Seur</li> <li>■ international mail</li> <li>■ e-commerce activities by Asendia</li> </ul>
<b>La Banque Postale</b>	<ul style="list-style-type: none"> <li>■ banking and insurance activities of the La Banque Postale sub-group</li> <li>■ La Poste SA division comprising services provided by some La Poste staff to La Banque Postale under service agreements</li> </ul>
<b>Retail customer &amp; Digital Services</b>	<ul style="list-style-type: none"> <li>■ sale and distribution activities for La Poste products and services intended for the general public</li> <li>■ all group digital activities (La Poste Mobile)</li> <li>■ other external products</li> </ul>
<b>Real estate</b>	<ul style="list-style-type: none"> <li>■ management of property assets held by La Poste Immobilier sub-group</li> <li>■ activities of the La Poste Real Estate department</li> </ul>
<b>Shared Services</b>	<ul style="list-style-type: none"> <li>■ "corporate" activities of the group's headquarters</li> <li>■ Group supports services</li> </ul>

## 5.2 Information by operating segment

The accounting principles applied to segment reporting are the same as those used for the consolidated financial statements, as described in Note 2 and Note 3. The profits or losses, assets and liabilities allocated to the segments correspond to profits or losses, assets and liabilities that may be allocated directly and indirectly to the segments.

Amounts not allocated to segments mainly concern:

- the net cost of regional development;
- the cost of La Poste's accessibility requirement;
- financial profit or loss, and tax.

### Segmentation of operating expenses

Given that Services-Mail-Parcels, La Banque Postale and La Poste Network players coexist within La Poste, and that

their production process are highly inter-connected, La Poste has set out cost accounting principles in order to allocate shared costs between the various segments and thereby determine each segment's profit or loss.

The expenses for the La Poste Network post office counters are re-billed to the businesses that use the network on the basis of service agreements, where the pricing mechanisms are based on measurable operating metrics (revenue, statistics measuring the time required to perform various transactions, etc.).

### Segmentation of non-current assets

Intangible assets and property, plant and equipment are broken down based on the allocation of the corresponding assets for each business in La Poste's accounting system. The property assets held by La Poste and La Poste Immobilier sub-group are allocated to the Real Estate segment in their entirety.

## 5.2.1 Income statement by operating segment

No group customer accounts for more than 10% of consolidated revenue.

2022

<i>(in € millions)</i>	Services- Mail- Parcels	Geopost	La Banque Postale	Retail Customer and Digital Services	Real Estate	Support & Corporate	Unallo- cated <sup>(a)</sup>	Elimi- nations	<b>Total</b>
External revenue and NBI	8,094	15,455	8,289	3,343	91	4	116		35,392
Inter-segment revenue and NBI	2,107	118	31	3,233	770	1,232		(7,492)	0
<b>Operating revenue</b>	<b>10,201</b>	<b>15,573</b>	<b>8,320</b>	<b>6,576</b>	<b>861</b>	<b>1,236</b>	<b>116</b>	<b>(7,492)</b>	<b>35,392</b>
Share in net profit/(loss) of jointly-controlled companies	0	2	28	2	(1)	0			31
<b>Recurring operating profit/ (loss) (after share in net profit/(loss) of jointly- controlled companies</b>	<b>(767)</b>	<b>654</b>	<b>1,841</b>	<b>199</b>	<b>68</b>	<b>(262)</b>	<b>(541)</b>	<b>5</b>	<b>1,197</b>
<b>Net financial income/ (expense)</b>							<b>(207)</b>		<b>(207)</b>
Income tax							605		605
Share in net profit/(loss) of other equity-accounted companies	0	(88)	(1)	0	1	(1)			(88)
<b>CONSOLIDATED NET PROFIT/(LOSS)</b>									<b>1,507</b>
Depreciation, amortisation, provisions and impairment	(1,278)	(1,019)	(838)	(131)	(469)	(153)			(3,888)
Segment assets	3,510	12,710	745,261	1,595	4,038	13,780	(7,771)		773,123

**2021**

<i>(in € millions)</i>	<b>Services- Mail- Parcels</b>	<b>Geopost</b>	<b>La Banque Postale</b>	<b>Retail Customer and Digital Services</b>	<b>Support &amp; Corporate</b>	<b>Shared services</b>	<b>Unallo- cated<sup>(a)</sup></b>	<b>Elimi- nations</b>	<b>Total</b>
External revenue and NBI	8,353	14,598	7,992	3,510	36	4	117		34,609
Inter-segment revenue and NBI	2,267	103	25	3,213	787	1,255		(7,651)	0
<b>Operating revenue</b>	<b>10,620</b>	<b>14,701</b>	<b>8,017</b>	<b>6,723</b>	<b>824</b>	<b>1,258</b>	<b>117</b>	<b>(7,651)</b>	<b>34,609</b>
Share in net profit/(loss) of jointly-controlled companies	0	3	89	(5)	0	0			87
<b>Recurring operating profit/(loss) (after share in net profit/(loss) of jointly-controlled companies)</b>	<b>1,246</b>	<b>1,057</b>	<b>1,642</b>	<b>155</b>	<b>95</b>	<b>(266)</b>	<b>(505)</b>	<b>7</b>	<b>3,431</b>
<b>Net financial income/ (expense)</b>							<b>(202)</b>	<b>0</b>	<b>(202)</b>
Income tax							(620)	0	(620)
Share in net profit/(loss) of other equity-accounted companies	(1)	(21)	10	0	2	(1)		0	(12)
<b>CONSOLIDATED NET PROFIT/(LOSS)</b>									<b>2,597</b>
Depreciation, amortisation, provisions and impairment	605	(736)	(912)	(103)	(465)	(160)			(1,772)
Segment assets	3,968	12,005	771,794	1,608	4,397	10,103	(7,510)		796,365

(a) Primarily includes the contribution to regional development (including the costs relating to the accessibility requirement), net financial expense and income tax.

## 5.2.2 Balance sheet by operating segment

31/12/2022

<i>(in € millions)</i>	Services- Mail- Parcels	Geopost	La Banque Postale	Retail Customer & Digital Services	Real Estate	Support & Corporate	Elimi- nations	<b>Total</b>
<b>ASSETS</b>								
Goodwill, other intangible assets and property, plant and equipment	917	5,942	6,442	872	3,092	546	(12)	17,799
Right-of-use assets	100	2,487	206	59	549	25	0	3,426
Equity-accounted investments	0	893	1,108	0	29	1	0	2,031
Other non-current assets	23	213	2,291	(13)	69	7,600	(6,616)	3,567
Other current assets	2,470	3,175	877	677	298	5,608	(1,011)	12,093
Specific assets of banking and insurance activities	0	0	734,337	0	0	0	(131)	734,206
<b>TOTAL</b>	<b>3,510</b>	<b>12,710</b>	<b>745,261</b>	<b>1,595</b>	<b>4,038</b>	<b>13,780</b>	<b>(7,771)</b>	<b>773,123</b>
<b>Investments<sup>(a)</sup></b>	<b>238</b>	<b>1,122</b>	<b>1,491</b>	<b>143</b>	<b>264</b>	<b>215</b>	<b>0</b>	<b>3,473</b>
<b>EQUITY AND LIABILITIES</b>								
Equity	0	0	0	0	0	25,313	0	25,313
Bonds and debt	688	4,439	0	577	1,083	11,450	(6,673)	11,564
Lease liabilities	141	2,606	0	65	1,031	25	0	3,869
Other non-current liabilities	883	293	1,271	534	67	(17)	0	3,031
Other current liabilities	2,919	3,120	3,755	1,086	326	1,321	(650)	11,878
Specific liabilities of banking and insurance activities	0	0	717,553	2	0	0	(87)	717,468
<b>TOTAL</b>	<b>4,631</b>	<b>10,459</b>	<b>722,579</b>	<b>2,265</b>	<b>2,507</b>	<b>38,092</b>	<b>(7,410)</b>	<b>773,123</b>

31/12/2021

(in € millions)	Services- Mail- Parcels	Geopost	La Banque Postale	Retail Customer & Digital Services	Real Estate	Support & Corporate	Elimi- nations	Total
<b>ASSETS</b>								
Goodwill, other intangible assets and property, plant and equipment	1,347	5,258	6,401	824	3,044	526	(12)	17,388
Right-of-use assets	122	2,376	143	64	971	23	0	3,700
Equity-accounted investments	0	907	948	(0)	44	1	0	1,900
Other non-current assets	42	134	527	22	13	5,995	(6,027)	706
Other current assets	2,457	3,330	969	698	324	3,558	(1,293)	10,044
Specific assets of banking and insurance activities	0	0	762,806	0	0	0	(178)	762,628
<b>TOTAL</b>	<b>3,968</b>	<b>12,005</b>	<b>771,794</b>	<b>1,608</b>	<b>4,397</b>	<b>10,103</b>	<b>(7,510)</b>	<b>796,365</b>
<b>Investments<sup>(a)</sup></b>	<b>295</b>	<b>1,419</b>	<b>1,192</b>	<b>170</b>	<b>237</b>	<b>196</b>	<b>0</b>	<b>3,509</b>
<b>EQUITY AND LIABILITIES</b>								
Equity	0	0	0	0	0	32,650	0	32,650
Bonds and debt	617	4,004	0	556	1,142	10,304	(6,473)	10,149
Lease liabilities	141	2,500	0	72	1,023	24	0	3,760
Other non-current liabilities	1,020	257	1,723	717	65	1	0	3,782
Other current liabilities	2,712	2,926	3,451	1,017	277	1,158	(563)	10,979
Specific liabilities of banking and insurance activities	0	0	735,466	34	0	(0)	(455)	735,044
<b>TOTAL</b>	<b>4,490</b>	<b>9,687</b>	<b>740,640</b>	<b>2,396</b>	<b>2,506</b>	<b>44,137</b>	<b>(7,490)</b>	<b>796,365</b>

(a) Purchase of intangible assets and property, plant and equipment, and impact of changes in the consolidation scope.

### 5.3 Information by geographical area

Revenue is broken down on the basis of paying customers' location.

La Poste Groupe's net non-current assets are broken down by geographical area based on the location of the legal entities that which they belong.

2022

(in € millions)	France	European Union (excluding France)	Other	Total
Revenue from commercial activities	13,155	8,246	5,702	27,103
Net banking income	6,679	686	924	8,289
<b>OPERATING REVENUE</b>	<b>19,833</b>	<b>8,932</b>	<b>6,626</b>	<b>35,392</b>
Segment assets	682,686	55,893	34,544	773,123
Investments <sup>(a)</sup>	2,609	238	626	3,473

## 2021

(in € millions)	France	European Union (excluding France)	Other	Total
Revenue from commercial activities	13,630	7,784	5,203	26,617
Net banking income	6,803	503	687	7,992
<b>OPERATING REVENUE</b>	<b>20,433</b>	<b>8,286</b>	<b>5,890</b>	<b>34,609</b>
Segment assets	711,017	58,191	27,157	796,365
Investments <sup>(a)</sup>	2,995	367	148	3,509

(a) Purchase of intangible assets and property, plant and equipment, and impact of changes in the consolidation scope.

## NOTES TO THE INCOME STATEMENT

### NOTE 6 Revenue

La Poste Groupe's revenue from industrial and commercial activities broke down by business line as follows:

(in € millions)	2022	2021
Services-Mail-Parcels	8,094	8,353
Geopost	15,455	14,598
Retail Customers & Digital Services	3,343	3,510
Real Estate & Support	211	157
<b>TOTAL</b>	<b>27,103</b>	<b>26,617</b>

Total revenue in 2022 and 2021 included:

- compensation from the French State for universal postal service for €520 million, (identical amount in 2022 and 2021), allocated among the business lines based on their contribution to the cost of this service (€303 million for the Services-Mail-Parcels, €174 million for the Retail Customers & Digital Services and €43 million for Support, allocation identical in 2022 and 2021);

- compensation from the French State for regional development recognised under Real Estate & Support, for €73 million in 2022 et €74 million in 2021.

Geopost revenue included the e-commerce activity carried out by the Asendia subsidiary.

### NOTE 7 Net banking income

The Group's net banking Income broke down as follows:

(in € millions)	2022	2021
Interest income	8,410	5,825
Interest expense	(2,946)	(1,879)
Fee and commission income	2,200	2,203
Fee and commission expense	(3,652)	(3,460)
Net gain or loss	(12,033)	12,758
■ Financial instruments at fair value through profit or loss	(9,358)	13,966
■ Financial instruments at fair value through OCI	(2,694)	(1,208)
■ Derecognised financial assets at amortised cost	18	0
Income from other activities	37,983	33,467
Expenses from other activities	(22,373)	(39,847)
Impact of the overlay approach (gross impact)	700	(1,074)
<b>TOTAL</b>	<b>8,289</b>	<b>7,992</b>



## NOTE 8 Purchases and other expenses

Purchases and other expenses broke down as follows:

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
External services and general sub-contracting	4,681	4,126
Purchases	1,153	1,146
Outsourced transport	8,041	7,702
International mail services	494	535
Rental expenses <sup>(a)</sup>	442	435
Maintenance and repair costs	673	636
Telecommunications expenses	202	215
Travel and assignments	162	110
Other expenses	706	587
<b>TOTAL</b>	<b>16,556</b>	<b>15,490</b>

*(a) This line item only includes rents for leases that have not been restated under IFRS 16 (mainly short-term leases or leases for low-value assets), as well as rental costs (see Note 18.3).*

## NOTE 9 Personnel expenses and headcount

Personnel expenses broke down by type of cost as follows:

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Wages and salaries, bonuses and allowances	10,828	10,647
Pension contributions	571	634
Other social security contributions	2,004	1,953
Employee welfare costs	235	217
Change in post-employment provisions <sup>(a)</sup>	10	27
Change in provisions for social security contingencies and labour disputes	18	1
Change in other employee provisions	(435)	(43)
Remuneration-based taxes and levies	704	718
<b>TOTAL</b>	<b>13,935</b>	<b>14,154</b>
<b>Average headcount (full-time employee equivalent/year)</b>	<b>238,033</b>	<b>244,980</b>

*(a) With the exception of actuarial gains and losses recognised directly in other comprehensive income (see changes in consolidated equity).*

The "Pension contributions" line item corresponds to contributions paid into post-employment defined benefit plans. Since the implementation in 2006 of the new system for funding pension benefits for civil servants assigned to La Poste, this line item includes the full discharge for the liability for pension payments provided for by law.

## NOTE 10 Taxes other than on income

Taxes other than on income consist of the following item:

(in € millions)	2022	2021
Local taxes	128	119
Other taxes and levies <sup>(a)</sup>	336	329
<b>TOTAL</b>	<b>465</b>	<b>449</b>

(a) Of which, €87 million for non-deductible VAT on leases in 2022 and €92 million in 2021.

La Poste benefits from favourable local tax treatment in consideration for its obligation to serve the entire French territory and its contribution to regional development (French Law of 2 July 1990, as amended by the Law of 9 February 2010).

In this regard, in 2022 and in 2021 La Poste enjoyed a 99% reduction in its corporate tax base for all local taxation (property tax and territorial economic contribution (CET)) in accordance with the provisions of Article 1635 *sexies* of the French Tax Code and Decrees No. 2022-1699 of 28 December 2022 and No. 2021-1786 of 23 December 2021.

The CET tax is recognised under "Local taxes".

## NOTE 11 Depreciation, amortisation, provisions and impairment

Changes in depreciation, amortisation, provisions and impairment that had an impact on operating profit broke down as follows:

(in € millions)	2022	2021
<b>Net depreciation and amortisation</b>	<b>2,358</b>	<b>2,302</b>
Intangible assets <sup>(a)</sup>	692	712
Property, plant and equipment <sup>(a)</sup>	804	794
Right-of-use assets <sup>(a)</sup>	861	796
<b>Net provisions and impairment</b>	<b>1,314</b>	<b>(799)</b>
Goodwill <sup>(b)</sup>	184	0
Right-of-use assets <sup>(a)</sup>	469	(406)
Intangible assets and property, plant and equipment <sup>(a)</sup>	597	(460)
Inventories <sup>(c)</sup>	3	4
Receivables <sup>(c)</sup>	8	(1)
Losses on irrecoverable receivables	29	26
Provisions for contingencies and losses <sup>(d)</sup>	25	39
<b>Cost of risk (banking activities)</b>	<b>216</b>	<b>268</b>
Cost of risk (banking activities) – other impairments and contingencies	122	170
Cost of risk (banking activities) – irrecoverable receivables	94	98
<b>TOTAL</b>	<b>3,888</b>	<b>1,772</b>

(a) A breakdown of the changes in the depreciation, amortisation and impairment of non-current assets is provided in Notes 16, 17 and 18. Additions to and reversals of provisions for right-of-use assets mainly concerned the Mail CGU (see Note 18 and Note 1.5).

(b) The Goodwill impairment is described in Note 15.2.

(c) A breakdown of changes in the impairment of inventories and receivables is provided in Note 23.

(d) Movements in provisions for contingencies and losses are described in Note 27.

## NOTE 12 Other operating expenses and income

Other operating expenses and income broke down as follows:

### Income/(expenses)

(in € millions)	2022	2021
Capitalised production <sup>(a)</sup>	490	427
Royalties	(80)	(71)
Gains/(losses) recognised following an acquisition of control <sup>(b)</sup>	21	18
Other recurring operating income and expenses	134	202
<b>TOTAL</b>	<b>566</b>	<b>577</b>

(a) Capitalised production primarily consisted of IT development costs recognised under intangible assets.

(b) In 2021, €18 million linked to the acquisition of control of Speedy.

## NOTE 13 Net financial income/(expense)

Group impacts excluding banking activities are analysed below:

### 13.1 Cost of net debt

(in € millions)	2022	2021
Interest expense on financing transactions <sup>(a)</sup>	(143)	(162)
Interest expense on lease liabilities	(82)	(74)
Change in the fair value of borrowings <sup>(b)</sup> and debt-related swaps	(1)	3
Income from cash and cash equivalents <sup>(c)</sup>	12	(0)
<b>TOTAL</b>	<b>(214)</b>	<b>(233)</b>

(a) Including interest and proceeds from the termination of debt-related derivatives.

(b) Excluding the effect of changes in own credit risk on borrowings, recognised in OCI.

(c) Including changes in the fair value of cash assets and financial assets.

### 13.2 Other financial items

(in € millions)	2022	2021
Discounting expense on provisions for employee benefits and return on plan assets	(3)	2
Net foreign exchange gains/(losses)	(5)	(2)
Other financial income and expenses	15	32
<b>TOTAL</b>	<b>7</b>	<b>31</b>

The other financial income and expenses included in 2021 a €27 million capital gain on the disposal of unconsolidated shares held by the Geopost business line.

## NOTE 14 Income tax

### 14.1 Income tax expense recognised in profit or loss

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Current tax income/(expense)	(787)	(918)
Deferred tax income/(expense)	1,392	298
<b>TOTAL TAX INCOME/(EXPENSE)</b>	<b>605</b>	<b>(620)</b>

The current tax expense represents the amount paid or payable in the short term to the tax authorities in respect of the financial year, based on the rules applicable in the various countries and on specific tax conventions.

### 14.2 Tax on other comprehensive income

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
<b>CHANGE IN UNREALISED GAINS AND LOSSES ON FINANCIAL INSTRUMENTS (RECLASSIFIABLE AND NON-RECLASSIFIABLE ITEMS)</b>		
Amount before tax	(6,763)	140
Tax impact	1,700	227
<b>AMOUNT AFTER TAX</b>	<b>(5,063)</b>	<b>367</b>
<b>TRANSLATION ADJUSTMENTS</b>		
Amount before tax	593	108
Tax impact		
<b>AMOUNT AFTER TAX</b>	<b>593</b>	<b>108</b>

### 14.3 Tax proof

Income tax expense is analysed as follows:

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
<b>Net profit/(loss) attributable to owners of the parent</b>	<b>1,203</b>	<b>2,069</b>
Share in net profit/(loss) of equity-accounted companies	56	(75)
Income tax	(605)	620
Non-controlling interests	304	528
<b>Consolidated profit/(loss) before tax and share in net profit/(loss) of equity-accounted companies</b>	<b>957</b>	<b>3,142</b>
<b>Corporate income tax rate</b>	<b>25.83%</b>	<b>28.41%</b>
<b>Theoretical income tax expense<sup>(a)</sup></b>	<b>(247)</b>	<b>(893)</b>
Recognition of deferred tax on inclusion of CNP Assurances in La Poste tax group from 2023	903	
Movements in impairment of Mail CGU assets	(4)	256
Tax rate differential for foreign subsidiaries	(58)	(7)
Reduced rate on capital gains	84	33
Impairment losses including write-down of DPD Russia (see note 1.3)	(59)	
Other	(13)	(10)
<b>Tax restatements</b>	<b>852</b>	<b>272</b>
<b>EFFECTIVE INCOME TAX EXPENSE</b>	<b>605</b>	<b>(620)</b>

(a) Including France's 3.3% social solidarity contribution.

### 14.4 Deferred tax recognised on the balance sheet

<i>(in € millions)</i>	<b>Deferred tax assets</b>	<b>Deferred tax liabilities</b>	<b>Total</b>
<b>31/12/2020</b>	<b>141</b>	<b>1,497</b>	<b>(1,357)</b>
Impact on profit or loss	39	(259)	298
Assets/liabilities held for sale	(1)	(1)	
Reclassifications	(484)	(484)	0
Impact on equity	64	(163)	227
Change in scope of consolidation	445	620	(175)
Translation adjustments and other	3	7	(4)
<b>31/12/2021</b>	<b>205</b>	<b>1,217</b>	<b>(1,012)</b>
Impact on profit or loss	1,008	(384)	1,392
Assets/liabilities held for sale	(0)	(0)	0
Reclassifications	1,555	1,555	0
Impact on equity	99	(1,601)	1,700
Change in scope of consolidation	1	4	(3)
Translation adjustments and other	109	95	14
<b>31/12/2022</b>	<b>2,976</b>	<b>886</b>	<b>2,090</b>

Net deferred tax assets are recognised at tax entity or tax group level based on the probability that they may be used in the future.

## 14.5 Breakdown of deferred tax by type

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>DEFERRED TAX ASSETS</b>		
Employee benefits	403	363
Other non-deductible provisions	423	3
Other temporary differences	555	181
Financial instruments	1,327	16
Tax loss carryforwards	601	23
Asset/liability offsets <sup>(a)</sup>	(332)	(382)
<b>TOTAL ASSETS</b>	<b>2,976</b>	<b>205</b>
<b>DEFERRED TAX LIABILITIES</b>		
Regulatory provisions	123	106
Revaluation of contributions to Poste Immo	14	19
Financial instruments	822	1,223
Deductible goodwill	162	165
Other temporary tax differences	98	85
Asset/liability offsets <sup>(a)</sup>	(332)	(382)
<b>TOTAL LIABILITIES</b>	<b>886</b>	<b>1,217</b>

(a) Deferred tax assets and liabilities are offset at the level of each taxable entity or tax group.

## 14.6 Unrecognised deferred tax assets

### Type and amount of unrecognized deferred tax asset bases

<i>(in € millions)</i>	<b>31/12/2022</b>			
	<b>French tax group companies</b>	<b>Non-consolidated French companies</b>	<b>Foreign companies</b>	<b>Total</b>
Home savings provisions	72			72
Employee benefits	443		2	445
Other temporary differences	566	4	113	683
Ordinary tax losses		191	357	548
<b>TOTAL</b>	<b>1,081</b>	<b>195</b>	<b>472</b>	<b>1,748</b>

Unrecognised deferred tax asset bases amounted to €4,584 million at 31 December 2021.

## NOTES TO THE BALANCE SHEET

### NOTE 15 Goodwill

#### 15.1 Breakdown of goodwill

##### CGU

(in € millions)	Segment	31/12/2022	31/12/2021
DPD Europe <sup>(a)</sup>	Geopost	3,282	2,991
Digital Services	Retail Customers & Digital Services	554	539
Asendia <sup>(b)</sup>	Geopost	479	204
Healthcare <sup>(c)</sup>	Services-Mail-Parcels	275	185
Mediapost <sup>(d)</sup>	Services-Mail-Parcels	86	148
La Banque Postale Prévoyance	La Banque Postale	59	94
DPD Russia <sup>(e)</sup>	Geopost	(0)	80
EDE	Services-Mail-Parcels	67	67
C Chez Vous <sup>(f)</sup>	Geopost	63	
Lenton Group	Geopost	51	48
SCI Lamartine (CNP Assurances) <sup>(g)</sup>	La Banque Postale	36	
Tocqueville Group	La Banque Postale	27	27
JadLog	Geopost	25	22
Multiburo / Startway	Real Estate & Shared Services	25	
La Banque Postale Asset Management	La Banque Postale	20	20
Stuart	Geopost	13	13
Other Geopost CGU	Geopost	18	17
Other Services-Mail-Parcels CGU	Services-Mail-Parcels	13	9
<b>TOTAL</b>		<b>5,092</b>	<b>4,464</b>
<b>Services-Mail-Parcels</b>		<b>441</b>	<b>408</b>
<b>Geopost</b>		<b>3,930</b>	<b>3,375</b>
<b>La Banque Postale</b>		<b>143</b>	<b>142</b>
<b>Retail Customers &amp; Digital Services</b>		<b>554</b>	<b>539</b>
<b>Real Estate and Shared Services</b>		<b>25</b>	<b>0</b>

(a) Of which in 2022, acquisition of CitySprint with an goodwill to €296 million, see Note 4.1.

(b) Of which in 2022, acquisition of Scalefast on June 2022 with an goodwill to €278 million, see Note 4.1.

(c) Of which in 2022, acquisition of Happytal, with an goodwill to €68 million.

(d) Of which in 2022, impairment of Médiapost CGU goodwill for €80 million, see Note 20.

(e) In 2022, full impairment of goodwill, see Note 1.3.

(f) Acquisition in the period.

(g) Acquisition in the period, see Note 4.1.

## 15.2 Change in the carrying amount of goodwill

(in € millions)	<b>2022</b>	<b>2021</b>
<b>Opening balance</b>	<b>4,464</b>	<b>4,175</b>
of which:		
Gross amount	4,767	4,470
Impairment losses	(302)	(295)
Acquisitions <sup>(a)</sup>	845	311
Translation adjustments	3	27
Impairment losses <sup>(b)</sup>	(184)	0
Other	(35)	0
Disposals <sup>(c)</sup>	(1)	(49)
<b>CLOSING BALANCE</b>	<b>5,092</b>	<b>4,464</b>
of which:		
Gross amount	5,396	4,767
Impairment losses	(303)	(302)

(a) Of which in 2022:

- in the Geopost segment, the acquisition of CitySprint (DPD Europe CGU) for €296 million, Scalefast (Asendia CGU) for €278 million et C Chez Vous for €63 million;
- in the Services-Mail-Parcels segment, the acquisition of Happytal (Healthcare CGU) for €68 million;
- in the La Banque Postale segment, the acquisition of SCI Lamartine, which generated goodwill of €36 million.

Of which in 2021:

- in the Geopost segment, the increases of €93 million on the acquisition of control of Speedy and the acquisition on the acquisition of Transporte Intégral de Paqueteria S.A. for €48 million;
- in the Retail Customers & Digital Services segment, the acquisition of Docaposte Trust & Sign; and for €35 million, Boxtal for €22 million and Open Value for €17 million;
- in the Services-Mail-Parcels segment, the acquisitions of Asten Santé for €27 million and TimeOne Group for €27 million.

(b) Of which in 2022:

- in the Geopost segment, impairment of DPD Russia goodwill for €104 million, translated at the exchange rate on the day of the decision (see Note 1.3);
- in the Services-Mail-Parcels segment, impairment of Médiapost CGU goodwill for €80 million.

(c) Of which in 2021, a decrease of €-48 million on the disposal of Tigers.

Impairment tests performed on goodwill are described in the Note 20.



## NOTE 16 Intangible assets

<i>(in € millions)</i>	Software, patents and licences	Intangible assets in progress	Other intangible assets	<b>Total</b>
<b>GROSS AMOUNT</b>				
<b>Balance at 31/12/2020</b>	<b>7,822</b>	<b>558</b>	<b>2,026</b>	<b>10,406</b>
Acquisitions	125	424	41	591
Disposals	(293)	(14)	(6)	(312)
Changes in scope of consolidation <sup>(a)</sup>	539	1	3	543
Transfers	1,815	(493)	(1,337)	(14)
Translation adjustments	60	0	1	62
<b>Balance at 31/12/2021</b>	<b>10,069</b>	<b>477</b>	<b>729</b>	<b>11,276</b>
Acquisitions	209	444	40	693
Disposals	(157)	(6)	(8)	(171)
Changes in scope of consolidation <sup>(a)</sup>	77	4	11	92
Transfers	349	(390)	78	37
Translation adjustments	656	0	0	657
<b>BALANCE AT 31/12/2022</b>	<b>11,203</b>	<b>530</b>	<b>851</b>	<b>12,584</b>
<b>AMORTISATION AND IMPAIRMENT LOSSES</b>				
<b>Balance at 31/12/2020</b>	<b>(3,837)</b>		<b>(704)</b>	<b>(4,540)</b>
Amortisation for the period	(997)		(65)	(1,061)
Impairment losses	(125)		0	(125)
Reversals of impairment losses	72		242	315
Reversals on disposals	290		4	294
Changes in scope of consolidation	(8)		(5)	(13)
Transfers	(33)		31	(1)
Translation adjustments	(10)		(1)	(11)
<b>Balance at 31/12/2021</b>	<b>(4,647)</b>		<b>(496)</b>	<b>(5,143)</b>
Amortisation for the period	(976)		(83)	(1,059)
Impairment losses <sup>(b)</sup>	(64)		(301)	(366)
Reversals of impairment losses	0		36	37
Reversals on disposals	156		4	160
Changes in scope of consolidation	(37)		(2)	(39)
Transfers	15		12	27
Translation adjustments	(75)		1	(75)
<b>BALANCE AT 31/12/2022</b>	<b>(5,628)</b>		<b>(829)</b>	<b>(6,457)</b>
<b>NET AMOUNT</b>				
<b>At 31/12/2021</b>	<b>5,422</b>	<b>477</b>	<b>233</b>	<b>6,133</b>
<b>AT 31/12/2022</b>	<b>5,575</b>	<b>530</b>	<b>22</b>	<b>6,126</b>

(a) Of which in 2021, €523 million on the acquisition of AVIVA's life insurance activities.

(b) Of which in 2022, impairment of the intangible assets of La Poste SA's Mail CGU for €228 million (see Note 1.5).

The "Transfers" lines correspond to the commissioning of assets and to reclassifications to other assets line items.

## NOTE 17 Property, plant and equipment

<i>(in € millions)</i>	Land and buildings	Equipment and technical facilities	Vehicles	Other	Property, plant and equipment in progress	Total
<b>GROSS AMOUNT</b>						
<b>Balance at 31/12/2020</b>	<b>5,516</b>	<b>3,501</b>	<b>1,006</b>	<b>4,135</b>	<b>596</b>	<b>14,755</b>
Acquisitions	75	136	134	206	594	1,144
Disposals	(98)	(88)	(117)	(143)	(6)	(453)
Changes in scope of consolidation	3	23	7	16	241	290
Transfers	374	138	3	87	(635)	(33)
Translation adjustments	15	7	1	12	5	39
<b>Balance at 31/12/2021</b>	<b>5,885</b>	<b>3,716</b>	<b>1,035</b>	<b>4,312</b>	<b>793</b>	<b>15,741</b>
Acquisitions	78	181	147	231	478	1,116
Disposals	(100)	(272)	(110)	(581)	(3)	(1,065)
Changes in scope of consolidation	(17)	(10)	0	68	0	41
Transfers	385	151	17	92	(847)	(201)
Translation adjustments	(8)	(2)	1	(7)	(2)	(19)
<b>BALANCE AT 31/12/2022</b>	<b>6,223</b>	<b>3,764</b>	<b>1,090</b>	<b>4,115</b>	<b>420</b>	<b>15,612</b>
<b>DEPRECIATION AND IMPAIRMENT LOSSES</b>						
<b>Balance at 31/12/2020</b>	<b>(2,091)</b>	<b>(2,648)</b>	<b>(554)</b>	<b>(3,478)</b>		<b>(8,771)</b>
Depreciation for the period	(192)	(203)	(116)	(286)		(798)
Impairment losses	(12)	(2)	0	(55)		(69)
Reversals of impairment losses	5	1	0	334		340
Reversals on disposals	56	86	96	138		377
Changes in scope of consolidation	(0)	(14)	(2)	(8)		(24)
Transfers	12	(2)	3	(2)		11
Translation adjustments	(4)	(4)	(1)	(7)		(16)
<b>Balance at 31/12/2021</b>	<b>(2,226)</b>	<b>(2,786)</b>	<b>(574)</b>	<b>(3,364)</b>		<b>(8,950)</b>
Depreciation for the period	(191)	(212)	(116)	(285)		(804)
Impairment losses <sup>(a)</sup>	(22)	(0)	(0)	(295)		(317)
Reversals of impairment losses	19	3	0	28		50
Reversals on disposals	54	263	96	575		989
Changes in scope of consolidation	4	9	(0)	(61)		(48)
Transfers	22	10	(2)	10		41
Translation adjustments	1	1	(0)	7		10
<b>BALANCE AT 31/12/2022</b>	<b>(2,339)</b>	<b>(2,711)</b>	<b>(596)</b>	<b>(3,385)</b>		<b>(9,031)</b>
<b>NET AMOUNT</b>						
<b>At 31/12/2021</b>	<b>3,659</b>	<b>931</b>	<b>460</b>	<b>948</b>	<b>793</b>	<b>6,792</b>
<b>AT 31/12/2022</b>	<b>3,884</b>	<b>1,054</b>	<b>494</b>	<b>730</b>	<b>420</b>	<b>6,582</b>

(a) Of which in 2022, impairment of the property, plant and equipment of La Poste SA's Mail CGU for €250 million.

"Right-of-use assets", stemming from the application of IFRS 16, are described in Note 18.

The "Transfers" lines correspond to the commissioning of assets and to the reclassification of certain items of property, plant and equipment to "Assets held for sale" (see Note 25).

## NOTE 18 Leases (lessee)

### 18.1 Right-of-use assets

Right-of-use assets by type of leased assets break down as follows:

<i>(in € millions)</i>	<b>Land and buildings</b>	<b>Equipment and technical facilities</b>	<b>Vehicles</b>	<b>Other</b>	<b>Net amounts</b>
<b>Balance at 31/12/2020</b>	<b>2,633</b>	<b>151</b>	<b>222</b>	<b>11</b>	<b>3,017</b>
Increase	771	135	179	6	1,091
Decrease	(113)	(5)	(3)	(0)	(121)
Depreciation	(607)	(70)	(113)	(6)	(796)
Impairment losses	385	(0)	21	(0)	406
Changes in scope of consolidation and translation adjustments	69	4	27	1	101
Other	64				64
Assets held for sale	(61)	(1)	(0)	(0)	(62)
<b>Balance at 31/12/2021</b>	<b>3,141</b>	<b>215</b>	<b>334</b>	<b>11</b>	<b>3,700</b>
Increase	889	89	179	6	1,163
Decrease	(76)	(1)	(3)	(0)	(80)
Depreciation	(653)	(72)	(130)	(6)	(861)
Impairment losses <sup>(a)</sup>	(447)	(0)	(22)	0	(469)
Changes in scope of consolidation and translation adjustments	(10)	(3)	(14)	(0)	(27)
Other	1				1
Assets held for sale	0	0	0	0	0
<b>BALANCE AT 31/12/2022</b>	<b>2,845</b>	<b>227</b>	<b>344</b>	<b>10</b>	<b>3,426</b>

(a) Of which in 2022, impairment of right-of-use assets in the Mail CGU for €462 million.

### 18.2 Lease liabilities

Lease liabilities are presented in Note 28 for industrial and commercial activities. Lease liabilities for banking and insurance activities amounted €214 million (€153 million in 2021) and are included in "Other financial liabilities and accruals" of "Specific liabilities of banking and insurance activities" (see Note 31.7 "Leases liabilities" item).

### 18.3 Impact of leases on profit or loss

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
<b>Net operating expenses</b>	<b>1,857</b>	<b>910</b>
Short-term lease expenses	122	107
Low-value lease expenses	56	53
Rental expenses	222	224
Non-deductible VAT on rental expenses	87	92
Depreciation of right-of-use assets	861	796
Impairment losses/(reversals) on right-of-use assets <sup>(a)</sup>	469	(406)
Other <sup>(b)</sup>	40	44
<b>Cost of net debt</b>	<b>82</b>	<b>74</b>
Interest expense on lease liabilities	82	74
<b>TOTAL</b>	<b>1,939</b>	<b>984</b>

(a) Of which in 2022, depreciation of the Mail CGU's right-of-use assets for €462 million.

(b) Of which, relating to CNP Assurances in 2022 for €37 million and in 2021 for €36 million.

## 18.4 Impact of leases on the statement of cash flows

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>	<b>527</b>	<b>526</b>
Short-term lease expenses	122	107
Low-value lease expenses	56	53
Rental expenses	222	224
Non-deductible VAT on rental expenses	87	92
Other	40	51
<b>Cash flows from financing activities</b>	<b>954</b>	<b>876</b>
Interest paid on lease liabilities	82	74
Repayments of lease liabilities (including from La Banque Postale)	872	802
<b>TOTAL CASH OUTFLOW</b>	<b>1,481</b>	<b>1,403</b>

## NOTE 19 Equity-accounted companies

(in € millions)	Holding d'Infrastructures Gazières <sup>(a)</sup>	Ariol CNP Assurances	XS5 Administradora de consórcio <sup>(b)</sup>	Other insurance subsidiaries	CNP Assurances Italy
Segment activity	La Banque Postale	La Banque Postale	La Banque Postale	La Banque Postale	La Banque Postale
Type of control	Joint control	Joint control	Joint control	Joint control	Joint control
<b>Balance at 31/12/2020</b>	<b>427</b>	<b>47</b>	<b>0</b>	<b>52</b>	<b>0</b>
Profit or loss for the period	46	1	(1)	6	36
Dividend payments	(43)	0	0	(3)	0
Change in FV of fin. instruments	(0)	(1)	(0)	(1)	0
Change in conso. scope and % control	(12)	0	0	0	(36)
Capital increases	383	0	44	0	0
Other changes	2	(0)	0	(1)	0
Translation adjustments	0	0	0	1	0
<b>Balance at 31/12/2021</b>	<b>803</b>	<b>47</b>	<b>43</b>	<b>54</b>	<b>0</b>
Profit or loss for the period	86	1	(1)	28	0
Dividend payments	(77)	0	0	(6)	0
Change in FV of fin. instruments	(7)	(7)	0	(3)	0
Change in conso. scope and % control	(0)	0	0	(27)	0
Capital increases	0	120	3	0	0
Other changes	55	(0)	0	(1)	0
Translation adjustments	0	0	5	(9)	0
<b>BALANCE AT 31/12/2022</b>	<b>860</b>	<b>161</b>	<b>50</b>	<b>37</b>	<b>0</b>

(a) This investment is in the scope of insurance activities. As of 2022, profit or loss from this investment is presented within net banking income, under "Income from other activities". In 2021, it was reported under "Share in net profit/(loss) of jointly-controlled companies".

(b) Joint venture created in 2021 by CNP Assurances with the Brazilian company CNP Assurances Participações Ltda under a new exclusive distribution agreement.

Ostrum AM <sup>(c)</sup>	AEW Europe <sup>(c)</sup>	Aramex PJSC <sup>(d)</sup>	Ninja Logistics	Yurtici Kargo Servisi A.S.	Real Estate division	Other	Total Equity-accounted companies (assets)	La Poste Mobile <sup>(e)</sup>
La Banque Postale	La Banque Postale	Geopost	Geopost	Geopost	Real Estate			Retail Customers & Digital Services
Joint control	Associate	Associate	Associate	Associate	Associate/ Joint control			Joint control
<b>114</b>	<b>56</b>		<b>101</b>	<b>19</b>	<b>30</b>	<b>88</b>	<b>935</b>	<b>(46)</b>
0	10	0	(27)	17	3	(10)	81	(5)
0	(2)	0	0	(12)	(3)	(2)	(65)	0
0	0	0	0	0	0	0	(2)	0
0	0	422	102	0	15	(32)	458	0
	0	0	213	0	0	3	644	0
(114)	(64)	0	0	(0)	(1)	0	(178)	0
0	(0)	10	20	(7)	0	2	26	0
<b>(0)</b>	<b>(0)</b>	<b>432</b>	<b>410</b>	<b>17</b>	<b>44</b>	<b>48</b>	<b>1,900</b>	<b>(51)</b>
0	(0)	12	(111)	14	1	(2)	28	2
0	0	(11)	0	(16)	(3)	(1)	(114)	0
0	0	0	0	0	0	0	(17)	0
0	0	48	(1)	0	(14)	3	8	0
0	0	0	1	0	0	2	126	0
0	0	0	0	(0)	1	0	55	0
0	0	22	23	3	0	(1)	44	0
<b>(0)</b>	<b>(0)</b>	<b>503</b>	<b>322</b>	<b>19</b>	<b>29</b>	<b>49</b>	<b>2,031</b>	<b>(50)</b>

(c) See Note 4.3.

(d) Increase in investment from 25% in 2021 to 28% in 2022.

(e) Recognised in "Provisions for contingencies and losses" (see Note 27).

## NOTE 20 Impairment test on goodwill and non-current assets

### 20.1 Impairment tests on goodwill

La Poste Groupe tests goodwill for impairment annually or more frequently if events or changes indicate that it may be impaired.

Goodwill is allocated to cash-generating units as presented in Note 15.1.

The impairment test involves comparing the carrying amount of the CGUs, including any goodwill, to their recoverable amount, determined using the method in Note 3.11.

The main assumptions used were as follows:

	Discount rate		Standard growth rate	Number of projected years
	Eurozone	Other		
<b>2022</b>				
Services-Mail-Parcels	5.0% - 10.2%	-	2%	5
Geopost	6.3% - 7.6%	7.3% - 14.9%	2% - 5%	5
La Banque Postale	6.8% - 9%	-	2%	5
Retail Customers & Digital Services	7.0%	-	2%	5
<b>2021</b>				
Services-Mail-Parcels	5.8% - 8.3%		2%	5
Geopost	6.7% - 8%	6.7% - 13.1%	1% - 5%	5
La Banque Postale	7.8% - 9%	-	2%	5
Retail Customers & Digital Services	6.6%	-	2%	5

In 2022, goodwill impairment of €80 million was recognised for the Médiapost CGU to take into account lower business volumes projected for the 2023-2027 period.

No material impairment losses were recognised on goodwill in 2021.

#### Sensitivity analysis at 31 December 2022

- A 1-point increase in the discount rates or a 0.5-point decrease in the perpetuity growth rates would result in additional impairment losses of between €9 million and €19 million.
- A 1-point increase in the discount rates and a simultaneous 0.5-point decrease in the perpetuity growth rates would result in additional impairment losses of €26 million.
- A 2-point increase in the discount rates and a simultaneous 1-point decrease in the perpetuity growth rates would result in additional impairment losses of around €93 million.

### 20.2 Impairment tests on other non-current and non-financial assets

CGUs without goodwill were analysed for indications of impairment during the year.

This led to a test being performed on the La Poste Mail CGU's assets, all of which were impaired for a total amount of €940 million (see Note 1.5). The test was carried out on the basis of a business plan updated to best reflect five-year forecasts, with a perpetuity growth rate of -5% and a WACC of 6.5%.

The impairment losses break down as follows:

- intangible assets: €228 million (see Note 16);
- property, plant and equipment: €250 million (see Note 17);
- right-of-use assets: €462 million (see Note 18).



## NOTE 21 Other financial assets

(in € millions)	31/12/2022		31/12/2021	
	Current	Non-current	Current	Non-current
Unconsolidated equity investments		401		333
Deposits and guarantees paid	27	64	12	58
Derivative financial instruments	37	8	13	43
Loans for social housing	5	46	4	50
Provisions for loans for social housing	0	(15)	0	(18)
Financial assets held for investment purposes	581	0	351	0
Other financial assets	53	115	56	61
Provisions for other financial assets	0	(27)	0	(27)
<b>TOTAL</b>	<b>702</b>	<b>591</b>	<b>436</b>	<b>500</b>

## Unconsolidated equity investments

(in € millions)	Segment	31/12/2022		31/12/2021
		Percentage held	Carrying amount	Carrying amount
Crédit Logement	La Banque Postale	6%	96	99
Domiserve	La Banque Postale	100%	42	33
XAnge Digital 3	Shared Services	22%	30	21
Django (formerly Credere)	La Banque Postale	100%	24	8
Transactis	La Banque Postale	50%	23	12
Xange Capital 2	Shared Services	36%	23	30
Ezyness	La Banque Postale	100%	19	
KissKissBankBank	La Banque Postale	100%	17	16
XAnge 4	Shared Services	7%	15	15
Toit et joie	Shared Services	100%	12	12
Mandarine Gestion	La Banque Postale	12%	12	14
STET	La Banque Postale	5%	7	7
Bigblue	Shared Services	4%	6	1
EPI Company SE	La Banque Postale	11%	6	2
LP12	Shared Services	100%	5	
AD Breihz	Services-Mail-Parcels	15%		5
CyberCité <sup>(a)</sup>	Services-Mail-Parcels			17
Other - French companies			37	21
Other - foreign companies (see details in Note 44)			26	21
<b>TOTAL</b>			<b>401</b>	<b>333</b>

(a) Company consolidated in 2022.

Wholly owned unconsolidated equity investments comprise dormant companies, companies in the process of being liquidated or companies with non-material balance sheets and income statements.

## Deposits and guarantees

This line primarily corresponds to the security deposits paid in respect of property leases.

## Derivative financial instruments

The derivative financial instruments line mainly represents instruments put in place to manage the interest rate and exchange rate risks on debt. They must therefore be read together with "Bonds and debt". A breakdown of these derivatives can be found in Note 28.5.

## Loans for social housing

These loans primarily consist of loans to construction entities with very long-term maturities.

## Financial assets held for cash management purposes

These are assets acquired as part of the cash management process and break down as follows:

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Term deposits accessible after more than 3 months	250	70
UCITS	231	230
Negotiable debt securities (maturities of 3 to 12 months)	100	50
<b>TOTAL</b>	<b>581</b>	<b>351</b>

## NOTE 22 Specific assets of banking and insurance activities

<b>22.1</b> Financial assets at fair value through profit or loss	289	<b>22.6</b> Loans and advances to customers at amortised cost	291
<b>22.2</b> Hedging derivatives	289	<b>22.7</b> Revaluation differences on portfolios hedged against interest rate risks	291
<b>22.3</b> Financial assets at fair value through OCI	290	<b>22.8</b> Investment property	291
<b>22.4</b> Securities at amortised cost	290	<b>22.9</b> Other financial assets, accruals and net participating benefit	292
<b>22.5</b> Loans and advances to credit institutions at amortised cost	290	<b>22.10</b> IBOR reform	292

## 22.1 Financial assets at fair value through profit or loss

### Breakdown by nature of financial instruments

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Government paper and equivalents	23,934	20,041
Bonds and other fixed-income securities	34,637	31,003
UCITS	107,881	126,247
<b>Debt instruments</b>	<b>166,452</b>	<b>177,291</b>
Equities and other variable-income securities	37,019	44,101
<b>Equity instruments</b>	<b>37,019</b>	<b>44,101</b>
Customers	6,889	7,807
<b>Loans and advances</b>	<b>6,889</b>	<b>7,807</b>
Interest rate	5,995	1,237
Exchange rate	131	164
Credit	1	2
Equity and index instruments	646	818
<b>Derivative instruments</b>	<b>6,773</b>	<b>2,221</b>
Credit institutions	2	0
Customer	5,586	0
<b>Securities and other assets purchased under collateralised reverse repurchase agreements</b>	<b>5,589</b>	<b>0</b>
<b>TOTAL</b>	<b>222,722</b>	<b>231,420</b>

### Breakdown by IFRS 9 category

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Financial assets held for trading	13,953	5,864
Non-SPPI financial assets and equity instruments	122,875	141,360
Financial assets backing unit-linked contracts	80,659	78,479
Financial assets designated at fair value	5,235	5,717
<b>TOTAL</b>	<b>222,722</b>	<b>231,420</b>

## 22.2 Hedging derivatives

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Interest-rate instruments</b>	<b>1,020</b>	<b>967</b>
<b>Forex instruments</b>	<b>118</b>	<b>55</b>
<b>TOTAL</b>	<b>1,139</b>	<b>1,022</b>

## 22.3 Financial assets at fair value through OCI

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Equities and other variable-income securities</b>	217	189
<b>Other long-term securities</b>	1	0
Government paper and equivalents - nominal value	97,930	122,946
Government paper and equivalents - impairment losses	(121)	(71)
<b>Government paper and equivalents</b>	<b>97,809</b>	<b>122,875</b>
Bonds and other debt securities	96,695	105,640
Bonds - impairment losses	(188)	(394)
<b>Bonds and other debt securities</b>	<b>96,507</b>	<b>105,246</b>
<b>TOTAL</b>	<b>194,534</b>	<b>228,310</b>

## 22.4 Securities at amortised cost

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Government paper and equivalents	25,179	22,153
Bonds and other fixed-income securities	2,009	1,321
Subordinated securities	5	6
<b>TOTAL</b>	<b>27,193</b>	<b>23,480</b>

## 22.5 Loans and advances to credit institutions at amortised cost

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Current accounts in debit	1,891	2,257
Suspense accounts	7	4
<b>Demand deposits with credit institutions</b>	<b>1,898</b>	<b>2,261</b>
Accounts and loans	16	105
Deposits centralised with CDC	64,850	65,047
Securities and other assets purchased under collateralised reverse repurchase agreements	252	332
<b>Term loans and advances to credit institutions</b>	<b>65,119</b>	<b>65,484</b>
<b>Subordinated loans</b>	<b>78</b>	<b>78</b>
<b>TOTAL</b>	<b>67,095</b>	<b>67,823</b>

## 22.6 Loans and advances to customers at amortised cost

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Retail current accounts in debit	1,036	1,023
Factoring accounts	3,796	4,312
Loans to customers repayable on demand, suspense accounts and other accounts	112	148
Loss allowances	(128)	(119)
<b>Loans and advances to customers repayable on demand</b>	<b>4,816</b>	<b>5,364</b>
Short-term credit facilities	14,315	13,030
Real estate loans	91,835	85,159
Equipment loans	7,699	7,534
Loans to financial sector customers	1,122	534
Other loans	2,278	2,279
Securities purchased under collateralised reverse repurchase agreements	5,155	6,932
Loss allowances	(1,267)	(1,177)
<b>Term loans and advances to customers</b>	<b>121,136</b>	<b>114,291</b>
<b>Subordinated loans to customers</b>	<b>10</b>	<b>5</b>
<b>Finance lease transactions</b>	<b>3,666</b>	<b>3,458</b>
<b>TOTAL</b>	<b>129,628</b>	<b>123,117</b>

## 22.7 Revaluation differences on portfolios hedged against interest rate risks

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Revaluation differences on hedged portfolios (fair value hedges)</b>	<b>721</b>	<b>101</b>

## 22.8 Investment property

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Gross amount	3,802	1,597
Amortisation	(281)	(247)
Impairment losses	(14)	(6)
<b>Investment property at amortised cost</b>	<b>3,508</b>	<b>1,344</b>
<b>Investment property at fair value</b>	<b>2,772</b>	<b>2,050</b>
<b>TOTAL</b>	<b>6,280</b>	<b>3,393</b>

Virtually all of the investment properties presented in the 2022 financial statements are from the CNP Assurances group. The change in investment property at amortised cost was mainly due to the acquisition of SCI Lamartine (see Note 4).

## 22.9 Other financial assets, accruals and net participating benefit

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Sundry debtors	7,075	4,797
Securities settlement accounts	1	3
Impairment losses	(68)	(61)
<b>Other assets</b>	<b>7,007</b>	<b>4,739</b>
Reinsurance companies' share of technical provisions relating to life and insurance contracts	20,793	21,392
Insurance and reinsurance receivables	3,087	2,804
Loans and advances	214	232
miscellaneous insurance assets	2,428	2,069
<b>Other insurance assets</b>	<b>26,522</b>	<b>26,496</b>
Prepaid expenses and accrued income	1,420	1,049
Collection accounts	71	15
Other accruals	827	850
<b>Accruals – Assets</b>	<b>2,317</b>	<b>1,914</b>
<b>TOTAL OTHER FINANCIAL ASSETS AND ACCRUALS</b>	<b>35,847</b>	<b>33,149</b>
Net participating benefit	9,692	0
<b>TOTAL NET PARTICIPATING BENEFIT</b>	<b>9,692</b>	<b>0</b>

### 22.10 IBOR reform

The process of replacing interbank offered rates (IBORs) with alternative reference rates (ARRs) continued in 2022 for new variable-rate transactions, with certain exceptions defined by the regulatory authorities concerning USD LIBOR. Publication of the USD LIBOR rates (overnight, one-, three-, six- and 12-month maturities), in the format supplied by banks, must be discontinued as from the end of June 2023. La Poste Groupe intends to migrate the contracts concerned by this date at the latest.

Furthermore, the GBP and JPY LIBOR rates (one-, three- and six-month maturities) are no longer supplied by banks and are now published on a “synthetic” basis solely for the purpose of managing the transition to the new rates.

The European EONIA index was last published on 3 January 2022.

As there have been no announcements regarding a forthcoming replacement of EURIBOR, this index has been excluded from the quantitative data provided below.

At 31 December 2022, La Banque Postale group is exposed to USD LIBOR as follows:

- a nominal amount of €992 million on derivatives;
- book value of financial assets of €198 million.

## NOTE 23 Other current assets

### 23.1 Inventories and work-in-progress

<i>(in € millions)</i>	31/12/2022			31/12/2021
	Gross amount	Provisions	Net amount	Net amount
Raw materials, supplies, goods and other inventories	179	(6)	173	142
Finished and semi-finished product inventories and work-in-progress	37	(3)	34	48
<b>TOTAL</b>	<b>216</b>	<b>(9)</b>	<b>207</b>	<b>190</b>

Inventories primarily consist of spare parts for technical facilities and finished products sold in the post office network (mainly stamp-collecting products).

### 23.2 Trade and other receivables

<i>(in € millions)</i>	31/12/2022	31/12/2021
Advances and deposits paid	241	234
Trade receivables and related accounts	3,564	3,427
<i>Impairment losses on trade receivables and related accounts</i>	(133)	(140)
International mail receivables	684	789
Receivables from the State for income about public service missions	520	594
Other receivables	656	639
<i>Impairment losses on other receivables</i>	(29)	11
<b>TOTAL</b>	<b>5,503</b>	<b>5,554</b>

**International mail receivables** (€684 million) are primarily owed by foreign postal operators for the delivery of their mail in France.

Likewise, trade and other payables include an international mail payable (see Note 32) of €780 million owed to foreign postal operators for the delivery of La Poste mail outside of France.

**Receivables from the State for income about public service missions** correspond to compensation not yet received. At 31 December 2022, this caption corresponded to the compensation for universal postal service provided in 2022. At 31 December 2021, it included the compensation for universal postal service and regional development in 2021 (amounts settled in 2022).

## NOTE 24 Cash and cash equivalents

### 24.1 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term investments in money-market instruments. These investments, which were initially due to mature in less than three months, are readily convertible into a known amount of cash and are exposed to a negligible risk of a change in value.

<i>(in € millions)</i>	31/12/2022	31/12/2021
Cash equivalents	3,125	1,487
Cash at bank	1,407	1,401
Cash on hand	5	8
<b>TOTAL</b>	<b>4,537</b>	<b>2,895</b>

### Cash equivalents

Cash equivalents consisted mainly of term deposits accessible at any time, or within three months, for €2,113 million (€763 million as at 31 December 2021), and units in money-market UCITS for €910 million (€635 million as at 31 December 2021).

### 24.2 Cash, central banks (Banking activities)

<i>(in € millions)</i>	31/12/2022	31/12/2021
Cash on hand (including cash held at post offices)	1,004	1,116
Central banks	38,351	49,696
<b>TOTAL</b>	<b>39,355</b>	<b>50,812</b>

## NOTE 25 Assets held for sale and directly associated liabilities

At 31 December 2022, these assets and liabilities stemmed from subsidiaries whose sale is planned in the coming months, and, as at 31 December 2021, properties under promise of sale.

At 31 December 2022, assets held for sale and directly associated liabilities included the assets and liabilities of DPD

Russia for €42 million and €47 million, respectively (see Note 1.3).

In 2021, the assets and liabilities held for sale mainly corresponded to the proposition sale of the non-controlling interests held by La Banque Postale in Ostrum Asset Management (45%) and AEW Europe (40%).



## NOTE 26 Equity

### 26.1 Share capital

At 31 December 2022, the share capital amounted to €5,620 million, divided into 2,810,162,908 ordinary shares with a par value of €2 each. At that date, 66% of the capital was owned by Caisse des Dépôts and 34% was owned by the French State.

#### History of the share capital

On 1 March 2010, La Poste became a *société anonyme* (French public limited company), with a share capital of €1 billion, divided into 500 million fully paid-up shares with a par value of €2 each. This share capital is, by law, wholly-owned by the French State or State-owned entities, except for any portion reserved for La Poste employees. Prior to that date, La Poste was an independent State-owned company, with no share capital within the legal meaning of the term.

#### April 2011 capital increase

The Extraordinary General Meeting of 6 April 2011 approved a capital increase of €2.7 billion to be subscribed by the French State (€1.2 billion) and Caisse des Dépôts (€1.5 billion), as follows:

- share capital increase of €1 billion through an increase in the par value of existing shares from €2 to €4, via a capitalisation of reserves;
- issue of 350 million new shares with warrants attached with a price of €6 per share, of which a par value of €4 and share premium of €2, representing a total of €2.1 billion, of which €1.4 billion in capital and €700 million in share premium;
- warrants attached to each new share. The warrants issued entitled holders to buy 100 million new shares between 1 March and 30 April 2013 for a total of €600 million, of which €400 million in capital and €200 million in share premium. The French State and Caisse des Dépôts had made an irrevocable commitment to exercise all of their warrants no later than the last day of the exercise period (*i.e.*, 30 April 2013).

In April 2013, the French State and Caisse des Dépôts exercised the 350 million warrants they held, which resulted in the issue of 100 million new shares at a price of €6 per share, including €2 of share premium.

#### Contribution of CNP Assurances shares on 4 March 2020

The Combined General Meeting of 4 March 2020 approved the following transactions:

- “technical” reduction of La Poste’s share capital by reducing the par value of shares from €4 to €2, with allocation of this capital reduction to share premium;

- contribution by CDC of 280,616,340 CNP Assurances shares with a total value of €1,863 million, remunerated by a share capital increase of a total of €1,523 million, corresponding to the issue of 761,672,922 new shares, together with a contribution premium of €340 million;
- contribution by the French State of 7,645,754 CNP Assurances shares with a total value of €105 million, remunerated by a share capital increase of a total of €42 million, corresponding to the issue of 20,752,760 new shares, together with a contribution premium of €64 million;
- share capital increase of €1,900 million by capitalisation of the share premium resulting from the “technical” reduction, with the issue of 950,000,000 new shares with a par value of €2.

### 2022 stock dividend

In 2022, La Poste distributed €724 million in dividends in the form of shares for €315 million (*i.e.*, an increase in share capital of €255 million and share premium for €60 million) and in cash for €409 million. This distribution was allocated to other reserves for €529 million and to share premium for €195 million.

### 26.2 Hybrid debt

In April 2018, La Poste Groupe carried out a public offering of euro-denominated perpetual hybrid securities for €750 million. The securities have no maturity date and have a first call date of 29 January 2026. In accordance with IAS 32, they were recognised in attributable equity.

### 26.3 Non-controlling interests

Non-controlling interests amounted to €7,767 million at 31 December 2022, compared with €11,718 million at 31 December 2021.

At the end of 2022, they essentially corresponded to:

- non-controlling interests in the CNP Assurances group for €6,168 million (€10,103 million in 2021);
- perpetual notes issued by La Banque Postale:
  - in November 2019, for €744 million (perpetual fixed-rate notes with a semi-annual coupon of 3.875%, callable after 7 years),
  - in September 2021, for €744 million (perpetual fixed-rate notes with a semi-annual coupon of 3%, callable after 7.5 years);
- perpetual notes issued by Asendia for €198 million in March 2021, supplemented by €29 million in 2022.

## NOTE 27 Provisions for contingencies and losses

At 31 December 2022, provisions for contingencies and losses broke down as follows:

<i>(in € millions)</i>	<b>Labour disputes</b>	<b>Other disputes</b>	<b>Other</b>	<b>Total</b>
<b>Non-current provisions</b>	12	15	89	116
<b>Current provisions</b>	45	231	483	759
<b>Balance at 31/12/2020</b>	<b>57</b>	<b>246</b>	<b>572</b>	<b>876</b>
Additions for the period	32	76	210	318
Utilisations	(22)	(13)	(183)	(218)
Reversals of unused provisions	(7)	(12)	(15)	(34)
Other movements	(1)	8	(131)	(124)
<b>Non-current provisions</b>	<b>8</b>	<b>14</b>	<b>116</b>	<b>138</b>
<b>Current provisions</b>	<b>50</b>	<b>291</b>	<b>337</b>	<b>678</b>
<b>Balance at 31/12/2021</b>	<b>58</b>	<b>305</b>	<b>453</b>	<b>816</b>
Additions for the period	51	24	303	378
Utilisations	(25)	(14)	(214)	(252)
Reversals of unused provisions	(8)	(59)	(12)	(79)
Other movements	3	16	3	22
<b>Non-current provisions</b>	<b>16</b>	<b>6</b>	<b>163</b>	<b>186</b>
<b>Current provisions</b>	<b>63</b>	<b>266</b>	<b>370</b>	<b>700</b>
<b>BALANCE AT 31/12/2022</b>	<b>80</b>	<b>273</b>	<b>533</b>	<b>885</b>

**Provisions for labour disputes** cover all employee-related disputes (industrial tribunal, etc.) and ongoing claims and disputes with social security bodies.

**Provisions for other disputes** relate to disputes brought before administrative, civil or commercial courts.

**Other provisions** at 31 December 2022, included:

- a €50 million provisions for the negative net asset value of equity accounted companies, compared with €51 million at 31 December 2021 (see Note 19);
- miscellaneous contingencies linked to the group's operating activity.

Following the dismissal of the appeal lodged by the Group with the French Court of Cassation, the €136 million provision for the fine imposed by the French Competition Authority against two Group companies was utilised in full in 2021 ("Other movements") and offset against the receivable of the same amount recorded in assets.

## NOTE 28 Bonds and debt

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### 28.1 Breakdown of debt

(in € millions)	31/12/2022		31/12/2021	
	Short-term	Medium-and long-term	Short-term	Medium-and long-term
<b>Debt at amortised cost</b>	731	9,664	451	8,522
Bonds	420	9,464	0	8,369
La Poste savings bonds	51	0	52	0
Commercial paper	150	0	300	0
Current bank facilities	38		26	0
Deposits and guarantees received	36	48	34	44
Other borrowings at amortised cost	36	151	39	108
<b>Bonds designated at fair value</b>	584	0	(0)	622
<b>Hedged borrowings</b>	0	468		440
Subordinated debt		468		440
<b>Derivative liabilities relating to bonds</b>	25	3	12	24
<b>Accrued interest on borrowings</b>	89		77	
<b>Total</b>	<b>1,429</b>	<b>10,134</b>	<b>541</b>	<b>9,608</b>
<b>BONDS AND DEBT</b>	<b>11,564</b>		<b>10,149</b>	
Lease liabilities <sup>(a)</sup>	766	3,102	741	3,019
<b>LEASE LIABILITIES</b>	<b>3,869</b>		<b>3,760</b>	

(a) Lease liabilities at 31 December 2022 broke down by currency as follows: €2,833 million in euros, €736 million in pound sterling and €300 million in other currencies.  
Lease liabilities at 31 December 2021 broke down by currency as follows: €2,899 million in euros, €696 million in pound sterling and €165 million in other currencies.

## 28.2 Breakdown of debt by maturity

<i>(in € millions)</i>	Due within 1 year		Due in 1 to 5 years		Due beyond 5 years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Debt at amortised cost</b>	731	451	3,757	3,024	5,907	5,498	10,395	8,973
Bonds	420	0	3,613	2,889	5,851	5,480	9,884	8,369
La Poste savings bonds	51	52					51	52
Commercial paper	150	300					150	300
Current bank facilities	38	26					38	26
Deposits and guarantees received	36	34	42	38	7	6	85	78
Other borrowings at amortised cost	36	39	102	97	49	12	187	147
<b>Bonds designated at fair value</b>	<b>584</b>	<b>0</b>		<b>622</b>			<b>584</b>	<b>622</b>
<b>Hedged borrowings</b>								
Subordinated debt	0	0			468	440	468	440
<b>Derivative liabilities</b>	<b>25</b>	<b>12</b>		<b>22</b>	<b>3</b>	<b>2</b>	<b>27</b>	<b>36</b>
<b>Accrued interest</b>	<b>89</b>	<b>77</b>					<b>89</b>	<b>77</b>
<b>Lease liabilities</b>	<b>766</b>	<b>741</b>	<b>1,970</b>	<b>1,916</b>	<b>1,132</b>	<b>1,104</b>	<b>3,869</b>	<b>3,760</b>
<b>TOTAL</b>	<b>2,196</b>	<b>1,281</b>	<b>5,727</b>	<b>5,584</b>	<b>7,509</b>	<b>7,043</b>	<b>15,432</b>	<b>13,909</b>

## 28.3 Changes in debt

The following table presents changes in debt in 2022 and 2021, distinguishing between changes with an impact on cash and those without.

<i>(in € millions)</i>	<b>Bonds and debt<sup>(a)</sup></b>	<b>Debt-related derivative assets (including security deposits)<sup>(a)</sup></b>	<b>Lease liabilities<sup>(a)</sup></b>	<b>Cash impact (Excl. Banking activities)</b>	<b>La Banque Postale subordinated debt</b>	<b>La Banque Postale lease liabilities</b>	<b>Cash Impact (Group)</b>
<b>Balance at 31/12/2020</b>	8,891	(89)	3,509		10,187	115	
<b>Changes with cash impact</b>							
Proceeds from new borrowings <sup>(b)</sup>	2,957			2,957	1,869		4,826
Repayment of borrowings <sup>(c)</sup>	(1,789)			(1,789)	(1,751)		(3,540)
Repayment of lease liabilities			(751)	(751)		(51)	(801)
Other cash flows from financing activities	12	(5)		6			6
<b>Changes without cash impact</b>							
Change in accrued interest on financial instruments	(0)						0
Increase in lease liabilities			1,012			90	
Changes in consolidation scope and exchange rates	57	4	115		0	0	
Changes in fair value (excluding banking activities) <sup>(d)</sup>	(26)	38					
Other non-cash flows and reclassifications	14	(8)	(127)		(196)	(1)	
Debt of subsidiaries held for sale	0	0	2		0	0	
Commitment to pay dividends to non-controlling interests	34						
<b>Balance at 31/12/2021</b>	<b>10,149</b>	<b>(61)</b>	<b>3,760</b>		<b>10,110</b>	<b>153</b>	

(in € millions)	Bonds and debt <sup>(a)</sup>	Debt-related derivative assets (including security deposits) <sup>(a)</sup>	Lease liabilities <sup>(a)</sup>	Cash impact (Excl. Banking activities)	La Banque Postale subordinated debt	La Banque Postale lease liabilities	Cash Impact (Group)
<b>Balance at 31/12/2021</b>	10,149	(61)	3,760		10,110	153	
<b>Changes with cash impact</b>							
Proceeds from new borrowings <sup>(b)</sup>	2,475			2,475	1,003		3,477
Repayment of borrowings <sup>(c)</sup>	(1,045)			(1,045)	(1,750)		(2,795)
Repayment of lease liabilities			(814)	(814)		(58)	(872)
Other cash flows from financing activities	(32)	(13)		(45)			(45)
<b>Changes without cash impact</b>							
Change in accrued interest on financial instruments	14						0
Increase in lease liabilities			1,044			118	
Changes in consolidation scope and exchange rates	19	9	(30)		0	0	
Changes in fair value (excluding banking activities) <sup>(d)</sup>	(42)	23					
Other non-cash flows and reclassifications	28	(15)	(78)		(264)	1	
Debt of subsidiaries held for sale	(0)	0	(14)			0	
Commitment to pay dividends to non-controlling interests	(3)						
<b>BALANCE AT 31/12/2022</b>	<b>11,564</b>	<b>(57)</b>	<b>3,869</b>		<b>9,099</b>	<b>214</b>	

(a) See Note 29.1.

(b) **Proceeds from new borrowings:**

On 14 September 2022, La Poste carried out a €1,200 million sustainable bond issue, recognised at amortised cost, comprising:

- a first tranche of €600 million at a fixed rate of 2.625% with a 6-year term (maturity: September 2028);
- a second tranche of €600 million at a fixed rate of 3.125% with a 10.5-year term (maturity: March 2033).

La Poste carried out three tap issues, recognised at amortised cost:

- a €100 million tap issue in January 2022 at a fixed rate of 1% maturing in September 2034;
- a €150 million tap issue in May 2022 at a fixed rate of 0.625% maturing in October 2026;
- a €100 million tap issue in September 2022 at a fixed rate of 0% maturing in July 2029.

In addition, €871 million in commercial paper was issued in 2022.

In 2021, La Poste issued the following two bonds on 11 January, recognised at amortised cost:

- €1,000 million bond at a fixed rate of 0.625% with a 15-year term (maturity: January 2036);
- €750 million bond at a fixed rate of 0% with an 8.5-year term (maturity: July 2029).

Also in 2021, La Poste carried out three tap issues in November, recognised at amortised cost:

- a €200 million tap issue at a fixed rate of 0% maturing in July 2029;
- a €200 million tap issue at a fixed rate of 1% maturing in September 2034;
- a €75 million tap issue at a fixed rate of 0.625% maturing in October 2026;

In addition, €725 million in commercial paper was issued in 2021.

(c) **Repayment of borrowings:**

In 2022, CNP Assurances redeemed a €1,000 million bond (see Note 1).

In 2021, La Poste redeemed a bond with a nominal value of €1,000 million that was issued in 2006 and recognised at amortised cost.

In addition, €1,021 million in commercial papers was redeemed in 2022 (€725 million in 2021).

(d) **Changes in fair value (excluding banking activities):**

In accordance with IFRS 9, some bonds backed by fixed-for-floating swaps are recognised at fair value through profit or loss.

The credit risk component of the change in fair value is recognised in "Other comprehensive income" (positive €1 million in 2022, and negative €6 million in 2021).

The corresponding swaps are also measured at fair value through profit or loss, in accordance with the general rule for measuring derivatives set out in IFRS 9.

## 28.4 Bonds and subordinated debt

As 31 December 2022, group bonds with nominal values over €500 million broke down as follows:

Date of issue	Maturity	Currency	Nominal interest rate	Nominal value (in millions of currency units)	Accounting treatment
2003	2023	Euro	4.375%	580	Fair value
<i>Other bonds at fair value</i>					
<b>TOTAL BONDS AT FAIR VALUE</b>					<b>580</b>
2012-2013	2024	Euro	2.750%	1,000	Amortised cost
2015	2025	Euro	1.125%	750	Amortised cost
2018	2028	Euro	1.450%	500	Amortised cost
2019	2027	Euro	0.375%	1,000	Amortised cost
2019-2021-2022	2034	Euro	1.000%	1,000	Amortised cost
2020-2021-2022	2026	Euro	0.625%	875	Amortised cost
2020	2032	Euro	1.375%	1,150	Amortised cost
2021-2022	2029	Euro	0.000%	1,050	Amortised cost
2021	2036	Euro	0.625%	1,000	Amortised cost
2022	2028	Euro	2.625%	600	Amortised cost
2022	2033	Euro	3.125%	600	Amortised cost
<i>Other bonds at amortised cost</i>					<b>420</b>
<b>TOTAL BONDS AT AMORTISED COST</b>					<b>9,945</b>

At 31 December 2022, bonds broke down by rate type as follows:

(in € millions)	Debt breakdown before fixed-for-floating swaps		Impact of fixed-for-floating transactions	Debt breakdown after fixed-for-floating swaps	
	Amount	%	Amount	Amount	%
Fixed-rate borrowings	10,468	100%	(584)	9,884	94%
Floating-rate borrowings			584	584	6%
<i>Of which borrowings covered by partial or total floating-for-fixed swaps (see note below)</i>			(584)		
<b>TOTAL BORROWINGS</b>	<b>10,468</b>	<b>100%</b>	<b>0</b>	<b>10,468</b>	<b>100%</b>

The fixed-for-floating swaps mentioned above are used to turn a fixed interest rate into a floating rate at any time between the debt issue and maturity.

Furthermore, floating-for-fixed swaps are also used to turn the interest rates for a portion of these borrowings back into fixed rates for short periods ranging from one to five years.

At 31 December 2022, floating-rate borrowings covered by floating-to-fixed swaps amounted to €584 million, or 5.6% of total borrowings. These borrowings are still disclosed on the "Floating-rate borrowings" line.

Floating-for-fixed swaps represented a nominal amount of €580 million including €380 million qualified as cash flow hedges.

### Breakdown of debt by currency

All bonds were denominated in euros at 31 December 2022.

US-dollar-denominated subordinated notes are hedged by a cross-currency swap designated as a cash flow hedge, whereby both interest rate risk and exchange rate risk are hedged.

## 28.5 Derivative instruments for industrial and commercial activities

(in € millions)	Fair value at 31/12/2022		Fair value at 31/12/2021	
	Assets	Liabilities	Assets	Liabilities
<b>TRADING DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
Fixed-for-floating derivatives	17	0	54	0
Floating-for-fixed derivatives	2	0	0	3
<b>Total</b>	<b>19</b>	<b>0</b>	<b>54</b>	<b>3</b>
<b>HEDGING DERIVATIVES</b>				
Cash flow hedges	8	0	2	22
<b>Total debt-related derivatives</b>	<b>27</b>	<b>0</b>	<b>56</b>	<b>25</b>
<b>OTHER</b>				
Currency / exchange derivatives	17	27	2	10
<b>TOTAL DERIVATIVES (EXCLUDING BANKING ACTIVITIES)</b>	<b>44</b>	<b>27</b>	<b>58</b>	<b>36</b>
<b>AMORTISABLE BALANCE ON INTERRUPTED HEDGING DERIVATIVES</b>				
Cash flow hedging derivatives	4	0	5	0

## 28.6 Other debt

### La Poste savings bonds

This line represents La Poste's savings bond liabilities. All of the bonds had matured at the end of 2022.

### Commercial paper

Commercial paper issued by La Poste and outstanding at 31 December 2022 had maturities of three months or less and represented €150 million (€300 million at 31 December 2021).

### Deposits and guarantees received

This line primarily corresponds to security deposits received in respect of financial instruments put in place to manage bonds.



## NOTE 29 Group net debt

### 29.1 Group net debt position

(in € millions)	Note	31/12/2022	31/12/2021
Cash and cash equivalents (balance sheet line)	24	4,537	2,895
Debt-related derivative assets	21	44	58
Security deposits paid in connection with derivatives, recognised as assets		13	3
Investment securities with initial maturities of over 3 months and UCITS	21	581	351
Net financial receivable from La Banque Postale		66	369
<b>Cash and other asset items (1)</b>		<b>5,242</b>	<b>3,676</b>
Medium and long-term bonds and debt	28.1	10,134	9,608
Short-term bonds and debt	28.1	1,429	541
Lease liabilities	28.1	3,869	3,760
<b>Gross debt (2)</b>		<b>15,432</b>	<b>13,909</b>
<b>NET DEBT (2)-(1)</b>		<b>10,191</b>	<b>10,233</b>
Increase / (Decrease) in net debt at 31 December 2022		(42)	

### 29.2 Changes to Group net debt

(in € millions)	Cross-references	2022	2021
<b>Net cash from/(used in) operating activities</b>	SCF <sup>(a)</sup>	<b>3,578</b>	<b>2,375</b>
Net cash from/(used in) investing activities	SCF	(2,048)	(2,126)
Elimination of change in financial assets held for cash management purposes	SCF	230	51
<b>Net cash from/(used in) investing activities excluding acquisitions and disposals of financial assets held for cash management purposes<sup>(b)</sup></b>		<b>(1,818)</b>	<b>(2,075)</b>
Perpetual loans classified as equity <sup>(c)</sup>	SCF	29	198
Dividends paid to shareholders and remuneration of hybrid subordinated notes	SCF	(442)	(33)
Purchases of non-controlling interests	SCF	(139)	(556)
Net interest expense		(214)	(242)
Change in fair value of debt and derivatives		18	(13)
Impact of changes in consolidation scope on gross debt (incl. lease liabilities)		(10)	(174)
Non-cash changes in lease liabilities (IFRS 16)		(966)	(886)
Net debt of subsidiaries held for sale		(1)	(9)
Commitment to pay dividends to non controlling interests		3	(34)
Other items <sup>(d)</sup>		6	18
<b>Cash flows and change in debt from financing activities</b>		<b>(1,717)</b>	<b>(1,730)</b>
<b>DECREASE/(INCREASE) IN NET DEBT SINCE 1 JANUARY</b>		<b>42</b>	<b>(1,431)</b>
Opening net debt		(10,233)	(8,802)
Closing net debt		(10,191)	(10,233)

(a) "SCF" refers to the industrial and commercial activities column of the consolidated statement of cash flows.

(b) Net cash from / (used in) investing activities differs from the item in the statement of cash flows due to the exclusion of "change in financial assets held for cash management purposes". These assets are deducted when calculating the change in net debt.

(c) Perpetual notes issued by Asendia in 2021 and in 2022.

(d) The "Other items" line includes the impact of changes in exchange rates on net debt.

## NOTE 30 Employee benefits

<b>30.1</b>	Change in provisions for employee benefits	304	<b>30.4</b>	Change in post-employment benefit obligations	307
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<b>30.3</b>	Actuarial assumptions	306	<b>30.6</b>	Expected cash outflows	308

### 30.1 Change in provisions for employee benefits

Provisions for employee benefits changed as follows in 2022:

(in € millions)	31/12/2021		Changes in consolidation scope	Increase	Decrease for utilisation	Reversals	Net interest cost	Other changes	31/12/2022	
	Current	Non-current							Current	Non-current
Retirement benefits	23	711	2	127	(111)	(0)	4	(146)	29	580
Other post-employment benefits	7	234	0	6	(16)	0	2	105	8	331
<b>Post-employment benefits</b>	<b>31</b>	<b>945</b>	<b>2</b>	<b>133</b>	<b>(127)</b>	<b>(0)</b>	<b>6</b>	<b>(40)</b>	<b>37</b>	<b>910</b>
<b>End-of-career arrangements</b>	<b>450</b>	<b>1,152</b>	<b>0</b>	<b>45</b>	<b>(445)</b>	<b>0</b>	<b>(3)</b>	<b>(0)</b>	<b>432</b>	<b>767</b>
Severance payments	84	61	0	4	(40)	0	0	(0)	75	34
Long-term sick leave/ long-term paid leave	39	26	0	1	(8)	0	0	0	36	22
Accrued leave	142	134	0	19	(1)	0	0	(0)	147	147
Other long-term benefits	9	85	(0)	2	(20)	(0)	0	1	1	77
<b>Other employee benefits</b>	<b>274</b>	<b>306</b>	<b>(0)</b>	<b>27</b>	<b>(68)</b>	<b>(0)</b>	<b>0</b>	<b>1</b>	<b>259</b>	<b>280</b>
<b>TOTAL</b>	<b>754</b>	<b>2,403</b>	<b>2</b>	<b>204</b>	<b>(640)</b>	<b>(0)</b>	<b>3</b>	<b>(39)</b>	<b>729</b>	<b>1,958</b>
	3,157								2,687	

### 30.2 Description of employee benefits

Post-employment and long-term obligations under defined benefit plans and the related costs are measured by the projected unit credit method, in accordance with IAS 19. Actuarial assessments are performed every year.

The assessment takes into account external economic assumptions (discount rates, inflation rates, pension increases, etc.), together with assumptions that are specific to La Poste (employee turnover rates, mortality rates, future salary levels, etc.).

### 30.2.1 Pension obligations for La Poste civil servants

Article 150 of France's Amended 2006 Budget Law, published in the Journal Officiel of 31 December 2006, limits La Poste's obligation with respect to the pensions of its civil servant staff to the payment of employer contributions in full discharge of its liability for pension payments.

As a result, no provision for pension obligations towards civil servants is recorded in La Poste's financial statements.

The employer contribution paid by La Poste is calculated using a "competitive equity" rate, which aligns La Poste's mandatory payroll-based social security and tax contributions with those of other companies in the postal and banking sectors.

French Decree 2021-1210 of 20 September 2021, which entered into force the day after its publication, ratified a change in the methods used to determine the competitive equity rate so as to make its calculation more accurate with regard to the various social security and tax contributions paid by La Poste.

In application of this decree, the French State plans to recalculate the contributions paid for the years 2018 to 2020. Part of the adjustment was taken into account when calculating the rate for 2021. As a result, an €80 million annual reduction in pension expenses was recognised in the 2021 and 2022 financial statements.

The remaining adjustment is expected to be around €80 million. This amount was not recognised in 2022 as the method for determining the competitive equity rate for future periods was unknown.

### 30.2.2 Post-employment benefits for La Poste civil servants

Other post-employment benefit obligations comprise:

- employee welfare services provided to civil servants, including holiday discounts;
- a loyalty bonus granted to retired civil servants who hold their pension in a La Banque Postale account;
- grants to organisations that provide services to retired civil servants.

### 30.2.3 Retirement benefits for contract staff of La Poste and group subsidiaries in France

Employees retiring from the company and eligible for a pension receive retirement benefits, based on length of service and final salary.

### 30.2.4 Pension plans for employees of group subsidiaries outside France

Pension obligations for the group's subsidiaries outside France primarily relate to the Geopost sub-group and the Geopost UK subsidiary. Geopost UK's obligations are covered by a pension fund.

### 30.2.5 End-of-career arrangements

La Poste employees may, under certain conditions, benefit from end-of-career arrangements. These plans are offered to people who meet a minimum-age requirement of between 53 and 60 years, depending on certain criteria (physically demanding position, field or office work, length of service, etc.).

During the term of the plan, beneficiaries receive 70% of full-time remuneration in exchange for a reduced operational workload.

Provisions for end-of-career arrangements recognised at 31 December 2022 take into account expected enrolments for plans open until 30 June 2023 and enrolments in previous plans.

### 30.2.6 Other long-term benefits

Other long-term benefits comprise paid leave schemes, including:

- **accrued leave:** accrued leave is a scheme that allows employees to carry forward part of their unused earned leave to future periods. The provision for accrued leave corresponds to the value of the leave rights included in this scheme;
- **supplementary leave:** civil servants from originate from or work in France's overseas departments benefit from paid supplementary leave and paid travel expenses. The provision covers these supplementary leave and travel rights;
- **long-term sick leave/long-term paid leave:** The provision for long-term sick leave and long-term paid leave is designed to cover the costs of future leave initiated at year-end. This provision is measured at every year-end for all employees concerned, on the basis of future entitlements expressed in payable index points.

### 30.3 Actuarial assumptions

The actuarial assumptions used to measure employee benefit obligations are reviewed and updated once a year at year-end.

The main assumptions used at 31 December 2022 are as follows:

- the probability of active employees staying with the Group, mortality rates and estimated future salary levels;
- retirement assumptions for employees of companies outside France and employees governed by foreign collective bargaining agreements, which take into account local economic and demographic factors;
- an assumed average benefit increase of 2% (unchanged compared with 2021);

- a forecast of the *Livret A* rate used to calculate the loyalty bonus (see above);
- provisions for obligations relating to end-of-career arrangements that form part of agreements, calculated on the basis of (i) definite enrolments in these plans at the reporting date, and (ii) Management's best estimate of probable future enrolments up until the expiry date of the agreements. A 1-point increase in the expected enrolment rate would increase the provision by around €11 million at 31 December 2022;
- discount rates used for actuarial assessments as at period-end, determined with reference to a basket of AA-rated corporate bonds published by *Reuters*, as follows:

Maturity	5 years	10 years	15 years	20 years
<b>2022</b>				
Eurozone	3.7%	3.7%	3.8%	3.7%
UK	5.1%	4.7%	4.8%	4.9%
<b>2021</b>				
Eurozone	0.3%	0.6%	1.0%	1.0%
UK	1.5%	1.7%	1.7%	1.9%

Inflation assumptions used for the UK were 3.15% (Retail Price Index - RPI) and 2.4% (Consumer Price Index - CPI), and respectively 3.35% and 2.55% in 2021.

### 30.4 Change in post-employment benefit obligations

(in € millions)	2022	2021
<b>Obligations at beginning of period</b>	1,248	1,410
Change in the calculation of certain post-employment benefits following the IFRS IC agenda decision of May 2021		(143)
<b>Obligations at beginning of period (restated)</b>	1,248	1,267
Current service cost	63	63
Interest cost	17	15
Benefits paid	(62)	(57)
Employee contributions	1	3
Actuarial (gains)/losses relating to changes in assumptions <sup>(a)</sup>	(162)	(73)
Actuarial (gains)/losses relating to experience adjustments	26	0
Translation adjustments	(9)	17
Change in scope of consolidation	0	0
Other	18	11
<b>OBLIGATION AT END OF PERIOD</b>	<b>1,140</b>	<b>1,248</b>
<b>Plan assets at beginning of period</b>	<b>273</b>	<b>235</b>
Expected return on assets	5	4
Employer contributions	26	28
Employee contributions	3	4
Benefits paid	(21)	(25)
Actuarial gains and losses	(82)	9
Translation adjustments	(9)	18
<b>PLAN ASSETS AT END OF PERIOD</b>	<b>193</b>	<b>273</b>
Obligation	1,140	1,248
Plan assets <sup>(b)</sup>	(193)	(273)
<b>PROVISION</b>	<b>947</b>	<b>975</b>
of which non-current provision	910	945
of which current provision	37	31

(a) Actuarial gains and losses recognised in 2022 and 2021 mainly arised from changes in financial assumptions.

(b) Plan assets primarily correspond to UK plans. Their amounts are slightly in excess of the related obligations.

### Changes in actuarial gains and losses (recognised in “Other comprehensive income”)

(in € millions)	2022	2021
<b>Actuarial (gains)/ losses at beginning of period</b>	<b>93</b>	<b>175</b>
Actuarial (gains)/losses relating to changes in assumptions	(162)	(73)
Actuarial (gains)/losses relating to experience adjustments	26	0
Actuarial (gains)/losses on plan assets	82	(9)
<b>ACTUARIAL (GAINS)/LOSSES AT END OF PERIOD</b>	<b>39</b>	<b>93</b>

### Breakdown of plan assets

Type of assets	2022	2021
Equities	11%	11%
Debt securities	43%	43%
Liability-driven Investment (LDI) funds	20%	20%
Insurance contracts	9%	9%
Other	16%	17%

### Discount rate sensitivity

A 50-basis point decrease in the discount rate would result in an increase of approximately €60 million in the Group's net post-employment benefit obligations.

### 30.5 Analysis of post-employment benefit expense

(in € millions)	2022	2021
Current service cost	63	63
Interest cost	17	15
Expected return on assets	(5)	(4)
<b>EXPENSE /(INCOME) FOR THE PERIOD</b>	<b>76</b>	<b>75</b>

### 30.6 Expected cash outflows

The table below presents an estimate of the benefits payable over the next five years in respect of defined-benefit post-employment benefits:

(in € millions)	Cash outflows
2022	60
2023	50
2024	45
2025	41
2026	42

At 31 December 2022, the average duration of post-employment benefits was around 20 years.

## NOTE 31 Banking activity financial liabilities

<b>31.1</b>	Financial liabilities at fair value through profit or loss	309	<b>31.6</b>	Revaluation differences on portfolios hedged against interest rate risks	310
<b>31.2</b>	Hedging derivatives	309	<b>31.7</b>	Other financial liabilities and accruals	310
<b>31.3</b>	Liabilities due to credit institutions	309	<b>31.8</b>	Banking and insurance activity technical provisions and shadow accounting reserves	311
<b>31.4</b>	Customer deposits	310	<b>31.9</b>	Subordinated debt	311
<b>31.5</b>	Debt securities	310	<b>31.10</b>	IBOR reform	313

### 31.1 Financial liabilities at fair value through profit or loss

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Debt securities</b>	<b>2,443</b>	<b>2,047</b>
Interest rate	3,241	733
Exchange rate	941	828
Credit	1	13
Equity and index instruments	256	627
Other	4	4
<b>Derivative instruments</b>	<b>4,443</b>	<b>2,205</b>
Credit institutions	5,699	0
Customer	774	0
<b>Securities and other assets sold under collateralised repurchase agreements</b>	<b>6,473</b>	<b>0</b>
<b>TOTAL</b>	<b>13,359</b>	<b>4,253</b>

### 31.2 Hedging derivatives

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Interest-rate derivatives	2,371	282
Forex instruments	0	50
<b>TOTAL</b>	<b>2,371</b>	<b>333</b>

### 31.3 Liabilities due to credit institutions

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Current accounts in credit	1,324	1,057
Overnight accounts and borrowings	0	0
Other amounts due	3	8
<b>Demand deposits from credit institutions</b>	<b>1,326</b>	<b>1,065</b>
Term deposits	7,960	8,752
Securities and other assets sold under collateralised repurchase agreements	17,159	20,576
<b>Term liabilities due to credit institutions</b>	<b>25,119</b>	<b>29,328</b>
<b>TOTAL</b>	<b>26,445</b>	<b>30,393</b>

### 31.4 Customer deposits

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Livret A	67,459	65,254
PEL/CEL home savings plans and accounts	29,068	30,624
Other regulated savings accounts	27,515	25,087
<b>Regulated savings accounts</b>	<b>124,042</b>	<b>120,965</b>
Current accounts in credit	82,921	84,981
Overnight accounts and borrowings	2,280	3,314
Other amounts payable to customers	1,332	1,040
<b>Customer demand deposits</b>	<b>86,533</b>	<b>89,335</b>
Term deposits	1,305	753
Term deposit accounts in credit	533	35
Securities and other assets sold under collateralised term repurchase agreements	20,864	23,495
<b>Customer term deposits</b>	<b>22,702</b>	<b>24,283</b>
<b>TOTAL</b>	<b>233,276</b>	<b>234,582</b>

### 31.5 Debt securities

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Certificates of deposit and commercial paper	13,397	7,863
Bonds	15,655	13,830
Other debt evidenced by a certificate	0	(0)
<b>TOTAL</b>	<b>29,052</b>	<b>21,693</b>

### 31.6 Revaluation differences on portfolios hedged against interest rate risks

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Revaluation differences on portfolios hedged against interest rate risks	294	422
<b>TOTAL</b>	<b>294</b>	<b>422</b>

### 31.7 Other financial liabilities and accruals

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Deferred income	468	466
Other accruals	681	1,557
<b>Accruals</b>	<b>1,149</b>	<b>2,023</b>
<b>Securities-related liabilities</b>	<b>77</b>	<b>95</b>
<b>Security deposits received</b>	<b>2,313</b>	<b>1,007</b>
Lease liabilities	214	153
Other miscellaneous payables	2,789	2,168
<b>Other payables</b>	<b>3,004</b>	<b>2,321</b>
<b>Securities settlement accounts</b>	<b>8</b>	<b>6</b>
Insurance and reinsurance payables	13,027	13,001
Other miscellaneous insurance liabilities	233	220
<b>Other insurance liabilities</b>	<b>13,260</b>	<b>13,221</b>
<b>TOTAL</b>	<b>19,810</b>	<b>18,674</b>



### 31.8 Banking and insurance activity technical provisions and shadow accounting reserves

(in € millions)	31/12/2022	31/12/2021
Non-life insurance	9,816	9,627
Life insurance	267,765	261,941
of which actuarial life insurance mathematical reserves	254,735	248,849
Financial instruments with DPF	101,296	107,284
of which actuarial life insurance mathematical reserves	91,938	97,942
Financial instruments without DPF	3,110	3,713
<b>Banking and insurance activity technical provisions</b>	<b>381,987</b>	<b>382,564</b>
<b>Net deferred participation reserve<sup>(a)</sup></b>	<b>1,669</b>	<b>31,834</b>
<b>PEL/CEL home savings provisions</b>	<b>106</b>	<b>186</b>
<b>TOTAL</b>	<b>383,763</b>	<b>414,584</b>

(a) See below for details.

The deferred participation reserve results from the use of "shadow accounting". It represents the life insurance policyholders' share of unrealised gains and losses and impairments recognised on assets, whose yields determine the yield paid to policyholders.

The PEL/CEL home savings provision covers the negative impact of home savings deposits for credit institutions authorised to accept them, given the commitments that they imply.

This provision was reserved for an amount of €80 million at 31 December 2022 which can be analysed as follows:

(in € millions)	New money	PEL and CEL loans	2022 Provisions	2021 Provisions	Net movements 2021/2022
<b>Age</b>					
More than 10 years	11,930		21	125	(104)
4 to 10 years	11,834		1	4	(3)
Less than 4 years	973		0	2	(2)
<b>Total PEL home savings plans</b>	<b>24,737</b>	<b>5</b>	<b>22</b>	<b>131</b>	<b>(109)</b>
<b>Total CEL home savings accounts</b>	<b>4,331</b>	<b>27</b>	<b>84</b>	<b>55</b>	<b>29</b>
<b>TOTAL</b>	<b>29,068</b>	<b>31</b>	<b>106</b>	<b>186</b>	<b>(80)</b>

### 31.9 Subordinated debt

(in € millions)	31/12/2022	31/12/2021
Subordinated debt	9,099	10,110

Subordinated debt can be analysed as follows:

<i>(in € millions)</i>	Date of issue	Maturity date	Interest rate	Amount in issue currency	Currency	31/12/2022 <sup>(a)</sup>	31/12/2021 <sup>(a)</sup>
<b>Redeemable subordinated notes</b>						<b>8,254</b>	<b>9,306</b>
La Banque Postale	19/11/2015	19/11/2027	2.75%	750	EUR		750
La Banque Postale	09/06/2016	09/06/2028	3.00%	500	EUR	445	525
La Banque Postale	05/10/2016	05/10/2028	2.25%	100	EUR	85	102
La Banque Postale	19/01/2017	09/06/2028	3.00%	150	EUR	134	158
La Banque Postale	26/10/2020	26/01/2031	0.875%	500	EUR	453	494
La Banque Postale	02/02/2021	02/08/2032	0.75%	500	EUR	426	486
La Banque Postale	27/04/2021	02/08/2032	0.75%	250	EUR	213	243
La Banque Postale	05/12/2022	05/03/2034	5.50%	500	EUR	486	
CNP Assurances	24/06/2003	23/06/2023	4.7825% until 2013, then 3-month Euribor + 200 bps from 24/06/2013	200	EUR	202	204
CNP Assurances	05/06/2014	05/06/2045	4.25% until June 2025, then reset at the 5-year fixed swap + 360 bps	500	EUR	547	561
CNP Assurances	10/12/2015	10/06/2047	4.5% until June 2027, then 3-month Euribor + 460 bps	750	EUR	867	889
CNP Assurances	22/01/2016	22/01/2049	6% for the duration of the title	500	USD	528	504
CNP Assurances	20/10/2016	20/10/2022	1.875% for the duration of the title		EUR		1,019
CNP Assurances	05/02/2019	05/02/2029	2.75% for the duration of the title	500	EUR	567	576
CNP Assurances	27/11/2019	27/07/2050	2.00% until June 2030, then 3-month Euribor + 300 bps	750	EUR	776	779
CNP Assurances	10/12/2019	15/01/2027	0.80% throughout the life of the notes	250	EUR	254	254
CNP Assurances	30/06/2020	30/09/2051	2.5% until Sept. 2031, then 3-month Euribor + 100 bps	750	EUR	759	759
CNP Assurances	08/12/2020	08/03/2028	0.38%	500	EUR	502	502
CNP Assurances	12/10/2021	12/10/2053	1.875% until Oct. 2033, then 3-month Euribor + 270 bps	500	EUR	502	502
CNP Assurances	27/01/2022	27/01/2029	1.25% until January 2029	500	EUR	509	

<i>(in € millions)</i>	<b>Date of issue</b>	<b>Maturity date</b>	<b>Interest rate</b>	<b>Amount in issue currency</b>	<b>Currency</b>	<b>31/12/2022<sup>(a)</sup></b>	<b>31/12/2021<sup>(a)</sup></b>
<b>Perpetual subordinated notes</b>						<b>845</b>	<b>804</b>
CNP Assurances	15/11/2004		4.93% until 2016, then 3-month Euribor + 160 bps from 15/11/2016	90	EUR	89	88
CNP Assurances	15/11/2004		3-month Euribor + 70 bps until 2016, then 3-month Euribor + 160 bps	93	EUR	92	90
CNP Assurances	07/04/2021		4.875% until April 2031, then 5-year CMT + 318.3 bps	700	USD	664	625
<b>TOTAL DEEPLY SUBORDINATED DEBT</b>						<b>9,099</b>	<b>10,110</b>

(a) Balance sheet value including hedging effect and accrued interest.

### 31.10 IBOR reform

Details of the work carried out in 2022 together with the Group's exposure on assets and derivatives are provided in Note 22.10.

At 31 December 2022, the La Banque Postale's exposure to USD LIBOR in terms of book value of financial liabilities amounted to €523 million.

### NOTE 32 Trade and other payables

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Trade payables and related accounts	5,435	5,018
Tax and social security liabilities	2,433	2,279
Payables to suppliers of non-current assets	728	489
International mail payables	780	818
Customer advances and deposits	208	160
Other operating payables	320	376
<b>TOTAL</b>	<b>9,903</b>	<b>9,140</b>

## Additional information

### NOTE 33 Information on risks excluding banking activities

The main purpose of the group's financial liabilities is to finance its operating activities, ensure sufficient liquidity and allow for acquisitions. The group uses derivative instruments, mainly interest rate swaps and currency swaps, for the purpose of managing interest rate risk and currency risk on its euro and foreign currency borrowings.

The group also holds financial assets such as cash and cash equivalents and short-term investments, which are generated directly by its business activities and whose associated risks (counterparty and liquidity risks) are managed daily.

La Poste Groupe takes a cautious approach to risk management based on a system of alerts and notional limits for each of the financial risks to which it is exposed through its financial activities. These limits and alerts are set down in a document called the "Limits Handbook", which is updated regularly based on changes in the business activities of the Financial Transactions and Treasury Department.

A summary of financial risks is presented to La Poste's Audit Committee every year. In 2022, this summary described in particular the changes made to the Limits Handbook during the year and approved by the governance set up by the group.

#### 33.1 Credit and counterparty risk

Credit risk is the risk of the group suffering a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk mainly arises from investment securities and derivative instruments.

##### Investment securities

La Poste's cash and cash equivalents are invested in interest-bearing accounts, bank term deposits, UCITS and negotiable debt securities with a minimum short-term rating of A2/P2 at purchase. Credit risks are controlled by a system of limits representing the maximum nominal amount not to be exceeded per UCITS or issuer. The group also excludes the riskier types of investment securities (structured products and products with unsecured capital) and issuers presenting too much risk.

In the event where a portfolio investment's short-term ratings fall below A2/P2, the security must be sold "at best", unless the group Financial Committee makes an overriding decision.

In addition, to limit the risk of loss on the asset investment portfolio (excluding cash UCITS), a maximum loss limit has been introduced. This limit represents the statistical loss on the asset investment portfolio within a 97.5% interval. It is calculated based on the credit default swaps (CDSs) of each security in the portfolio, weighted by their residual maturity.

##### Derivative instruments

La Poste is exposed to a risk of its market counterparties defaulting, given its presence in derivative markets.

Exposure related to its instruments is assessed through the net market value of derivatives per counterparty after taking into account guarantees received or provided for collateralisation agreements.

Commitments with La Poste's counterparties are subject to systematic collateralisation agreements that reduce the risk of default at the franchise level.

##### Trade and other receivables

Impairment is calculated on an individual basis, based on an assessment of the risk of non-recovery. No group customer accounts for more than 10% of consolidated revenue.

#### 33.2 Liquidity risk

The group strives to have sufficient financial resources at all times to finance recurring business activities and the capital expenditure needed for future growth. The aim of liquidity management is to enable the group to access financial resources in line with its needs in terms of value and time to obtain.

Financial needs are measured through cash flow forecasts (annual, monthly or weekly depending on what is at stake), and the resulting liquidity risk is addressed by:

- negotiating confirmed credit facilities with financial institutions. The group has a five-year €1 billion syndicated credit line expiring in March 2025 (renewable twice for one year), for which it has received commitments from the eleven banks in the banking syndicate (see Note 38.3.2);
- keeping at all times a minimum amount of "security cash" in cash and cash equivalents and in investments maturing within one year taken individually and whose average maturity does not exceed 90 days. This minimum amount is set at €1.3 billion and is defined and monitored by the group's Financial Committee;
- issuing short-term negotiable debt securities (Negotiable European Commercial Paper and Euro Commercial Paper) in order to compensate for changes in cash and bond debt (senior, hybrid and green) and thereby meet the group's long-term needs;
- carrying out prospective monitoring of indicators linked to short- and long-term equity markets in order to anticipate liquidity crisis situations.

The table below presents contractual cash flows relating to non-derivative financial liabilities, as well as contractual cash flows relating to debt management derivatives, regardless of whether they are shown as liabilities or assets. These flows are not discounted and their amounts may therefore differ from those recognised in the balance sheet.

The liabilities do not have any specific clause likely to significantly change the terms.

31/12/2022

(in € millions)	Balance sheet amount	2023 flows		2024 flows		2025-2027 flows		2028 flows and beyond	
		Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
<b>Bonds</b>	10,468	153	1,000	119	1,000	252	2,625	341	5,900
Borrowings at amortised cost	9,884	128	420	119	1,000	252	2,625	341	5,900
Borrowings at fair value	584	25	580						
<b>Subordinated debt</b>	468	25		25		75		398	469
<b>Other debt</b>	4,379	83	1,067	69	661	142	1,431	168	1,221
Lease liabilities	3,869	83	755	69	625	142	1,323	168	1,165
La Poste savings bonds	51		51						
Commercial paper	150		150						
Current bank facilities	38		38						
Deposits and guarantees received	85		36		11		32		7
Other borrowings at amortised cost	187		37		26		77		49
<b>Derivative instruments</b>	(17)	(33)	2	3	0	8	0	11	(11)
Derivative liabilities	27	1		1		1		1	2
Derivative assets	(44)	(34)	2	2		7		11	(12)
<b>TOTAL</b>	<b>15,298</b>	<b>227</b>	<b>2,068</b>	<b>216</b>	<b>1,661</b>	<b>477</b>	<b>4,056</b>	<b>917</b>	<b>7,579</b>

### 33.3 Interest-rate risk

The group's interest rate risk stems from changes in market rates (principally the €ster and 3-month Euribor), which would result in higher interest expense on borrowings, lower returns on investments or the loss of opportunity when rates change unfavourably.

To manage interest rate risk, the group has established:

- an active strategy to manage its bond debt based on the use of derivative instruments to take advantage of market opportunities and reduce the cost of its bonds;
- an active strategy to manage its investments based on the use of derivatives to guarantee returns and adjust the group's exposure to interest rate fluctuations;
- prospective monitoring over 12 rolling months of its net debt and investment position indexed to market rates, and of the fluctuation of financial income and expense resulting from adverse changes in market rates (with a limit when the

estimated impact exceeds 2% of net profit or loss attributable to owners of the parent of last three financial years). This monitoring notably serves to allow active debt and investment management strategies to be adjusted as needed and to limit the impact of significant increase or decrease in interest rates.

#### Sensitivity analysis

A sudden, uniform 50-basis point increase in the market yield curve would not result in an increase in the group's annual financial expense, after taking into account debt management derivative instruments (unchanged from 2021).

A sudden, uniform 50-basis point increase in the market yield curve would result in a €1.4 million gain in earnings (compared with €4.6 million as at 31 December 2021), resulting from the change in the fair value of debt recognised at fair value through profit or loss and of the debt management swaps.

### 33.4 Currency risk

The group conducts international business activities, from France or its foreign subsidiaries, through its Services-Mail-Parcels and Geopost business lines.

To support its international expansion and the resulting currency risk, the group has established a currency risk management policy. This policy targets as a priority:

- acquisitions of foreign currency securities;
- foreign currency debt and loans;
- foreign currency net assets held and consolidated by the group.

This policy defines the governance, hedging conditions and materiality thresholds for these different types of exposure.

To date, and in accordance with the established thresholds and conditions, the group uses forex derivatives qualified as hedging instruments under IFRS and backed by:

- its subordinated USD-denominated debt (\$500 million), fully hedged by a EUR/USD currency swap;
- its USD-denominated equity investments, partly hedged by EUR/USD currency swaps (\$34 million), and its equity investments in Singapore dollars (SGD), hedged in part by forward SGD sales against the euro (SGD 502 million);

- its equity investments in United Arab Emirates dirhams (AED), hedged in part by forward AED sales against the euro (AED 1,548 million).

Other forex derivatives, not qualified as hedges under IFRS, are used for economic hedging purposes.

The bulk of these operating activities generates income and expenses denominated in the subsidiaries' functional and accounting currency. Residual currency risk related to operations currently only involves marginal amounts in relation to the size of the group.

At 31 December 2022, the accounting currency effect on revenue amounted to a negative positive €309 million, stemming mainly from the Brazilian real (positive €144 million), the rouble (positive €46 million), the US dollar (positive €38 million), the Hong-Kong dollar (positive €36 million), the pound sterling (positive €24 million) and the zloty (negative €18 million). The accounting impact of currency fluctuations on operating profit/(loss) amounted to almost a positive €54 million in 2022.

## NOTE 34 Information on risks relating to banking activities

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### 34.1 Structural risk factors

La Banque Postale has a Risk Taxonomy representing the framework of risk factors to which it is exposed. Its purpose is to create a shared risk language across all of the La Banque Postale group's entities (banking, insurance and asset management sectors).

La Banque Postale has a risk map that scores all of these risks and enables it to comply with the applicable regulatory requirements of the banking and insurance sectors (government order of 3 November 2014 on internal control, FICOD, SSM publications, etc.). It is also used as a support for the various cross-functional risk management exercises (such as ICAAP, Risk Appetite Statement and Dashboard, New Product Analysis, Stress Tests, etc.).

This risk map sets out and classifies all of the risks to which the conglomerate is exposed. It is revised annually and was updated following the integration of CNP Assurances to ensure that La Banque Postale group's insurance risks are appropriately covered.

Following on from the end-2021 mapping exercise, further action has been taken to strengthen the process. The updated map places greater emphasis on conglomerate-level risks and the areas for attention highlighted by the ECB in 2021, which relate to operational risks (IT project management risks and risks associated with distribution agreements).

The risk factors are broken down into eight categories.

The 2023 risk map was validated by the Executive Board of La Banque Postale on 19 September 2022. The main changes include:

- improvements to the definitions of certain strategic and business risk;

- the removal of outsourcing risk, which is covered by the operational risk category;
- integration of basis spread risk monitoring in the basis risk category;
- changes in operational risks, mainly concerning process execution and management risks, IT project management and distribution agreement monitoring, and outsourcing risks;
- extension of governance risk review processes to cover all the group's business.

### 34.2 Credit risk

The macro-economic conditions in which La Banque Postale group operates changed considerably in 2022 compared to the environment at the end of 2021. While economists had protected that the waning of the Covid-19 pandemic would be followed by several years of sustained economic recovery (accompanied by expansionary fiscal policy and promotion of the environmental transition), the outbreak of armed conflict in Europe between Ukraine and Russia in first-quarter 2022 has plunged the global economy back into uncertainty. The measures taken to hedge credit risk are intended to reflect this environment.

The information presented in this note also factors in these developments.

### 34.2.1 Developments in the geopolitical and macro-economic environment

#### Geopolitical and macro-economic developments

The invasion of Ukrainian territory by Russian troops on 24 February 2022 led to significant pressure on agricultural raw materials and energy prices. Straight away, investors became more risk averse and began to question of robustness of the global recovery. This situation exacerbated the inflationary pressures that were already present in the post-pandemic environment due to the recovery in economic activity accompanied by a digital revolution, pent-up demand following periods of forced saving during successive lockdowns, and severe supply chain problems.

The main central banks responded to this inflationary environment by announcing interest rate hikes, calibrated in each case with their local macro-economic and budgetary situation.

The impacts of this situation for La Banque Postale are as follows:

- fairly limited impact in terms of the risk arising directly from the Ukraine-Russia conflict: La Banque Postale's loanbook has no exposure to Ukraine and Russia. Its subsidiary CNP Assurances has minor exposure. The main area for attention in terms of the loanbook results from the indirect consequences of the situation on French corporate customers financed by La Banque Postale who do a significant portion of their business with Russia, in particular.

**Note:** Measures were taken by the Group Compliance Department at the outbreak of the conflict to identify and closely monitor the accounts, assets and transactions of retail and corporate customers subject to sanctions. These measures are still in force today;

- a potentially significant (albeit not yet visible to date) deterioration in the credit quality of loanbooks due to the negative external impacts of the conflict, namely the sharp increase in inflation and its impact on the broader interest rate environment and the rest of the macro-economy.

The potential impacts of this deterioration in the macro-economic environment can be summed up as follows:

- **Corporate customers:** business failures among the most fragile customers. The size of companies and their business sector are two of the main factors used for assessing this risk. La Banque Postale continued to adopt a conservative approach to determining non-performing loan provisions at 31 December. All the existing measures concerning industry risk provisions (some of which relate to activities potentially representing greater risk in the current environment) were maintained in the most sensitive sectors, comprising the Private Passenger Transport industry – with a particular focus on Airlines – the Automotive industry, Tourism and Hospitality, Retail, Commercial Property and, above all, Agriculture to anticipate possible raw materials shortages following the outbreak of the Russia-Ukraine conflict (measure in place since 30 June 2022). In addition, Group Risk Management decided to recognise general provisions

at 31 December 2022 on leveraged exposures with the lowest credit quality ratings;

- **Retail customers:** job stability and the stability of savings and disposable incomes net of inflation represent structural factors taken into account to assess the credit risk represented by retail customers who have obtained loans from the Bank. Government support packages, price freezes and the French unemployment system all help to delay or even offset the occurrence of this risk, but La Banque Postale's customers with low incomes are nonetheless expected to experience difficulties, as they are particularly vulnerable to sharp price increases on basic and everyday consumer products. La Banque Postale set aside provisions for a category of customers that the Bank considers to be vulnerable in the current inflationary environment and particularly exposed to the macro-economic impact of the current monetary policy reaction to rising inflation. The customers concerned have very limited savings with the Bank or very small disposable incomes.

#### Covid-19 impacts

Like all credit institutions, La Banque Postale has been dealing with the economic and operational consequences of the Covid-19 pandemic since the beginning of 2020.

Between March 2020, when the World Health Organization declared that the Covid-19 epidemic had become a pandemic, and the date when this document was prepared, France experienced seven waves of Covid-19 infections. Each time, the French government responded by imposing a lockdown, the closure of non-essential public places and the cancellation of all cultural and sporting events. These measures inevitably had major consequences on the economy and La Banque Postale mobilised its resources alongside the government to support customers experiencing financial hardship during these periods.

Several practical initiatives were organised around exceptional government measures to support business and retail customers, and remained in place at 31 December 2022:

- distribution of government-backed loans (PGE): at 31 December 2022, these loans represented a residual outstanding amount of €844 million (of which €718 million due in more than two years);
- distribution of stimulus loans (PPR): these loans were granted by La Banque Postale and other French banks between April 2021 and June 2022. In 2022, 21 loans were contracted for a total amount of €5.9 million. The loans represented a residual outstanding amount of €11.5 million at 31 December 2022.

As of the date of preparation of this document, the epidemic appears to have been brought under control. Although new waves of Covid-19 infections, including its variants, have been observed, they are far less dangerous thanks to the high level of vaccination coverage and they no longer act as a serious brake on economic growth in developed countries.

However, the World Health Organization is still very cautious when it comes to predicting the end of the pandemic, and a new outbreak with dangerous variants of the virus would increase the uncertainties and potential difficulties for the Bank's clients, as mentioned in the paragraph on developments in the geopolitical and macro-economic environment.

## Impact of the macro-economic environment on the measurement of credit risk

After gradually returning to a normal level in 2021 with cost of risk at €268 million, cost of risk stood at €216 million in 2022, with the loss ratio largely unchanged, reflecting:

- the high quality of the group's assets in Retail and CIB banking books;
- its limited exposure to the corporate sectors hardest hit by the current crisis;
- La Banque Postale's conservative policy concerning loss allowances across all customer categories.

Outstanding non-performing loans rose slightly compared to 2021, due to a "dossier de Place" being reclassified to bucket 3 (NPL rate of 0.76% of gross retail exposures and securities). Due to the size of this non-performing loan, the overall NPL coverage rate declined to 35% at 31 December 2022.

The classification and provisioning of La Banque Postale's exposures at 31 December 2022 continue to be based on:

- automatic processes for identifying potential significant increases in credit risk and for classifying or proposing classification in "buckets" in accordance with IFRS 9;
- control and approval processes performed by the Group Risk Department and individual or collective adjustment decisions taken as part of the exposure monitoring process (Watchlists, sector-based measures, etc.).

La Banque Postale updated its macro-economic scenarios at 31 December 2022, along with the related risk parameters used to determine statistical provisions. The impact on credit risk assessments of the uncertainty caused by the crisis (and its macro-economic consequences) is reflected in La Banque Postale's financial statements through management measures adapted to each major customer segment. These measures were taken by the Group Risk Department after reviewing the entire loanbook.

### Corporate customers

2022 cost of risk for Corporate and investment Banking customers results from:

- La Banque Postale's exposure monitoring process specific provisioning decisions made by dedicated committees for outstanding loans under surveillance (included on the Watchlist and/or credit impaired loans classified in bucket 2 and defaulted loans classified in bucket 3 under IFRS 9);
- application of sector-specific or other general loss provisioning principles;
- statistical provisions recorded on the rest of the performing loanbook not subject to individual or general provisions.

In this last area, after observing the effects of the crisis, La Banque Postale chose to maintain or step up the policy adopted in late 2020 concerning general loss allowances and to extend the policy into 2021 and 2022. Sector-specific loss allowances were recorded on exposures in the following sectors at 31 December 2022:

- Tourism, Hospitality and Leisure;

- Private Air and Land Passenger Transport;
- the Photovoltaic Energy sector in France, due to a review of pricing conditions;
- certain segments of the Retail sector;
- the Automotive sector;
- Commercial Real Estate other than city centre locations;
- Agriculture (sector added at 30 June 2022) in order to anticipate the likely difficulties to come for certain customers affected by the raw materials shortages and disruptions to their supply chains since the start of the armed conflict between Russia and Ukraine;
- leveraged transactions (as defined in European Banking Authority guidelines) with a downgraded rating, and LBOs, in order to anticipate possible inflation-related cash flow difficulties (category added at 31 December 2022).

The related exposures were reclassified to IFRS 9 "bucket 2" as La Banque Postale considered that there had been a significant increase in their credit risk since they were added to the loanbook.

In 2022, the Corporate and Investment Banking cost of risk amounted to €108 million, reflecting:

- additional allocations to provisions, primarily to reflect the natural deterioration of the loanbook and the downgrades applied to certain specific exposures (including provisioning decisions made by the watchlist/special cases committees);
- monitoring measures implemented in anticipation of certain potential macro-economic downturns, with sector-specific provisions recognised as part of the alignment of provisioning methodologies across all industries concerned (addition of agriculture, removal of shipping and reduction for some other sectors due to a base effect and improved credit scores), and provisions also set aside for corporate leveraged transactions;
- the use of updated parameters for provisioning models, and updated macro-economic scenarios with adjusted weightings across all customer segments to which the Bank is exposed;
- the use of revised thresholds for determining whether an asset has been subject to a significant increase in credit risk.

### Retail customers

In 2022, the following adjustments were made to reflect the impact of the crisis on the loanbook's retail customers:

- retail credit exposures in the Caribbean region were reclassified to sound, due to the improvement in the health, economic and labour environment;
- the provision set aside in 2021 to cover the rating migration risk on the performing loanbook was gradually reversed, as part of a prospective approach designed to prepare for a possible return to a distribution more representative of the loanbook's structural composition;
- the overlay (multiplying factor) for calculating loss given default (LGD) for home loans guaranteed by sureties was maintained;



- loans to customers that the bank considers to be vulnerable in the current inflationary environment and particularly exposed to the macro-economic impact of the current monetary policy reaction to rising inflation were reclassified to bucket 2. The customers concerned have very limited savings with the bank or very small disposable incomes;
- the parameters used for provisioning models were updated, as were the macro-economic scenarios and their weighting across all customer segments to which La Banque Postale is exposed;
- revised thresholds were applied to determine whether an asset has been subject to a significant increase in credit risk.

Taking these factors into account, the cost of risk for retail customers in 2022 amounts to €96 million (excluding online banking), of which €48 million relates to the consumer credit business and €35 million to the home loan business.

### 34.2.2 General framework

The Group Risk Department (GRD) manages credit risk, *i.e.*, the risk incurred by La Banque Postale in the event of default by a customer or a group of connected customers considered as constituting a single risk within the meaning of Regulation (EU) No. 575/2013 of the European Parliament and the Council on prudential requirements for credit institutions and investment firms (CRR).

La Banque Postale does not currently take climate risk into account for the calculation of its Expected Credit Losses (ECLs). At 31 December 2022, La Banque Postale's exposure to carbon-intensive sectors was very limited, with virtually no exposure to fossil fuels (€2.3 million) due to a prudent management policy that gives priority to financing the renewable energy sector (€2,228 million).

Work will be undertaken in the coming years, once the relevant databases and observations have been compiled, to incorporate climate risk in the parameters used to model ECLs. The Group Risk Department currently prefers to quantify this risk and take it into account in the financial statements using other methods such as economic capital measurements that better correspond to the time horizon for the occurrence of this type of risk.

### 34.2.3 Significant increase in credit risk

#### Principles

La Banque Postale defines six principles for assessing a significant increase in credit risk in accordance with IFRS and the guidelines of the European Banking Authority (EBA) for moving loans from bucket 1 to bucket 2.

#### Principle 1 – Monitoring of credit risk

The credit quality of an asset is measured at the outset, *i.e.*, it is a relative assessment applied at the level of the commitment. The ECL is measured on initial recognition of the asset and again at each reporting date to determine the asset's bucket classification.

A financial instrument is classified as sensitive (bucket 2) when there has been an increase in credit quality since initial recognition (comparison of the asset's credit quality vs when it was first recorded in the balance sheet or recognised as an off-balance sheet commitment).

Effective from 2022, based on the recommendations of the European supervisor, the increase in credit risk is considered significant when the Probability of Default TTC (Through The Cycle, *i.e.*, the value of a parameter averaged over a macro-economic cycle) associated with the customer's credit score used in the provisioning process has been multiplied by three since the loan was recorded in the portfolio.

#### Principle 2 – Monitoring of credit quality with the addition of a backstop

To supplement the first principle, La Banque Postale has added an absolute threshold criterion. The approach defined by the group combines a relative threshold and an absolute threshold.

The absolute threshold is based on two indicators:

- rating indicator: the absolute quality level beyond which there is considered to be a significant increase in the assets' credit risk is set by customer segment and/or type of asset;
- past due indicator: contractual payments more than 30 days past due (see IFRS 9, paragraph 5.5.11).

#### Principle 3 – Use of a 12-month indicator for individual (retail) customers

Assessment of a significant increase in credit risk implies assessing at each reporting date the probability of a default occurring over the remaining life of the asset. Rather than basing the assessment on the lifetime probability of default, IFRS 9 allows the use of a 12-month probability of default if this is a reasonable approximation of the lifetime probability and is supported by appropriate documentation.

#### Principle 4 – The low credit risk concept

In determining whether a financial instrument represents a low credit risk, La Banque Postale may use its internal credit score or another rating that meets a universally accepted definition of "low credit risk" and takes into account the risks and the type of financial instrument being assessed. For example, a financial instrument rated investment grade (BBB or better) by a recognised credit rating agency could be considered to represent a low credit risk.

La Banque Postale uses this exemption only at CNP Assurances.

#### Principle 5 – Consideration of qualitative information

- Non-retail loanbook: in addition to quantitative and automated analyses based on changes in the probability of default, a specific qualitative analysis may be carried out by the Watchlist Committee or based on independent analyses. This additional analysis will serve to confirm or reject the existence of a significant increase in credit risk determined by the credit score indicator and the reclassification to bucket 2;

- Retail loanbook: the presumption of bucket 2 status may be supported by additional analyses based on expert judgement, particularly in the case of vulnerable customers;
- Restructured loans: a restructured exposure is considered as a credit impaired/bucket 2 asset after a 12-month probationary period in default status. La Banque Postale considers that a restructured asset is credit impaired for a minimum period of 24 months. At the end of this period, Regulation 680/2014 allows the restructured status to be forgotten as long as all the regulatory criteria are met.

Although the unit of account under IFRS 9 is the contract, and each contract is recognised separately, the standard allows additional analyses to be performed on groups of contracts when a significant increase in credit risk has been identified.

This approach makes it possible, for example, to integrate information on the increase in credit risk of a group of loans with a common characteristic (same geographical area, same industry, etc.).

It also ensures that all relevant information is taken into account in the process even if it is not yet available for individual contracts (i.e., it is not yet known which contract in the loanbook will be affected). For the implementation of an approach based on a group of contracts, instruments are grouped on the basis of common credit risk characteristics (same type of collateral, same generation, same industry, same geographical area, etc.).

### Principle 6 – Transfer to bucket 2 before default

Assets exposed to a significant increase in credit risk must be identified before they default. A loan should not be transferred directly from performing (bucket 1) to in default (bucket 3).

Exceptionally, some commitments can be exempt from being classified as credit impaired/bucket 2 before they are recorded in default.

Application of some of these principles requires the use of credit scoring models. La Banque Postale currently monitors credit risk at the individual contract level using credit scoring models generally applied to the counterparty. In other words, the credit score of a contract at a given time is determined on the basis of the counterparty's score at that time, such that, at a given time, all contracts with the same counterparty have the same credit score.

In order to measure an increase in the credit risk, La Banque Postale uses a credit scoring system derived from:

- internal credit scoring models; or
- a database that collects, keeps and uses the external credit ratings awarded to the borrower concerned.

Consequently, the Bank's risk monitoring systems collect data on the ratings at the commencement of the contracts and keep them in order to determine a significant increase in credit risk, as well as the last known rating in order to fulfil the first principle.

When La Banque Postale does not have rating models or systems for gathering ratings (and thus does not use ratings as data on entry into the portfolio), it can use other types of measurement. For loanbooks that have an internal credit score and/or external rating, the existence of a significant increase in credit risk is

assessed primarily on the basis of the credit score or rating, and secondly by reference to any appropriate quantitative and/or qualitative analyses prepared by the business line concerned, especially where the increase in credit risk is due to an unjustified change in the credit score/rating.

### Process for assessing a significant increase in credit risk

The operational procedures in place enable events indicating a possible deterioration in the credit quality of a counterparty to be monitored/detected.

The criteria for classification of a commitment in bucket 2 are described by category of exposure:

- individual customers – individuals;
- individual customers – professionals;
- central administrations & central banks;
- credit institutions;
- corporate;
- public sector entities.

The criteria do not represent an exhaustive list and the relevance of information depends on the customer segment concerned (except for individual customers). Other events leading to a deterioration in credit quality or generating risk can be taken into consideration following an analysis carried out by the risk unit concerned.

These events are evaluated by the Group Risk Department's teams with good knowledge of the customers or groups of connected customers they are tasked with monitoring.

The operating entities are responsible for the exposures they have generated and must detect immediately any events that indicate a deterioration in the credit quality of their customers.

All assets that are not in bucket 3 or bucket 2 are classified in bucket 1. These are assets that show no significant increase in credit risk since initial recognition.

Lastly, an asset moved to bucket 2 following a significant increase in credit risk may be moved out of bucket 2 and reclassified in bucket 1 if all the criteria that led this classification are no longer met and any arrears have been settled. Depending on the circumstances, an observation period may be required for vulnerable debtors to prevent recurrence.

Moving restructured assets out of "default" are monitored during a probationary period determined in accordance with the regulatory requirements.

### 34.2.4 Provisioning – the expected credit losses (ECL) approach

#### Expected credit losses

Expected credit losses (ECL) are measured in a way that reflects an unbiased and probability-weighted loss amount determined by evaluating a range of possible outcomes, the time value of exposure and all reasonably available information. This methodology is described in Note 3.13.7 (Provisioning methods for bucket 1 and bucket 2).

### 12 month expected credit loss (12-month ECL)

When there is no significant increase in the credit risk associated with a commitment since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses.

12-month ECL represents the portion of the lifetime cash shortfalls that will result if a default occurs in the 12 months.

This formula applies to all assets and commitments classified in bucket 1.

### Lifetime expected credit losses (lifetime ECL)

When there is a significant increase in credit risk associated with a commitment since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

This formula applies to all commitments classified in buckets 2 and 3.

### Definition of ECL calculation parameters

Expected credit losses are calculated using three main components: Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

**Maturity** refers to the final payment date of a loan commitment or financial instrument on which the principal and interest must be settled in full or the date when the authorised amount or date expires.

It corresponds to the maximum contractual period including extension options, except in the case of revolving lines of credit, renewable credit card facilities and overdrafts for which a behaviour-based maturity is used.

For commitments without a contractual maturity, a 12-month maximum maturity is used as, in the case of insolvency of the debtor, the overdraft facility is cancelled within 12 months, in accordance with French banking law.

Revolving lines of credit are financial instruments that do not have a fixed maturity, repayment schedule or cancellation period. The maturity taken into account for these instruments depends on their lifetime estimated by La Banque Postale, which can be greater than the duration of the contractual commitment. The maturity used at group level is based on observed behaviours.

**Probability of Default (PD):** IFRS 9 introduces the notion of expected credit losses and, indirectly, that of the probability of default adjusted to the situation at the reporting date (PIT PD – Point-in-Time Probability of Default). This parameter does not correspond to the average over the cycle (TTC PD – Through-The-Cycle Probability of Default) applicable under the Basel framework for the internal ratings-based approach. This variable is used to estimate the probability that a commitment will go into default over a given period of time. A “point-in-time” (PIT) probability of default estimate is based on future and current assessments and depends on both the customer and the product.

**Loss Given Default (LGD):** loss given default corresponds to the ratio between contractual cash flows and expected cash flows taking into account the effects of discounting and other expenses incurred at the time that an instrument goes into default. LGD is expressed as a percentage of the exposure at default.

This input under IFRS 9 differs from the Basel definition. For Basel II purposes, loss given default is adjusted to include a prudential buffer and to reflect losses occurring during a downturn in the business cycle and other costs. IFRS 9 makes no specific mention of the observation period or the period covered by the historical data used for the calculation of LGD parameters. This parameter takes into account the passage of time.

The group uses modelled LGDs adjusted in accordance with IFRS 9 for portfolios that have a loss given default internal model by type of product and guarantee, and to determine an LGD based on expert analyses for the other portfolios by segment, product and type of guarantee that will be revised at least once a year.

**Exposure At Default (EAD):** the EAD corresponds to the basis for calculating the expected credit loss. It is based on the value exposed to credit risk taking into account the type of repayment schedule, the passage of time and expected early repayments (projected cash flows). EAD is calculated based on the amount at the start of the reporting period.

The loss allowance is based on the outstanding amount recorded on balance sheet and off-balance sheet (undrawn portion) converted to its credit exposure equivalent using the credit conversion factor.

To take into account early repayments and the passage of time, an early repayment rate is applied to the basis used to calculate loss allowances by portfolio. This rate is reviewed periodically by the ALM team to take into account any economy-led change in rates.

### Forward Looking

In accordance with IFRS 9, expected credit losses take into account the effects of future economic conditions.

The forward-looking expected credit loss takes into account the impact of changes in macro-economic conditions.

The group uses three scenarios to integrate forward-looking estimates: a central scenario, a favourable alternative scenario and an unfavourable alternative scenario.

These scenarios are defined by the Economic Research Departments of the group, relying on scenarios designed by Caisse des Dépôts.

The economic forecast horizon used is three years:

- consistent global scenarios are applied across La Banque Postale with potentially opposite impacts on certain product or customer segments, to reflect the diversification of the portfolio. (By way of illustration, it is not possible, in a given scenario, to use a different interest rate projection to measure the lifetime probabilities of default of individual customers and those of sovereign customers);
- the proposed scenarios are not necessarily adverse credit risk scenarios; the aim is not to use IFRS 9 scenarios to quantify the risk of losses in a highly adverse environment that is very unlikely to occur but rather to develop generally plausible scenarios whose probability of occurrence is within one standard deviation of the occurrence of the central scenario;

- the scenarios are not necessarily designed to have a strong impact on the specific credit component: unfavourable scenarios with a high probability of occurrence may be used even though their main impact is on the interest rate component;
- the scenarios used are generally the same as those used in other corporate processes (i.e., strategic planning, budgeting, ICAAP stress testing, regulatory reporting).

These scenarios are documented, and contain projections for all the macro-economic variables required to run the models developed to obtain PDs and LGDs at maturity. The probability of occurrence of each scenario is documented by La Banque Postale's Economic Research Department.

The system uses a significant number of models. All of the models used for IFRS 9 purposes are subject to an independent review by the Model Validation team and are validated by the Model Validation Committee.

The scenarios used since November 2022 to calculate loss allowances for La Banque Postale's entire banking book will not be adjusted until end-2023 unless there is a serious mismatch between these scenarios and the actual macro-economic situation observed in first-half 2023. For 2022, La Banque Postale used the following scenarios to calculate its loss allowances under IFRS 9.

### Central scenario

The growth and inflation scenario adopted for France includes a deterioration in the macro-economic and geopolitical context (severely reduced consumer purchasing power, loss of business confidence). It puts growth at a level close to France's estimated potential growth, and assumes that the inflation rate will be higher than under the Banque de France's unfavourable scenario for 2022. Internationally, particularly in the United States and Europe (eurozone, United Kingdom), the multi-year GDP profile would be broadly similar to the projected profile for France, even though the short-term negative impact of the conflict in Ukraine would be more severe in Europe than in the United States. In the housing market, recent trends in the market for existing homes should continue, despite probable mortgage rate hikes; notwithstanding the increases, the rates would still be very attractive to homebuyers and the market should continue to benefit from sustained demand driving higher prices. Homebuyers' reduced borrowing capacity would be likely to drive a fairly sharp net decline in transaction volumes from 2023 onwards, although the number of sales should continue to top one million units. The lower transaction volumes would ease the pressure on prices, which should rise at a more moderate rate in the medium term, due in particular to demographic factors and higher interest rates, although average rates would still be lower than in the first ten years of the millennium. The unemployment rate would be lower in this scenario than for the previous trajectory. Concerning financial variables, it is expected that ECB and Federal Reserve policy rates would gradually increase. Long-term rates should rise over the projection period at a faster rate than was expected under the previous scenario. Concerning the stock markets, the forward-looking yield on an investment in the CAC 40 would still be below the historical average.

This scenario has been developed by Caisse des Dépôts. The projections of some variables are provided below:

Variables	Scenario at 31 December 2022					
	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	2.5	0.3	1.0	1.2	1.2	1.2
Unemployment rate eurozone (average annual rate)	6.7	7.1	7.3	7.2	7.1	7.0
10-year OAT (average annual rate)	1.6	2.5	2.4	2.3	2.1	1.9
INflation France (change)	5.3	4.5	2.5	2.0	1.8	1.8

Variables	Previous scenario					
	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	4.0	3.5	1.8	1.5	1.3	1.2
Unemployment rate eurozone (average annual rate)	9.8	9.6	9.4	9.2	9.1	9.0
10-year OAT (average annual rate)	0	0.0	0.2	0.4	0.6	0.8

### Unfavourable scenario

This scenario corresponds to a stressed inflationary scenario which illustrates a "eurozone sovereign debt crisis" type configuration, with a sharply higher risk premium in the crisis year, a steeper yield curve, an economic recession and a precipitous fall in stock market prices. Long-term rates would

rise significantly and remain high in the long term and energy-related inflationary pressures would last longer than in the central scenario. Prices and interest rates would come under increasing pressure, leading to a greater shock to both the real economy and financial markets. A possible source of this additional stress could be a worsening of the current energy crisis, particularly if gas supplies became harder to obtain.

This scenario was initially developed by Caisse des Dépôts and has been adjusted by La Banque Postale's Economic Research Department. The projections of some variables are presented below:

Variables	Scenario at 31 December 2022					
	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	2.5	-1.5	-1.0	-0.5	0.6	0.6
Unemployment rate eurozone (average annual rate)	6.7	7.5	8.5	9.5	9.0	8.5
10-year OAT (average annual rate)	1.6	4.0	5.0	4.4	4.0	4.0
Inflation France (change)	5.3	7.0	5.0	3.0	2.0	3.0

Variables	Previous scenario					
	T0	Y+1	Y+2	Y+3	Y+4	Y+5
French GDP (annual rate of growth)	4.0	-0.5	0.0	0.6	0.6	0.6
Unemployment rate eurozone (average annual rate)	9.8	10.5	10.9	11.1	11.2	11.2
10-year OAT (average annual rate)	0	-0.7	-0.7	-0.2	0.0	0.0

#### Favourable scenario

In this scenario, it is assumed that the price of oil and other commodities will fall from 2023 onwards, *i.e.*, earlier than in the central scenario, helping to ease energy-related inflationary pressures. The less severe loss of consumer purchasing power would lead to more sustained growth, especially in the short term. Macro-economic conditions throughout the world would be more favourable than in the central scenario, driving more dynamic world trade. Consumer and business confidence would recover rapidly with a positive impact on investment flows. The scenario also assumes that value chain tensions

would ease more quickly than in the central scenario. This situation could drive a rebound in some sectors. Finally, as in the central scenario, the health situation would improve; however, in this scenario the bottlenecks that appeared with the global economic recovery would be absorbed more quickly, supporting a rebound in some sectors such as tourism. In an environment shaped by more limited inflationary pressures than in the central scenario, the central banks would not tighten their monetary policy despite slightly stronger economic growth.

This scenario has been developed by La Banque Postale's Economic Research department. The projections of some variables are provided below:

Variables	Scenario at 31 December 2022					
	T0	N+1	N+2	N+3	N+4	N+5
French GDP (annual rate of growth)	2.5	1.0	1.8	1.4	1.3	1.3
Unemployment rate eurozone (average annual rate)	6.7	7.0	6.8	6.6	6.6	6.5
10-year OAT (average annual rate)	1.6	2.5	2.4	2.3	2.1	1.9
Inflation France (change)	5.3	3.8	2.8	2.1	1.8	3.8

Variables	Previous scenario					
	T0	N+1	N+2	N+3	N+4	N+5
French GDP (annual rate of growth)	4.0	4.5	2.5	2.0	1.6	1.2
Unemployment rate eurozone (average annual rate)	9.8	9.3	8.8	8.4	8.2	8.1
10-year OAT (average annual rate)	0	0.2	0.5	0.9	1.1	1.2

The probability of each of these scenarios occurring is shown in the following table:

Scenarios	2021	2022
Central	65%	60%
Unfavourable	20%	30%
Favourable	15%	10%

La Banque Postale decided not to use the scenarios developed by the ECB to reflect the fact that its portfolio is concentrated in France, and instead decided to draw on the expertise of the Caisse des Dépôts and La Banque Postale.

#### *Sensitivity analysis of expected credit losses to macro-economic scenarios*

Analyses were conducted to gauge the sensitivity of statistical ECL (i.e., excluding loss allowances for corporate customers based on expert judgement) to credit risk on corporate and individual customer scopes.

These analyses show that the individual customer scope is not very sensitive to macro-economic scenarios insofar as the variations observed in expected credit losses upon changing the weightings vary between negative 5% and positive 5%.

The sensitivity of statistical ECL for corporate customers is slightly greater, with an unfavourable scenario weighted at 100% leading to a roughly 18% increase in loss allowances and a favourable scenario weighted at 100% leading to a 19% reduction in loss allowances, primarily led by large corporates.

### Financial assets at amortised cost

#### 31/12/2022

(in € millions)	Gross carrying amount	Allowance for credit losses	Net carrying amount
Securities at amortised cost	27,248	(54)	27,193
Loans and advances to credit institutions at amortised cost	67,096	(0)	67,095
Loans and advances to customers at amortised cost	131,104	(1,460)	129,645
<b>TOTAL</b>	<b>225,448</b>	<b>(1,514)</b>	<b>223,933</b>

#### 31/12/2021

(in € millions)	Gross carrying amount	Allowance for credit losses	Net carrying amount
Securities at amortised cost	23,516	(37)	23,480
Loans and advances to credit institutions at amortised cost	67,846	(6)	67,840
Loans and advances to customers at amortised cost	124,499	(1,346)	123,152
<b>TOTAL</b>	<b>215,861</b>	<b>(1,390)</b>	<b>214,472</b>

### 34.2.5 Operational deployment

Loss allowances are calculated centrally for the entire group by the Group Risk Department teams.

### 34.2.6 Exposure to credit risk

#### Change in carrying amounts and allowances for credit losses over the year

Allowances for credit losses correspond to impairment of financial assets and off-balance sheet commitments recorded in the income statement under "Cost of risk".

The different stages of impairment ("Performing - bucket 1", "Deteriorated credit quality - bucket 2" and "Credit impaired - bucket 3") and the definition of impaired assets from acquisition or issuance are described in Note 34.2.3 "Significant increase in credit risk".

The following tables present a reconciliation of opening and closing loss allowances recorded in "Cost of risk" and the associated carrying amounts, by accounting category and type of instrument.

The line "Modification of cash flows not resulting in derecognition" shows the effect of a loan restructuring on the gross carrying amount and the loss allowance during the period.

(in € millions)	Assets subject to 12-month ECL (bucket 1)		Assets subject to lifetime ECL (bucket 2)		Credit-impaired assets (bucket 3)		Total		
	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Net carrying amount
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a) + (b)
<b>At 31 December 2021</b>	<b>205,649</b>	<b>(189)</b>	<b>8,586</b>	<b>(532)</b>	<b>1,627</b>	<b>(669)</b>	<b>215,861</b>	<b>(1,390)</b>	<b>214,472</b>
Transfers of assets during their lifetime from one bucket to another	(16,010)	29	15,462	(78)	548	(107)	(1)	(155)	(156)
Transfers to Lifetime ECL (bucket 2)	(17,556)	29	17,659	(169)	(103)	35	0	(106)	(106)
Transfers to 12-month ECL (bucket 1)	2,072	(5)	(1,953)	64	(119)	17	(0)	76	76
Transfers to Credit-impaired ECL Lifetime (bucket 3)	(526)	5	(244)	27	770	(158)	(0)	(126)	(126)
<b>Total after transfers</b>	<b>189,639</b>	<b>(159)</b>	<b>24,048</b>	<b>(610)</b>	<b>2,174</b>	<b>(775)</b>	<b>215,861</b>	<b>(1,545)</b>	<b>214,316</b>
<b>Changes in gross carrying amount and Allowances for credit losses</b>	<b>8,327</b>	<b>37</b>	<b>1,379</b>	<b>5</b>	<b>(59)</b>	<b>(11)</b>	<b>9,647</b>	<b>31</b>	<b>9,678</b>
New production: purchase, issuance, origination, etc.	83,734	(80)	4,894	(210)	770	(178)	89,399	(468)	88,930
Derecognition: disposal, repayment, maturity, etc.	(75,353)	118	(3,516)	215	(734)	99	(79,603)	432	(79,170)
Write-offs	0	0	0	0	(86)	67	(86)	67	(19)
Modification of cash flows not resulting in derecognition	0	0	0	0	(9)	0	(9)	0	(9)
Changes in scope of consolidation	(75)	0	0	0	0	0	(75)	0	(75)
Other	20	(1)	(0)	0	0	1	20	0	20
<b>Total</b>	<b>197,966</b>	<b>(123)</b>	<b>25,428</b>	<b>(605)</b>	<b>2,116</b>	<b>(786)</b>	<b>225,508</b>	<b>(1,514)</b>	<b>223,994</b>
Impacts of changes in fair value of hedged instruments	(61)	0	0	0	0	0	(61)	0	(61)
<b>AT 31 DECEMBER 2022</b>	<b>197,905</b>	<b>(123)</b>	<b>25,428</b>	<b>(605)</b>	<b>2,116</b>	<b>(786)</b>	<b>225,447</b>	<b>(1,514)</b>	<b>223,933</b>

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	Assets subject to 12-month ECL (bucket 1)		Assets subject to lifetime ECL (bucket 2)		Credit-impaired assets (bucket 3)		Total		
	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Net carrying amount
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a) + (b)
<i>(in € millions)</i>									
<b>At 31 December 2020</b>	<b>252,507</b>	<b>(173)</b>	<b>10,874</b>	<b>(448)</b>	<b>1,626</b>	<b>(627)</b>	<b>265,005</b>	<b>(1,247)</b>	<b>263,758</b>
Transfers of assets during their lifetime from one bucket to another	1,422	(6)	(1,763)	(21)	339	(55)	1	(84)	(83)
Transfers to Lifetime ECL (bucket 2)	(3,594)	12	3,698	(108)	(104)	35	1	(62)	(62)
Transfers to 12-month ECL (bucket 1)	5,280	(19)	(5,097)	67	(184)	26	0	73	73
Transfers to Credit-impaired ECL Lifetime (bucket 3)	(264)	2	(363)	20	627	(116)	0	(94)	(94)
<b>Total after transfers</b>	<b>253,929</b>	<b>(179)</b>	<b>9,112</b>	<b>(469)</b>	<b>1,965</b>	<b>(682)</b>	<b>265,006</b>	<b>(1,331)</b>	<b>263,675</b>
Changes in gross carrying amount and Allowances for credit losses	(48,278)	(9)	(526)	(63)	(338)	13	(49,142)	(59)	(49,200)
New production: purchase, issuance, origination, etc.	65,664	(121)	2,908	(304)	445	(190)	69,018	(615)	68,403
Derecognition: disposal, repayment, maturity, etc.	(114,241)	112	(3,434)	241	(689)	124	(118,364)	477	(117,887)
Write-offs					(84)	79	(84)	79	(6)
Modification of cash flows not resulting in derecognition					(10)		(10)		(10)
Changes in scope of consolidation	298						298		298
Other	1	(0)	0			1	1		1
<b>Total</b>	<b>205,652</b>	<b>(189)</b>	<b>8,586</b>	<b>(532)</b>	<b>1,627</b>	<b>(669)</b>	<b>215,864</b>	<b>(1,390)</b>	<b>214,475</b>
Impacts of changes in fair value of hedged instruments	(3)						(3)		(3)
<b>AT 31 DECEMBER 2021</b>	<b>205,649</b>	<b>(189)</b>	<b>8,586</b>	<b>(532)</b>	<b>1,627</b>	<b>(669)</b>	<b>215,861</b>	<b>(1,390)</b>	<b>214,472</b>



### Financial assets at fair value through reclassifiable to profit or loss

(in € millions)	31/12/2022		31/12/2021	
	Fair value	o/w allowance for losses	Fair value	o/w allowance for losses
Debt instruments at fair value through other comprehensive income	194,315	(310)	228,121	(465)
<b>TOTAL</b>	<b>194,315</b>	<b>(310)</b>	<b>228,121</b>	<b>(465)</b>

(in € millions)	Assets subject to 12-month ECL (bucket 1)		Assets subject to lifetime ECL (bucket 2)		Credit-impaired assets (bucket 3)		Total	
	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses
<b>At 31 December 2021</b>	<b>227,742</b>	<b>(456)</b>	<b>379</b>	<b>(9)</b>	<b>0</b>	<b>0</b>	<b>228,121</b>	<b>(465)</b>
Transfers of assets during their lifetime from one bucket to another	10	0	(10)	0	0	0	0	0
Transfers to Lifetime ECL (bucket 2)	(303)	2	303	(2)	0	0	0	0
Transfers to 12-month ECL (bucket 1)	313	(2)	(313)	3	0	0	0	0
Transfers to Credit-impaired Lifetime ECL (bucket 3)	0	0	0	0	0	0	0	0
<b>Total after transfers</b>	<b>227,751</b>	<b>(455)</b>	<b>370</b>	<b>(9)</b>	<b>0</b>	<b>0</b>	<b>228,121</b>	<b>(464)</b>
<b>Changes in gross carrying amounts and allowances for credit losses</b>	<b>(33,715)</b>	<b>158</b>	<b>(90)</b>	<b>(3)</b>	<b>0</b>	<b>0</b>	<b>(33,806)</b>	<b>154</b>
New production: purchase, issuance, origination, etc.	56,982	0	103	0	0	0	57,085	0
Derecognition: disposal, repayment, maturity, etc.	(53,068)	0	(187)	0	0	0	(53,256)	0
Changes in scope of consolidation	(978)	0	0	0	0	0	(978)	0
Other	(36,652)	158	(6)	(3)	0	0	(36,658)	154
<b>AT 31 DECEMBER 2022</b>	<b>194,036</b>	<b>(298)</b>	<b>279</b>	<b>(12)</b>	<b>0</b>	<b>0</b>	<b>194,315</b>	<b>(310)</b>

	Assets subject to 12-month ECL (bucket 1)		Assets subject to lifetime ECL (bucket 2)		Credit-impaired assets (bucket 3)		Total	
	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses	Fair value	Of which allowance for credit losses
<i>(in € millions)</i>								
<b>At 31 December 2020</b>	<b>229,731</b>	<b>(361)</b>	<b>656</b>	<b>(12)</b>	<b>0</b>	<b>0</b>	<b>230,386</b>	<b>(373)</b>
Transfers of assets during their lifetime from one bucket to another	(140)	1	141	1	0	0	2	2
Transfers to Lifetime ECL (bucket 2)	(140)	1	141	0	0	0	1	1
Transfers to 12-month ECL (bucket 1)	0	0	0	0	0	0	0	0
Transfers to Credit-impaired Lifetime ECL (bucket 3)	0	0	0	0	0	0	0	0
Total after transfers	229,591	(360)	797	(11)	0	0	230,389	(371)
<b>Changes in gross carrying amounts and allowances for credit losses</b>	<b>(1,849)</b>	<b>(96)</b>	<b>(418)</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>(2,267)</b>	<b>(93)</b>
New production: purchase, issuance, origination, etc.	34,921		122				35,043	0
Derecognition: disposal, repayment, maturity, etc.	(45,743)		(545)				(46,288)	0
Changes in scope of consolidation	14,099						14,099	
Other	(5,127)	(96)	5	2			(5,122)	(93)
<b>AT 31 DECEMBER 2021</b>	<b>227,742</b>	<b>(456)</b>	<b>379</b>	<b>(9)</b>	<b>0</b>	<b>0</b>	<b>228,121</b>	<b>(465)</b>

### Off-balance sheet (financing commitments and guarantee contracts)

	31/12/2022		
	Gross carrying amount	Allowance for credit losses	Net carrying amount
<i>(in € millions)</i>			
Financing commitments and guarantee contracts	30,363		
Loss allowance for financing commitments and guarantee contracts		(122)	
<b>TOTAL FINANCING COMMITMENTS AND GUARANTEE CONTRACTS</b>	<b>30,363</b>	<b>(122)</b>	<b>30,242</b>

	31/12/2021		
	Gross carrying amount	Allowance for credit losses	Net carrying amount
<i>(in € millions)</i>			
Financing commitments and guarantee contracts	31,389		
Loss allowance for financing commitments and guarantee contracts		(97)	
<b>TOTAL FINANCING COMMITMENTS AND GUARANTEE CONTRACTS</b>	<b>31,389</b>	<b>(97)</b>	<b>31,292</b>

	Commitments subject to 12-month ECL (bucket 1)		Commitments subject to lifetime ECL (bucket 2)		Credit-impaired commitments (bucket 3)		Total		
	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Net carrying amount
							(a)	(b)	(a) – (b)
<i>(In € millions)</i>									
<b>At 31 December 2021</b>	<b>30,448</b>	<b>(52)</b>	<b>907</b>	<b>(40)</b>	<b>33</b>	<b>(5)</b>	<b>31,389</b>	<b>(97)</b>	<b>31,292</b>
Transfers of commitments from one bucket to another	(3,103)	6	3,086	(2)	17	(6)	0	(2)	(2)
Transfers to Lifetime ECL (bucket 2)	(3,223)	7	3,226	(12)	(3)	0	0	(5)	(5)
Transfers to 12-month ECL (bucket 1)	130	(1)	(126)	4	(4)	0	0	4	4
Transfers to Credit-impaired commitments (bucket 3)	(10)	0	(14)	5	24	(7)	0	(2)	(2)
<b>Total after transfers</b>	<b>27,345</b>	<b>(45)</b>	<b>3,993</b>	<b>(42)</b>	<b>50</b>	<b>(11)</b>	<b>31,389</b>	<b>(99)</b>	<b>31,290</b>
Changes in gross carrying amounts and allowances for credit losses	(636)	11	(388)	(34)	(1)	1	(1,026)	(22)	(1,048)
New production: purchase, issuance, origination, etc.	16,504	(29)	1,693	(80)	21	(3)	18,217	(111)	18,105
Derecognition: disposal, repayment, maturity, etc.	(17,140)	40	(2,081)	46	(21)	3	(19,242)	89	(19,153)
Other	0	0	0	0	0	0	0	(0)	(0)
<b>AT 31 DECEMBER 2022</b>	<b>26,709</b>	<b>(34)</b>	<b>3,605</b>	<b>(76)</b>	<b>49</b>	<b>(11)</b>	<b>30,363</b>	<b>(122)</b>	<b>30,242</b>

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	Commitments subject to 12-month ECL (bucket 1)		Commitments subject to lifetime ECL (bucket 2)		Credit-impaired commitments (bucket 3)		Total		
	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount (a)	Allowance for credit losses (b)	Net carrying amount (a) – (b)
<i>(in € millions)</i>									
<b>At 31 December 2020</b>	<b>27,358</b>	<b>(46)</b>	<b>1,128</b>	<b>(50)</b>	<b>35</b>	<b>(3)</b>	<b>28,521</b>	<b>(99)</b>	<b>28,422</b>
Transfers of commitments from one bucket to another	(56)	1	49	(2)	7	(1)	(0)	(2)	(2)
Transfers to Lifetime ECL (bucket 2)	(284)	2	285	(7)	(2)	0	0	(5)	(5)
Transfers to 12-month ECL (bucket 1)	242	(1)	(232)	5	(9)	0	(0)	4	4
Transfers to Credit-impaired commitments (bucket 3)	(14)	0	(4)	0	18	(1)	0	(1)	(1)
<b>Total after transfers</b>	<b>27,302</b>	<b>(45)</b>	<b>1,178</b>	<b>(52)</b>	<b>42</b>	<b>(4)</b>	<b>28,521</b>	<b>(101)</b>	<b>28,420</b>
Changes in gross carrying amounts and allowances for credit losses	3,147	(7)	(271)	12	(9)	(1)	2,868	4	2,872
New production: purchase, issuance, origination, etc.	15,946	(43)	589	(30)	15	(4)	16,550	(77)	16,473
Derecognition: disposal, repayment, maturity, etc.	(12,799)	36	(860)	42	(23)	3	(13,682)	81	(13,602)
Other	0						0		
<b>AT 31 DECEMBER 2021</b>	<b>30,448</b>	<b>(52)</b>	<b>907</b>	<b>(40)</b>	<b>33</b>	<b>(5)</b>	<b>31,389</b>	<b>(97)</b>	<b>31,292</b>

### Modified financial assets

Modified financial assets correspond to assets that have been restructured due to the customer's financial difficulties. They are loans for which the initial financial conditions have been modified (interest rate, term) for financial or legal reasons related to the borrower's financial difficulties, and which would

not have been modified in other circumstances. They concern assets classified as non-performing and, since 1 January 2014, assets that were classified as performing at the time of the restructuring. A more detailed definition of modified financial assets is provided in Note 3 "Significant accounting policies". An asset continues to be classified as modified from the restructuring event and until derecognition.

The post-restructuring carrying amounts of assets restructured during the reporting period are as follows:

#### At 31 December 2022

<i>(in € millions)</i>	<b>Carrying amount before transfer to modified financial assets</b>	<b>Amount of the discount recognised in the income statement</b>	<b>Gross carrying amount</b>
Loans and advances to customers at amortised cost	83	(9)	75
<b>TOTAL MODIFIED FINANCIAL ASSETS</b>	<b>83</b>	<b>(9)</b>	<b>75</b>

#### At 31 December 2021

<i>(in € millions)</i>	<b>Carrying amount before transfer to modified financial assets</b>	<b>Amount of the discount recognised in the income statement</b>	<b>Gross carrying amount</b>
Loans and advances to customers at amortised cost	107	(10)	97
<b>TOTAL MODIFIED FINANCIAL ASSETS</b>	<b>107</b>	<b>(10)</b>	<b>97</b>

Restructured assets at an impairment stage that corresponds to bucket 2 (deteriorated credit quality) or bucket 3 (credit-impaired) can be transferred back into bucket 1 (performing assets) following a subsequent improvement in credit quality resulting in the assessment that there is no longer a significant deterioration in credit quality. In this case, the loss allowance is reduced to an amount equal to the 12-month expected credit loss.

The gross carrying amount of modified assets reclassified during the period is presented below:

<i>(in € millions)</i>	<b>31/12/2022 Transfer to bucket 1</b>	<b>31/12/2021 Transfer to bucket 1</b>
Loans and advances to customers	7	10
<b>TOTAL MODIFIED FINANCIAL ASSETS</b>	<b>7</b>	<b>10</b>

## Maximum exposure to credit risk

At 31 December 2022

(in € millions)	31/12/2022		
	Net maximum exposure to credit risk	Collateral and other credit enhancements	Unsecured
<b>Financial assets at fair value through profit or loss</b>	<b>108,011</b>	<b>13,706</b>	<b>94,306</b>
Financial assets held for trading	13,987	13,706	281
Financial assets designated at fair value	5,235		5,235
Non SPPI financial assets at fair value	88,789		88,789
<b>Hedging derivatives</b>	<b>1,139</b>	<b>1,139</b>	
<b>Financial assets at fair value through OCI reclassifiable to profit or loss</b>	<b>194,315</b>	<b>20</b>	<b>194,295</b>
Debt securities	194,315	20	194,295
<b>Financial assets at amortised cost</b>	<b>223,933</b>	<b>83,319</b>	<b>140,614</b>
Loans and advances to credit institutions	67,095	153	66,943
Loans and advances to customers	129,645	83,167	46,478
Debt securities	27,193	(0)	27,193
<b>Off-balance sheet (financing commitments and guarantee contracts)</b>	<b>30,242</b>	<b>1,241</b>	<b>29,001</b>
Financing commitments given	28,031	1,240	26,791
Guarantee commitments given	2,211	1	2,210
<b>TOTAL MAXIMUM EXPOSURE TO CREDIT RISK</b>	<b>557,640</b>	<b>99,425</b>	<b>458,215</b>

At 31 December 2021

(in € millions)	31/12/2021		
	Net maximum exposure to credit risk	Collateral and other credit enhancements	Unsecured
<b>Financial assets at fair value through profit or loss</b>	<b>113,659</b>	<b>4,411</b>	<b>109,247</b>
Financial assets held for trading	5,946	4,411	1,534
Financial assets designated at fair value	5,717		5,717
Non SPPI financial assets at fair value	101,996		101,996
<b>Hedging derivatives</b>	<b>1,022</b>	<b>1,022</b>	
<b>Financial assets at fair value through OCI reclassifiable to profit or loss</b>	<b>228,121</b>	<b>22</b>	<b>228,098</b>
Debt securities	228,121	22	228,098
<b>Financial assets at amortised cost</b>	<b>214,472</b>	<b>79,103</b>	<b>135,369</b>
Loans and advances to credit institutions	67,840	332	67,508
Loans and advances to customers	123,152	78,770	44,382
Debt securities	23,480		23,480
<b>Off-balance sheet (financing commitments and guarantee contracts)</b>	<b>31,292</b>	<b>1,334</b>	<b>29,958</b>
Financing commitments given	28,849	1,333	27,516
Guarantee commitments given	2,443	0	2,443
<b>TOTAL MAXIMUM EXPOSURE TO CREDIT RISK</b>	<b>588,566</b>	<b>85,893</b>	<b>502,673</b>

## Concentration of credit risk by economic agent

### Financial assets at amortised cost

(in € millions)	31/12/2022				31/12/2021			
	Carrying amount				Carrying amount			
	Performing assets (with or without credit deterioration)				Performing assets (with or without credit deterioration)			
	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	Total	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	Total
Retail <sup>(a)</sup>	59,871	20,278	1,088	81,237	70,081	4,725	1,049	75,855
Government	98,862	121	107	99,089	97,291	101	4	97,396
Central banks				0				0
Credit institutions	2,867	(0)	0	2,867	2,756	50		2,806
Finance companies	7,301	450	15	7,765	8,839	293	0	9,132
Non-financial sector companies	29,005	4,578	907	34,489	26,682	3,417	573	30,672
Loss allowances	(123)	(605)	(786)	(1,514)	(189)	(532)	(669)	(1,390)
<b>TOTAL</b>	<b>197,783</b>	<b>24,821</b>	<b>1,330</b>	<b>223,933</b>	<b>205,460</b>	<b>8,054</b>	<b>958</b>	<b>214,472</b>

(a) Excluding loans granted to non-trading property companies (SCIs), which are presented in Retail loans in the balance sheet and in Non-financial sector companies in the breakdown by economic agent.

### Financial assets at fair value through OCI reclassifiable to profit or loss

(in € millions)	31/12/2022				31/12/2021			
	Carrying amount				Carrying amount			
	Performing assets (with or without credit deterioration)				Performing assets (with or without credit deterioration)			
	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	Total	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	Total
Retail				0				0
Government	101,830	20		101,850	127,888	21		127,908
Central banks	3,439			3,439	1,785		0	1,785
Credit institutions	44,159	3		44,162	47,299	7	0	47,306
Finance companies	6,277	70		6,347	6,144	51		6,195
Non-financial sector companies	38,331	186		38,517	44,626	301		44,927
<b>TOTAL</b>	<b>194,036</b>	<b>280</b>		<b>194,315</b>	<b>227,742</b>	<b>379</b>		<b>228,121</b>
Of which loss allowances	(298)	(12)		(310)	(456)	(9)		(465)

Off-balance sheet (financing commitment and guarantee contracts)

(in € millions)	31/12/2022				Total
	Commitment amount				
	Performing commitments (with or without credit deterioration)				
	Commitments subject to 12-month ECL (bucket 1)	Commitments subject to lifetime ECL (bucket 2)	Credit-impaired commitments (bucket 3)		
Retail <sup>(a)</sup>	9,295	2,040	27		11,363
Government <sup>(b)</sup>	5,176	16			5,192
Central banks	1				1
Credit institutions <sup>(c)</sup>	2,199	115			2,314
Finance companies <sup>(d)</sup>	1,835	134	1		1,970
Non-financial sector companies <sup>(d)</sup>	8,203	1,299	21		9,524
Loss allowances <sup>(e)</sup>	(34)	(76)	(11)		(122)
<b>TOTAL</b>	<b>26,675</b>	<b>3,528</b>	<b>39</b>		<b>30,242</b>

(a) Of which €9,614 million with a probability of default of less than 1%.

(b) Of which €4,037 million with a rating below A.

(c) Of which €578 million with a rating below A.

(d) Of which €8,126 million with a rating below A.

(e) Expected or realised losses relating to off-balance sheet commitments are recognised as provisions under liabilities on the balance sheet.

(in € millions)	31/12/2021				Total
	Commitment amount				
	Performing commitments (with or without credit deterioration)				
	Commitments subject to 12-month ECL (bucket 1)	Commitments subject to lifetime ECL (bucket 2)	Credit-impaired commitments (bucket 3)		
Retail <sup>(a)</sup>	11,425	352	22		11,799
Government <sup>(b)</sup>	5,965	3			5,968
Central banks	0				0
Credit institutions <sup>(c)</sup>	3,047	26			3,073
Finance companies <sup>(d)</sup>	1,244				1,244
Non-financial sector companies <sup>(d)</sup>	8,767	527	11		9,305
Loss allowances <sup>(e)</sup>	(52)	(40)	(5)		(97)
<b>TOTAL</b>	<b>30,397</b>	<b>867</b>	<b>28</b>		<b>31,292</b>

(a) Of which €9,256 million with a probability of default of less than 1%.

(b) Of which €4,971 million with a rating below A.

(c) Of which €1,826 million with a rating below A.

(d) Of which €6,849 million with a rating below A.

(e) Expected or realised losses relating to off-balance sheet commitments are recognised as provisions under liabilities on the balance sheet.



## Concentration of credit risk by rating

### Financial assets at amortised cost

(in € millions)	31/12/2022				31/12/2021			
	Gross carrying amount				Gross carrying amount			
	Performing assets (with or without credit deterioration)				Performing assets (with or without credit deterioration)			
	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	Total	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	Total
PD < 1%	53,341	11,915	0	65,256	60,213	988		61,201
1% < PD < 3%	5,538	4,477	0	10,015	7,654	641		8,295
3% < PD < 10%	967	2,825	0	3,792	1,799	1,534		3,333
PD > 10%	25	1,061	0	1,087	415	1,562		1,977
Defaulted loans (subject to legal collection procedures)	0	0	1,088	1,088			1,049	1,049
<b>TOTAL – RETAIL</b>	<b>59,871</b>	<b>20,278</b>	<b>1,088</b>	<b>81,237</b>	<b>70,081</b>	<b>4,725</b>	<b>1,049</b>	<b>75,855</b>
AAA	2,493	76	0	2,569	1,047	42		1,089
AA	1,145	0	0	1,145	6,749	84		6,833
A	5,179	364	0	5,542	5,444	182	1	5,627
Other	27,489	4,589	921	32,999	22,281	3,402	573	26,256
<b>TOTAL – CORPORATE</b>	<b>36,306</b>	<b>5,028</b>	<b>921</b>	<b>42,255</b>	<b>35,521</b>	<b>3,709</b>	<b>574</b>	<b>39,804</b>
AAA	2,887	0	0	2,887	2,416			2,416
AA	83,265	0	0	83,265	81,196			81,196
A	3,677	4	0	3,681	549	60		609
Other	9,033	117	107	9,256	13,129	41	4	13,175
<b>TOTAL – GOVERNMENT AND CENTRAL BANKS</b>	<b>98,862</b>	<b>121</b>	<b>107</b>	<b>99,089</b>	<b>97,291</b>	<b>101</b>	<b>4</b>	<b>97,396</b>
AAA	352	0	0	352	116			116
AA	95	0	0	95	472			472
A	1,344	0	0	1,344	992			992
Other	1,077	0	0	1,077	1,176	50		1,226
<b>TOTAL – CREDIT INSTITUTIONS</b>	<b>2,867</b>	<b>0</b>	<b>0</b>	<b>2,867</b>	<b>2,756</b>	<b>50</b>	<b>0</b>	<b>2,806</b>

Financial assets at fair value through OCI reclassifiable to profit or loss

<i>(in € millions)</i>	31/12/2022				31/12/2021			
	Fair value				Fair value			
	Performing assets (with or without credit deterioration)				Performing assets (with or without credit deterioration)			
	Assets subject to 12- month ECL (bucket 1)	Assets subject to lifetim e ECL (bucket 2)	Credit- impaired assets (bucket 3)	Total	Assets subject to 12- month ECL (bucket 1)	Assets subject to lifetim e ECL (bucket 2)	Credit- impaired assets (bucket 3)	Total
AAA	2,228	18	0	2,246	1,829		1,829	
AA	6,665	16	0	6,681	7,442		7,442	
A	17,575	41	0	17,616	18,002	40	18,042	
Other	18,140	180	0	18,321	23,496	312	23,808	
<b>TOTAL – CORPORATE</b>	<b>44,608</b>	<b>256</b>	<b>0</b>	<b>44,864</b>	<b>50,770</b>	<b>352</b>	<b>51,122</b>	
AAA	6,721	0	0	6,721	4,078		4,078	
AA	71,255	0	0	71,255	94,551		94,551	
A	4,297	0	0	4,297	5,496		5,496	
Other	22,995	20	0	23,015	25,546	21	25,567	
<b>TOTAL – GOVERNEMENT AND CENTRAL BANKS</b>	<b>105,269</b>	<b>20</b>	<b>0</b>	<b>105,289</b>	<b>129,672</b>	<b>21</b>	<b>129,693</b>	
AAA	5,075	0	0	5,075	7,491		7,491	
AA	6,130	0	0	6,130	7,732		7,732	
A	26,231	0	0	26,231	21,967	5	21,972	
Other	6,722	3	0	6,726	10,110	1	10,111	
<b>TOTAL – CREDIT INSTITUTIONS</b>	<b>44,159</b>	<b>3</b>	<b>0</b>	<b>44,162</b>	<b>47,299</b>	<b>7</b>	<b>47,306</b>	

## Concentration of credit risk by geographical region

### Financial assets at amortised cost

<i>(in € millions)</i>	31/12/2022				31/12/2021			
	Gross carrying amount				Gross carrying amount			
	Performing assets (with or without credit deterioration)				Performing assets (with or without credit deterioration)			
	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	Total	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	Total
France (incl. overseas departments and territories)	182,691	24,788	2,039	209,518	191,172	7,931	1,568	200,671
Other EU countries	14,239	208	50	14,498	13,639	263	52	13,954
Other European countries	299	84	3	387	556	66	2	623
Other	675	346	24	1,046	282	326	5	613
Loss allowances	(123)	(605)	(786)	(1,514)	(189)	(532)	(669)	(1,390)
<b>TOTAL</b>	<b>197,783</b>	<b>24,821</b>	<b>1,330</b>	<b>223,933</b>	<b>205,460</b>	<b>8,054</b>	<b>958</b>	<b>214,472</b>

### Financial assets at fair value through OCI reclassifiable to profit or loss

<i>(in € millions)</i>	31/12/2022				31/12/2021			
	Fair value				Fair value			
	Performing assets (with or without credit deterioration)				Performing assets (with or without credit deterioration)			
	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	Total	Assets subject to 12-month ECL (bucket 1)	Assets subject to lifetime ECL (bucket 2)	Credit-impaired assets (bucket 3)	Total
France (incl. overseas departments and territories)	88,927	36		88,963	113,758	21		113,778
Other EU countries	62,012	147		62,159	72,128	256		72,384
Other European countries	8,054	20		8,075	8,879	10		8,889
Other	35,043	76		35,118	32,977	92		33,069
<b>TOTAL</b>	<b>194,036</b>	<b>280</b>	<b>0</b>	<b>194,315</b>	<b>227,742</b>	<b>379</b>	<b>0</b>	<b>228,121</b>
<i>Of which loss allowances</i>	<i>(298)</i>	<i>(12)</i>		<i>(310)</i>	<i>(456)</i>	<i>(9)</i>		<i>(465)</i>

Off-balance sheet (financing commitments and guarantee contracts)

(in € millions)	31/12/2022				31/12/2021			
	Commitment amount				Commitment amount			
	Performing commitments (with or without credit deterioration)				Performing commitments (with or without credit deterioration)			
	Commitments subject to 12-month ECL (bucket 1)	Commitments subject to lifetime ECL (bucket 2)	Credit-impaired commitments (bucket 3)	Total	Commitments subject to 12-month ECL (bucket 1)	Commitments subject to lifetime ECL (bucket 2)	Credit-impaired commitments (bucket 3)	Total
France (incl. overseas departments and territories)	25,803	3,444	49	29,296	29,773	749	33	30,556
Other EU countries	773	157	0	930	598	154		752
Other European countries	121	2	0	123	63	3		66
Other	12	2		14	14			14
Loss allowances <sup>(a)</sup>	(34)	(76)	(11)	(122)	(52)	(40)	(5)	(97)
<b>TOTAL</b>	<b>26,675</b>	<b>3,528</b>	<b>39</b>	<b>30,242</b>	<b>30,397</b>	<b>867</b>	<b>28</b>	<b>31,292</b>

(a) Expected or incurred losses on off-balance sheet commitments are covered by loss allowances recorded in liabilities.

### 34.2.7 Additional information on sovereign exposure

The list of sovereign exposures was prepared in accordance with the scope defined by the European Banking Authority (EBA), in other words by including the exposure data relative to regional authorities, central authorities and organisations guaranteed by the French State. These exposures include deposits centralised with Caisse des Dépôts.

31/12/2022

<i>(in € millions)</i>	<b>Total Banking Portfolio</b>	<b>Assets at fair value through profit or loss</b>	<b>Total direct exposure<sup>(a)</sup></b>	<b>Collateral repurchase agreements</b>	<b>Off-balance sheet</b>	<b>Total direct and indirect exposure<sup>(b)</sup></b>	<b>Exposure as a %</b>
Germany	5,763	434	6,197			6,197	2.6%
Austria	780	50	829			829	0.3%
Belgium	6,572	246	6,818	1,628		8,446	3.5%
Spain	12,683	93	12,776			12,776	5.3%
France	148,035	3,870	151,905	9,660	1,609	163,174	68.0%
United Kingdom		1	1	582		584	0.2%
Ireland	69	7	76	183		259	0.1%
Italy	13,074	402	13,475			13,475	5.6%
Netherlands	300	79	380			380	0.2%
Poland	215	23	238			238	0.1%
Portugal	2,158	77	2,235	594		2,829	1.2%
Romania	124	1	125			125	0.1%
Other European countries	259	56	315			315	0.1%
Supranational	5,780	928	6,708	91		6,798	2.8%
<b>Total Europe</b>	<b>195,812</b>	<b>6,266</b>	<b>202,078</b>	<b>12,738</b>	<b>1,609</b>	<b>216,424</b>	<b>90.3%</b>
Brasil	2,809	19,315	22,124			22,124	9.2%
Canada	665	1	665			665	0.3%
Mexico	101	1	102			102	0.0%
Other	446	34	480			480	0.2%
<b>Total rest of world</b>	<b>4,021</b>	<b>19,351</b>	<b>23,372</b>	<b>0</b>	<b>0</b>	<b>23,372</b>	<b>9.7%</b>
<b>TOTAL</b>	<b>199,833</b>	<b>25,617</b>	<b>225,450</b>	<b>12,738</b>	<b>1,609</b>	<b>239,796</b>	<b>100.0%</b>

(a) Direct exposure: fair value or gross carrying amount of proprietary exposures.

(b) Direct and indirect exposures: direct exposures plus indirect exposures arising from the guarantees granted to some of the group's UCITS.

31/12/2021

(in € millions)	Total Banking Portfolio	Assets at fair value through profit or loss	Total direct exposure <sup>(a)</sup>	Collateral repurchase agreements	Off-balance sheet	Total direct and indirect exposure <sup>(b)</sup>	Exposure as a%
Germany	5,910	287	6,198	114		6,312	2.5%
Austria	543	5	549			549	0.2%
Belgium	10,173	236	10,408	2,200	(0)	12,608	4.9%
Spain	14,866	142	15,008	44		15,051	5.9%
France	164,472	3,561	168,034	8,018	942	176,993	69.5%
United Kingdom		3	3		1	3	0.0%
Ireland	88	15	103			103	0.0%
Italy	14,800	501	15,300	11		15,311	6.0%
Luxembourg	37	0	38			38	0.0%
Netherlands	305	4	309			309	0.1%
Poland	337	25	362			362	0.1%
Portugal	1,873	77	1,949			1,949	0.8%
Romania	174	1	175	0	0	175	0.1%
Other European countries	180	59	239			239	0.1%
Supranational	5,330	739	6,070	2	0	6,072	2.4%
<b>Total Europe</b>	<b>219,088</b>	<b>5,656</b>	<b>224,743</b>	<b>10,389</b>	<b>943</b>	<b>236,075</b>	<b>92.6%</b>
Brasil	2,176	15,117	17,293			17,293	6.8%
Canada	750	1	752			752	0.3%
Mexico	108	0	108			108	0.0%
Other	544	56	600			600	0.2%
<b>Total rest of world</b>	<b>3,578</b>	<b>15,174</b>	<b>18,752</b>	<b>0</b>	<b>0</b>	<b>18,752</b>	<b>7.4%</b>
<b>TOTAL</b>	<b>222,666</b>	<b>20,829</b>	<b>243,496</b>	<b>10,389</b>	<b>943</b>	<b>254,827</b>	<b>100.0%</b>

(a) Direct exposure: fair value or gross carrying amount of proprietary exposures.

(b) Direct and indirect exposures: direct exposures plus indirect exposures arising from the guarantees granted to some of the group's UCITS.

## 34.3 Market risk and hedge accounting

### 34.3.1 Derivatives transactions: analysis by remaining life (notional amounts)

The breakdown of the market value of derivatives by remaining life is presented below.

#### Hedging derivatives

<i>(in € millions)</i>	31/12/2022							
	Less than 1 year	1 to 5 years	Beyond 5 years	Total	Less than 1 year	1 to 5 years	Beyond 5 years	Total
	Assets				Liabilities			
Interest rate instruments	110	746	155	1,011	37	686	1,626	2,350
Interest rate swaps	110	746	155	1,011	37	686	1,626	2,350
Forex instruments	0	0	127	127	0	0	22	22
Currency futures			127	127			22	22
Credit instruments				0				0
Other instruments				0				0
<b>TOTAL FAIR VALUE OF HEDGING DERIVATIVES</b>	<b>110</b>	<b>746</b>	<b>283</b>	<b>1,139</b>	<b>37</b>	<b>686</b>	<b>1,648</b>	<b>2,371</b>

<i>(in € millions)</i>	31/12/2021							
	Less than 1 year	1 to 5 years	Beyond 5 years	Total	Less than 1 year	1 to 5 years	Beyond 5 years	Total
	Assets				Liabilities			
Interest rate instruments	13	658	295	967	21	176	85	282
Interest rate swaps	13	658	295	967	21	176	85	282
Forex instruments	0	0	55	55	0	0	51	51
Currency futures			55	55			51	51
Credit instruments				0				0
Other instruments				0				0
<b>TOTAL FAIR VALUE OF HEDGING DERIVATIVES</b>	<b>13</b>	<b>658</b>	<b>351</b>	<b>1,022</b>	<b>21</b>	<b>176</b>	<b>136</b>	<b>333</b>

## Trading derivatives

	31/12/2022							
	Less than 1 year	1 to 5 years	Beyond 5 years	Total	Less than 1 year	1 to 5 years	Beyond 5 years	Total
	Assets				Liabilities			
<i>(in € millions)</i>								
Interest rate instruments	133	3,462	2,425	6,020	609	916	1,740	3,265
Interest rate swaps	99	659	1,808	2,566	101	560	1,574	2,234
Interest rate options, caps, floors, collars	34	2,803	617	3,454	41	336	166	544
Other interest rate instruments				0	467	20		487
Forex instruments	18	18	105	140	343	295	314	951
Currency futures	18	18	105	140	343	295	314	951
Credit instruments			1	1			1	1
Equity and index instruments	154	477	15	646	10	246		256
Other instruments				0	1	3		4
<b>TOTAL FAIR VALUE OF TRADING DERIVATIVES</b>	<b>304</b>	<b>3,957</b>	<b>2,545</b>	<b>6,807</b>	<b>963</b>	<b>1,459</b>	<b>2,055</b>	<b>4,477</b>

	31/12/2021							
	Less than 1 year	1 to 5 years	Beyond 5 years	Total	Less than 1 year	1 to 5 years	Beyond 5 years	Total
	Assets				Liabilities			
<i>(in € millions)</i>								
Interest rate instruments	41	558	695	1,293	33	349	408	791
Interest rate swaps	9	215	462	686	7	159	314	480
Interest rate options, caps, floors, collars	33	343	233	608	26	191	94	311
Forex instruments	73	32	82	188	32	440	380	853
Currency futures	73	32	82	188	32	440	380	853
Credit instruments		2		2		13		13
Equity and index instruments	142	664	12	818	73	554		627
Other instruments				0	1	4		4
<b>TOTAL FAIR VALUE OF TRADING DERIVATIVES</b>	<b>256</b>	<b>1,257</b>	<b>789</b>	<b>2,302</b>	<b>139</b>	<b>1,360</b>	<b>788</b>	<b>2,288</b>



### 34.3.2 General framework of the risk management strategy

#### General framework

Market risks correspond to the potential impact of changes in the financial markets on La Banque Postale's results or balance sheet. They include price risk, currency risk and commodities risk.

The majority of balance sheet items generate interest income and expenses that are exposed to changes in interest rates either through new transactions at rates that are not known in advance, or through comparative increases in the rate of existing transactions. In the first case, there is a risk of a change in cash flows, while in the second case, there is a fair value risk.

Since 1 January 2020, La Banque Postale has applied the transitional provisions of IFRS 9 concerning hedge accounting, by applying IFRS 9 to all hedging relationships except for portfolio fair value hedges which continue to be accounted for in accordance with IAS 39.

#### Type of hedge – management of associated risks

La Banque Postale uses derivatives to hedge market risks as part of its asset/liability and risk management policies.

These economic hedges are subject to different accounting treatments.

Derivatives held for trading, it is on a symmetrical basis with the hedged underlying and that do not by definition qualify for hedge accounting.

Derivatives that form part of a hedging relationship which qualifies for hedge accounting under IFRS 9 and IAS 39 for portfolio hedging, are classified as either fair value hedges or cash flow hedges.

#### Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of financial assets or liabilities. Fair value hedges are primarily used to hedge the interest rate risk on fixed-rate assets and liabilities, as well as on demand deposits on the basis allowed by the European Union. In a fair value hedge, the effective portion of the gain or loss on the hedging instrument offsets the loss or gain on the hedged item. The difference between the two amounts corresponds to the ineffective portion of the gain or loss on the hedging instrument, which will have a net impact on profit or loss.

#### Cash Flow Hedges and all-in-one Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows from financial assets or liabilities, firm commitments or future transactions. Cash flow hedges are used to hedge the interest rate risk on adjustable-rate assets and liabilities. Derivatives used for cash flow hedging fix the amount of future cash flows. In the particular case of forwards, they act as an all-in-one cash flow hedge which is automatically effective because the contract covers both the derivative and the underlying to be delivered (hence the term all-in-one).

#### Portfolio fair value hedges

Portfolio fair value hedging transactions carried out in connection with the management of fixed rate assets and liabilities are accounted for in accordance with IAS 39, as adopted by the European Union.

Portfolio fair value hedging instruments are mainly interest rate swaps designated as fair value hedges of the group's fixed-rate assets and liabilities. The group uses the bottom-layer approach whereby only part of the total value of portfolio items allocated to a time bucket (the bottom layer) is hedged by the swaps. This is called the bottom-layer approach. In the case of over-hedging, the effectiveness test performed by La Banque Postale shows that it is ineffective, and the hedging derivative is systematically terminated.

#### Hedging instruments

La Banque Postale uses several types of hedging derivatives to manage the interest rate and currency risks on its balance sheet items.

An interest rate swap is an over-the-counter contract whereby a stream of fixed-rate interest payments on a notional amount is exchanged for a stream of variable-rate interest payments on the same amount. The swaps used by La Banque Postale are mainly Overnight Index Swaps.

An interest rate option is an over-the-counter contract between two counterparties protecting the option buyer from an increase in the underlying interest rate above a certain level. The options used by La Banque Postale were caps entitling it to a cash payment if the underlying interest rate rose above a pre-determined level (the strike rate) in exchange for a premium generally payable when the option was purchased.

The currency swaps used by La Banque Postale are cross currency swaps whereby the group pays principal and fixed-rate interest in foreign currency and receives principal and variable rate interest in euros. In this way, the cross currency swap provides both financing in foreign currency and an economic hedge of the currency risk. The foreign currency and euro cash flows are perfectly matched in terms of amounts, dates and payments.

### 34.3.3 Scopes and economic links to the hedged risk (the underlying)

#### Underlyings

La Banque Postale hedges balance sheet transactions in the banking scope (both customer and financial transactions) using derivatives set up with market counterparties. These transactions depend on the business model of the portfolios.

They stem from different hedging strategies that aim primarily to hedge the interest rate risk.

Hedged item	Scenarios 2022 (in force)	
	Derivative	Hedge
Fixed-rate loans	Fixed-rate payer swap	CO-FVH: carve-out fair value hedge
	Fixed-rate payer swap	FVH: fair value hedge
Fixed-rate securities purchased	Fixed-rate payer swap	CO-FVH: carve-out fair value hedge
	Fixed-rate payer swap	FVH: fair value hedge
Fixed-rate forward securities purchased	Forward	All-in-one CFH: all-in-one cash flow hedge
Assets with capped revisable rates	Purchased cap	CO-FVH: carve-out fair value hedge
Fixed-rate customer deposits	Fixed-rate receiver swap	CO-FVH: carve-out fair value hedge
Fixed-rate bond issue	Fixed-rate receiver swap	FVH: fair value hedge

#### Underlying assets

The hedged risk corresponds to the amount represented by the interest rate risk on fixed-rate bonds and customer loans (home loans, consumer credit), and by the interest rate risk on future cash flows (purchases of long-term bonds).

#### Underlying liabilities

The hedged risk corresponds to the amount represented by the interest rate risk on fixed-rate customer deposits (demand deposits, PEL home-saving plan) and fixed-rate bond issues.

#### Sources of hedge ineffectiveness

##### Hedging a security by a swap

There are two types of fair value hedges:

**Euribor hedges:** Euribor hedges are valued using a Euribor discount curve for the securities and an €STR curve for derivatives. The use of two different discount curves creates a slight hedge ineffectiveness that will become greater when the €STR – Euribor spread varies over time (ineffectiveness stemming from the changes in fair value of the variable leg of the swap, when this rate is not an overnight rate (like the €STR) but a pre-set rate (like the Euribor)).

**€STR hedges:** €STR hedges are valued using an €STR discount curve for both the securities and the derivatives. The mathematical hedge is thus perfect between the security and the swap (security discounted using €STR with adjustment of the credit component and swap discounted using €STR), which is why this type of hedge is considered to be 100% effective and no effectiveness test is required.

#### Hedging several securities with several swaps

By applying the defined principles, it is possible to obtain a simplified documented hedging relationship that is **100% effective**, while accurately managing the accounting treatment of the interest rate hedge component and notably the reclassification to profit or loss of hedging gains or losses according to the securities transactions.

The securities and their hedge (a swap or, exceptionally, several swaps) are grouped together by portfolio fair value hedging strategy. Each portfolio fair value hedging strategy respects the following restrictions:

1. maturities of the securities and swaps in the strategy must be in the same time bucket of a maximum of one year;
2. the notional amount of the swap in the strategy must be less than the total principal amount of the securities;
3. the maturity of the swap in the strategy must be less than or equal to the shortest maturity of the securities in the strategy;
4. the sensitivity of the swap in the strategy must be less than or equal to the overall sensitivity of the securities;
5. if there are several swaps in the strategy they must all be executed on the same day;
6. once the securities and the swap(s) are matched, no other securities may be purchased in the strategy, only sales of securities and unwinding of the swaps are authorised.

Within this management framework, once a hedging strategy is set up, new securities or new swaps cannot be added to it. This guarantees that all securities and all swaps undergo the same changes in value (with respect to interest rate risk) over the hedging period.

La Banque Postale has set rules for unwinding hedges by tracking the principal amount of sold securities, strategy by strategy in order to comply with the above restrictions at all times, and partially terminating, on the day the securities are sold, the outstanding amount of the swap that exceeds the aggregate principal amount of the remaining securities. In the case of over-hedging, the effectiveness test performed by La Banque Postale fails and the hedging derivative is systematically terminated for the ineffective portion.

**Portfolio fair value hedging:** the sources of ineffectiveness consist mainly of the disappearance of the underlying.

### Hedging ratio

The hedging ratio (quantity of hedged items/quantity of hedging instruments) is used by La Banque Postale in its operational risk management.

To calculate the ratio, at each reporting date the backward-looking documentation is reviewed to verify that the change in the value of the hedged item since the beginning of the hedging relationship is the same as the change in the hedging instrument. Any valuation difference represents the ineffective portion of the gain or loss on the hedge and is recognised in the income statement.

### Effectiveness test

La Banque Postale performs an effectiveness test at least twice during each half-year period.

### Cash flow hedges

For cash flow hedges, La Banque Postale uses the hypothetical derivative method. This method consists of comparing changes in fair value of the derivative with changes in the fair value of a hypothetical derivative that would perfectly represent the hedged risk.

### Fair value hedges

#### *Hedging a security by a swap*

For micro-hedging using Euribor swaps, La Banque Postale uses the hypothetical derivative method. Based on the assumption that €STR swaps are 100% effective in micro-hedging, the method consists of creating an €STR swap replicating the underlying security exactly that could have been set up at the time of hedging, and assessing the change in the value of this swap compared with the change in that of the actual swap.

The residual ineffectiveness thus corresponds to the sum of the changes in value of the hedged item and the hedging instrument. The security and the swap are valued using the same constant yield curve, so that only the market exchange rate is taken into account. The change in the value of the security valued this way is independent of the changes in value of the interest rates and is therefore affected solely by the change in the exchange rate.

If the effectiveness test fails, La Banque Postale rules impose the sale of all or part of the hedged underlying. In this case, effectiveness tests are performed before and after the sale to ensure that the sale eliminates the hedge ineffectiveness.

#### *Hedging several securities by a swap*

For monitoring purposes, hedging strategies are documented on a rolling basis to confirm that no new securities have been added to the strategy and that existing positions have not been added to.

#### *Hedging of several loans by several swaps (bottom-layer approach/IAS 39 carve-out)*

For a sub-set of fixed-rate customer loans, tests are performed to verify that the value of the loans in the time bucket represent more than the notional amount of the derivatives (swaps or options) used to hedge them (*i.e.*, only the bottom layer is hedged). If the notional amount of the derivatives is greater, the hedging relationship is discontinued, and the derivative(s) is/are systematically unwound.

## Fair value and cash flow hedging derivatives

<i>(in € millions)</i>	31/12/2022		
	Assets	Liabilities	Notional amount
<b>Interest rate instruments</b>	1,011	2,350	55,471
Interest rate swaps	1,011	2,350	55,471
Interest rate options, caps, floors, collars			
<b>Forex instruments</b>	9	22	589
Currency futures	9	22	589
<b>Other instruments</b>			
<b>Total fair value hedging derivatives</b>	<b>1,020</b>	<b>2,371</b>	<b>56,060</b>
<b>Interest rate instruments</b>			
<b>Forex instruments</b>	118	0	1,125
Currency futures	118		1,125
<b>Other instruments</b>			
<b>Total cash flow hedging derivatives</b>	<b>118</b>	<b>0</b>	<b>1,125</b>
<b>TOTAL HEDGING DERIVATIVES</b>	<b>1,139</b>	<b>2,371</b>	<b>57,185</b>

The notional amounts of hedging derivatives falling within the scope of application of the amendment to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform are as follows:

Notional amounts of FVH derivatives by maturity	2 years	> 2 years
USD Libor	668	324

These notional amounts of hedging derivatives are analysed before and after the two-year maturity, which is the period between 1 January 2023 and 31 December 2024.

<i>(in € millions)</i>	31/12/2021		
	Assets	Liabilities	Notional amount
<b>Interest rate instruments</b>	967	282	45,305
Interest rate swaps	967	282	45,305
Interest rate options, caps, floors, collars			
<b>Forex instruments</b>	0	0	1,152
Currency futures			1,152
<b>Other instruments</b>			
<b>Total fair value hedging derivatives</b>	<b>967</b>	<b>282</b>	<b>46,458</b>
<b>Interest rate instruments</b>			
<b>Forex instruments</b>	55	50	1,060
Currency futures	55	50	1,060
<b>Other instruments</b>			
<b>Total cash flow hedging derivatives</b>	<b>55</b>	<b>50</b>	<b>1,060</b>
<b>TOTAL HEDGING DERIVATIVES</b>	<b>1,022</b>	<b>333</b>	<b>47,517</b>

### Hedging derivatives: analysis by residual life (notional amounts)

The breakdown of the notional amounts of derivative instruments by residual contractual life is presented below.

<i>(in € millions)</i>	31/12/2022			
	Less than 1 year	1 to 5 years	Beyond 5 years	Total
<b>Interest rate instruments</b>	16,029	24,948	14,495	55,471
Interest rate swaps	16,029	24,948	14,495	55,471
Interest rate options, caps, floors, collars				0
<b>Forex instruments</b>	0	0	589	589
Currency futures			589	589
<b>Other instruments</b>				0
<b>Total notional amount of fair value hedging derivatives</b>	<b>16,029</b>	<b>24,948</b>	<b>15,084</b>	<b>56,060</b>
<b>Interest rate instruments</b>				0
<b>Forex instruments</b>	0	0	1,125	1,125
Currency futures			1,125	1,125
<b>Other instruments</b>				0
<b>Total notional amount of cash flow hedging derivatives</b>	<b>0</b>	<b>0</b>	<b>1,125</b>	<b>1,125</b>
<b>TOTAL NOTIONAL AMOUNT OF HEDGING DERIVATIVES</b>	<b>16,029</b>	<b>24,948</b>	<b>16,209</b>	<b>57,185</b>

<i>(in € millions)</i>	31/12/2021			
	Less than 1 year	1 to 5 years	Beyond 5 years	Total
<b>Interest rate instruments</b>	5,555	32,619	7,131	45,305
Interest rate swaps	5,555	32,619	7,131	45,305
Interest rate options, caps, floors, collars				0
<b>Forex instruments</b>		100	1,053	1,152
Currency futures		100	1,053	1,152
<b>Other instruments</b>				0
<b>Total notional amount of fair value hedging derivatives</b>	<b>5,555</b>	<b>32,718</b>	<b>8,184</b>	<b>46,458</b>
<b>Interest rate instruments</b>				0
<b>Forex instruments</b>	0	0	1,060	1,060
Currency futures			1,060	1,060
<b>Other instruments</b>				0
<b>Total notional amount of cash flow hedging derivatives</b>	<b>0</b>	<b>0</b>	<b>1,060</b>	<b>1,060</b>
<b>TOTAL NOTIONAL AMOUNT OF HEDGING DERIVATIVES</b>	<b>5,555</b>	<b>32,718</b>	<b>9,244</b>	<b>47,517</b>

## Fair value hedges

Hedged items

Fair value micro-hedging

	31/12/2022			
	Existing hedges		Discontinued hedges	Hedging-related changes in fair value (incl. hedges discontinued during the year)
	Carrying amount	Including hedging-related cumulative change in fair value	Deferred cumulative hedging-related change in fair value	
<i>(in € millions)</i>				
<b>ASSETS</b>				
Interest rate	9,237	(581)		(574)
Forex	395	(1)		(1)
Other				0
<b>Financial instruments at fair value through OCI</b>	<b>9,632</b>	<b>(583)</b>	<b>0</b>	<b>(575)</b>
Interest rate	1,229	(98)		(101)
Forex				
Other				
<b>Financial instruments at amortised cost</b>	<b>1,229</b>	<b>(98)</b>	<b>0</b>	<b>(101)</b>
<b>LIABILITIES</b>				
Interest rate	15,738	(1,631)		(1,888)
Forex				
Other				
<b>Financial instruments at amortised cost</b>	<b>15,738</b>	<b>(1,631)</b>	<b>0</b>	<b>(1,888)</b>

(in € millions)	31/12/2021			
	Existing hedges		Discontinued hedges	Hedging-related changes in fair value (incl. hedges discontinued during the year)
	Carrying amount	Including hedging-related cumulative change in fair value	Deferred cumulative hedging-related change in fair value	
<b>ASSETS</b>				
Interest rate	8,916	(7)		(332)
Forex	100			
Other				0
<b>Financial instruments at fair value through OCI</b>	<b>9,015</b>	<b>(7)</b>	<b>0</b>	<b>(332)</b>
Interest rate	639	4		(11)
Forex				
Other				
<b>Financial instruments at amortised cost</b>	<b>639</b>	<b>4</b>	<b>0</b>	<b>(11)</b>
<b>LIABILITIES</b>				
Interest rate	10,063	257		(308)
Forex				
Other				
<b>Financial instruments at amortised cost</b>	<b>10,063</b>	<b>257</b>	<b>0</b>	<b>(308)</b>

Portfolio fair value hedges

(in € millions)	31/12/2022		31/12/2021	
	Carrying amount	Cumulative change in fair value <sup>(a)</sup>	Carrying amount	Cumulative change in fair value <sup>(a)</sup>
Debt instruments at amortised cost	9,849	721	11,585	101
<b>Total- assets</b>	<b>9,849</b>	<b>721</b>	<b>11,585</b>	<b>101</b>
Debt instruments at amortised cost	16,689	294	14,079	422
<b>Total liabilities and equity</b>	<b>16,689</b>	<b>294</b>	<b>14,079</b>	<b>422</b>
<b>TOTAL FAIR VALUE HEDGING OF THE INTEREST RATE RISK OF A PORFOLIO OF FINANCIAL INSTRUMENTS</b>	<b>26,538</b>	<b>1,015</b>	<b>25,664</b>	<b>522</b>

(a) Change in fair value attributable to the hedged risk only and used to determine the effective portion of the fair value of the hedging instrument. The change excludes accrued interests.

Fair value hedging gains and losses

<i>(in € millions)</i>	31/12/2022		
	Net hedging gain/loss		
	Changes in fair value of hedging instruments (incl. discontinued hedges)	Changes in fair value of hedged items (incl. discontinued hedges)	Ineffective portion of the gains/losses
Interest rate	(1,976)	1,950	(26)
Forex	(12)	13	1
<b>TOTAL</b>	<b>(1,988)</b>	<b>1,963</b>	<b>(25)</b>

<i>(in € millions)</i>	31/12/2021		
	Net hedging gain/loss		
	Changes in fair value of hedging instruments (incl. discontinued hedges)	Changes in fair value of hedged items (incl. discontinued hedges)	Ineffective portion of the gains/losses
Interest rate	(130)	125	(5)
Forex	1	(1)	
<b>TOTAL</b>	<b>(129)</b>	<b>124</b>	<b>(5)</b>

Cash-flow hedges

Hedged items

<i>(in € millions)</i>	31/12/2022		
	Existing hedges	Discontinued hedges	Hedging-related changes in fair value (incl. hedges discontinued during the year)
	Cumulative hedging-related change in fair value	Deferred cumulative hedging-related change in fair value	
<b>ASSETS</b>			
Interest rate		75	75
Forex	67		47
<b>TOTAL</b>	<b>67</b>	<b>75</b>	<b>122</b>

<i>(in € millions)</i>	31/12/2021		
	Existing hedges	Discontinued hedges	Hedging-related changes in fair value (incl. hedges discontinued during the year)
	Cumulative hedging-related change in fair value	Deferred cumulative hedging-related change in fair value	
<b>ASSETS</b>			
Interest rate		27	
Forex		20	42
<b>TOTAL</b>		<b>47</b>	<b>42</b>



## Cash-flow hedging gains and losses

### Hedged items

(in € millions)	31/12/2022		
	Other comprehensive income		Net hedging gain/loss
	Effective portion of hedging gain/loss recognised during the year	Amount recognised in OCI and reclassified to profit or loss during the year	Ineffective portion of gains/losses
Interest rate			
Forex	188	(66)	
<b>TOTAL</b>	<b>188</b>	<b>(66)</b>	<b>0</b>

(in € millions)	31/12/2021		
	Other comprehensive income		Net hedging gain/loss
	Effective portion of hedging gain/loss recognised during the year	Amount recognised in OCI and reclassified to profit or loss during the year	Ineffective portion of gains/losses
Interest rate		(4)	
Forex	106	(64)	
<b>TOTAL</b>	<b>106</b>	<b>(67)</b>	

### 34.3.4 Assessment of risk

#### Value at risk (VaR)

Value at risk (VaR) is an indicator of La Banque Postale's loss exposure. It gives an estimate of maximum potential losses over a specified period with a given probability. However, VaR does not indicate the various levels of potential losses that may arise from infrequent events.

The VaR indicator is calculated on trading portfolios and also on certain banking portfolios. An overall VaR encompassing all positions is also calculated.

VaR is broken down for each of the activities included in the market portfolio.

In line with a prudent approach, La Banque Postale decided to apply a VaR indicator (one-day, 99%) to all of its mark-to-market positions. The VaR indicator used by La Banque Postale is a parametric VaR, calculated using a variance-covariance matrix that covers La Banque Postale's exposure to interest rate, spread, exchange rate, volatility and equity risks.

The resulting VaR partly covers option-related risks, with second-degree risks not being taken into account. Although they are not currently material in relation to total positions, an increase in option positions could lead the Group Risk Department to adopt a more appropriate methodology. Moreover, option risk monitoring indicators are deployed.

The Group Risk Department back-tests the results of the model used to calculate the VaR indicator, in order to assess its quality.

#### Stress scenarios

VaR, which is calculated on the assumption that it follows a normal distribution, is estimated under normal market conditions and does not provide any information on the amount of the potential loss when the VaR is exceeded. As the group needs to be able to estimate potential losses in exceptional market conditions (terrorist attacks, the collapse of a major group, etc.), it defines stress scenarios.

A stress scenario involves simulating an extreme situation in order to assess the financial impact on La Banque Postale's earnings or capital. The use of these scenarios is an analytical and management tool providing a better understanding of market risk.

La Banque Postale trades on all markets (UCITS, currencies, fixed-income, credit and derivatives). However, at present, it mostly deploys directional strategies on the fixed-income, credit and UCITS markets. The crisis scenarios used in the models mainly affect yield curves and credit spreads; other parameters are also taken into account but their impact is limited.

A distinction is made between two major stress families – historical stresses and hypothetical stresses:

- historical stresses are based on historical facts (events which have actually occurred). To build the scenarios, changes which took place in the past during major financial crises are applied to current market conditions. These are historical scenarios;
- hypothetical stresses are scenarios that adopt plausible variations which, although they have never occurred, could threaten the organisation if they did. These shocks are calibrated with assumptions based on historical statistics drawn from market data.

A historical stress scenario is triggered by a sudden event affecting a combination of factors. To plan for a worst-case scenario, the time frames selected correspond to the initial stage during which the crisis spreads up to the first indication that prices are stabilising, given that several trading days are needed to close out high-risk positions.

A stress test is applied to a given category of market risk. La Banque Postale performs stress tests on its main risk exposures.

At group level, quarterly stress tests are performed on all portfolios measured at fair value (including the insurance subsidiaries). This indicator is calculated on the basis of the historical scenario with a 3-month horizon, determined to be the most unfavourable for La Banque Postale group over a 10-year period with a confidence level of 99.5%.

### 34.4 Liquidity risk

Liquidity risk is defined by the government order of 3 November 2014 as the risk that a company cannot meet its commitments or cannot unwind or cover a position either because of the market situation (systemic risk) or idiosyncratic factors (own risks), within a specific period or at a reasonable cost.

The liquidity risk reporting systems cover the entire La Banque Postale for regulatory purposes. Some of the limits and indicators used in management refer to corporate units of the group, notably La Banque Postale, the largest entity.

La Banque Postale has a strong liquidity position based on:

- customer deposits exceeding customer loans. La Banque Postale has a significant and diversified deposit base (in excess of €200 billion) consisting primarily of deposits from French retail customers;
- a significant HQLA portfolio (High-Quality Liquid Assets). La Banque Postale has traditionally invested a significant portion of its balance sheet in sovereign securities due to its historical activity as a deposit-taker. The customer credit business only began to develop in 2006. This portfolio contains only high-quality liquid assets in accordance with Delegated Regulation (EU) No 2015/61;
- proven access to capital market financing.

Since funds from customers mostly have no fixed maturity and may be payable at any time (deposits, passbook accounts), their runoff is modelled to determine their profile over time. La Banque Postale has taken a conservative approach to its liquidity assessments.

### Liquidity risk management

The Balance Sheet Management Committee is responsible for managing liquidity risk in compliance with the principles and limits approved by the GRMC. Part of this responsibility is delegated to the ALM and Treasury Committee.

In operational terms, La Banque Postale has implemented an internal liquidity adequacy assessment process (ILAAP) which combines all of its liquidity limits, assessment, monitoring, reporting and management procedures. The process includes:

- a system of risk indicators associated with regulatory or internal limits, published at monthly intervals;
- daily monitoring of changes in the buffer consisting of unencumbered high-quality liquid securities and a proxy LCR;
- a financing plan which ensures the equilibrium of La Banque Postale's refinancing position on an ex-ante basis in its budget planning universe;
- twice-yearly market access tests to verify market access in different currencies and actual liquidity tests on securities;
- the Emergency Funding Plan (EFP), which is primarily intended to (see below):
  - define alert thresholds to enable early detection of liquidity stress, whether specific to La Banque Postale or systemic,
  - identify all available liquidity-generating capacities (liquidity reserves and financing capacity),
  - mobilise governance to manage potential crises in a timely manner, and measure La Banque Postale's room for manoeuvre *via* a stress test system in the context of historically high stress on its liquidity.

The liquidity risk prudential reporting systems cover the entire prudential consolidation scope. Some group entities are also subject to reporting requirements at the individual level.

### Liquidity risk measurement

The main indicators of liquidity risk are presented below.

#### Liquidity Coverage Ratio (LCR)

Short-term liquidity monitoring is based primarily on the survival period and the Liquidity Coverage Ratio (LCR).

The LCR is a monthly short-term liquidity ratio which measures La Banque Postale's capacity to withstand a severe deterioration in its financial situation for up to 30 days in a systemic shock environment.

Under banking regulations, LCR must be greater than 100%. La Banque Postale's internal LCR target is higher than this, and it met this minimum level.

This ratio is calculated by dividing the sum of unencumbered, high-quality liquid assets by the liquidity requirement in a stress environment over a 30-day period. An LCR proxy is calculated daily.

## Survival horizon

This indicator measures the number of days during which La Banque Postale would be able to meet its payment obligations in a crisis situation, solely by using its liquidity buffers and assuming that it continues to operate normally (*i.e.*, without extraordinary management action such as a lending freeze).

It is determined based on stressed dynamic gaps calculated for each crisis scenario (systemic, specific to La Banque Postale or both) and corresponds to the horizon observed under the least favourable scenario for La Banque Postale.

The survival horizon is expressed as a number of months (up to a maximum of six months, which corresponds to the crisis scenario horizon), plus the observed liquidity surplus or shortfall corresponding to the horizons set for risk management purposes.

## Liquidity gap

La Banque Postale assesses its long-term liquidity level by reference to a liquidity gap. The liquidity gap includes static gap forecasts by maturity and limits defined at 1-, 3- and 5-year horizons. The assumptions used correspond to a stressed approach, resulting in a conservative view of the La Banque Postale's liquidity position.

The liquidity gap assessment approaches are determined according to the type of asset (or liability) on the balance sheet:

- outstanding loans with fixed maturities (contractual runoff that may or may not be adjusted by a model);
- outstanding loans with no fixed maturities (conventional runoff);
- liquidity profile of the transferable assets;
- off-balance sheet items (liquidity commitments and guarantees).

Transactions with no contractual maturity (including customer deposits and passbook savings accounts) are included based on runoff conventions approved by the Balance Sheet Management Committee and the Group Risk Department.

Off-balance sheet transactions are included, taking into account drawdown assumptions.

The transferability of certain transactions may be taken into account where appropriate.

## Net Stable Funding Ratio (NSFR)

The NSFR corresponds to the amount of available stable funding in relation to required stable funding. This ratio should be at least 100% at any time. "Available stable funding" (ASF) refers to the portion of resources that are not payable within the time frame considered, *i.e.*, 1 year within the context of the NSFR. The amount of "required stable funding" (RSF) of a business depends on the characteristics of its liquidity and the residual maturity of its assets (and off-balance sheet positions).

## Liquidity reserve

The purpose of the liquidity reserve is to quantify the amount of cash and liquidity readily available through the sale or repurchase of securities in order to withstand a liquidity crisis.

The liquidity reserve is composed of:

- cash deposited with the Central Bank (excluding the average mandatory reserves calculated over the incorporation period);
- ECB-eligible securities with a satisfactory rating;
- retained covered bonds and covered bonds issued by La Banque Postale through its subsidiary La Banque Postale Home Loan SFH.

Top high quality secured home loans qualifying for refinancing by La Banque Postale Home Loan SFH through covered bond issues also represent an important source of liquidity.

## Emergency Funding Plan (EFP)

The EFP is monitored by the group's funding governance bodies (the ALM and Treasury Committee and the Refinancing Sub-Committee of the Group Risk Committee) and implemented by the CIB Division.

The EFP is part of the internal liquidity assessment process on which La Banque Postale reports each year. The EFP sets out the leading indicators selected to gauge the robustness of the (financial or banking) markets impacting the liquidity of La Banque Postale.

These indicators can be broken down into two major groups:

- systemic indicators;
- entity-specific ("idiosyncratic") indicators.

A specific threshold (comfort, vigilance or warning) is defined for each indicator.

The EFP also makes provision for a mechanism to be implemented in the event of a proven systemic or entity-specific crisis. This mechanism mainly takes the form of an inventory of the various sources of funds (or liquidity) available to La Banque Postale, based on the amounts involved and the speed with which they can be accessed. The EFP also makes provisions for specific governance through committees, which will monitor the leading indicators. The purpose of this governance organisation is to increase oversight of liquidity risk. In normal times, the indicators are presented at meetings of the ALM and Treasury Committee and periodically to the GRMC. They are also tracked during weekly meetings of the Refinancing Committee. The indicators selected, and the actions proposed, are tested on the markets in order to gauge their suitability along with market liquidity.

The funding test involves testing the market by issuing short-term debt. The aim of this type of test is to regularly verify La Banque Postale's ability to quickly raise funds on the markets to ensure that its estimated borrowing capacity remains valid. This type of test is carried out at least twice a year.

## Ability to access external financing

In line with the ALM Committee and the GRMC's prudent liquidity management, La Banque Postale has secured diversified sources of financing, including:

- a €20 billion NEU CP (Negotiable European Commercial Paper) programme and a €10 billion ECP (European Commercial Paper) programme to refinance a portion of La Banque Postale's short-term financing requirements and satisfy demand from institutional customers;
- a €2 billion NEU EMTN programme to refinance a portion of La Banque Postale's short-term financing requirements and satisfy demand from institutional customers;
- a €20 billion retail EMTN programme enabling the issue of senior (vanilla and structured), non-preferred senior and Tier 2 debt;
- a €10 billion retail structured senior debt programme;
- a €30 billion EMTN programme for the issue of home loan bonds (obligations de financement de l'habitat - OFH) via its secure financing vehicle, La Banque Postale Home Loan SFH, a La Banque Postale SA subsidiary created in 2013;
- access to European Investment Bank (EIB) refinancing under La Banque Postale's eligible funds commitment;
- a portfolio of HQLA (High-Quality Liquid Asset) securities, consisting mainly of rapidly accessible, high-quality government bonds which represent a stable source of eligible assets enabling access to ECB refinancing operations or to the securities repo market;
- access to the Brokertec, Eurex Repo and Eurex GC Pooling and NGT Bondlend repo platforms;
- access to the interbank market.

La Banque Postale also has access to a secured financing vehicle via the *Caisse de financement local* (CAFFIL), to which it regularly sells originated local public sector loans.

## 34.5 Interest rate risk

The unit responsible for supervising and managing overall interest rate risk is La Banque Postale's Group Risk Department.

The department has several goals:

- to map risks, assess the risk management system and propose limits in line with La Banque Postale's risk appetite;
- to provide periodic monitoring of the indicators used to manage La Banque Postale's overall consolidated interest rate risk and that of its banking subsidiaries;
- to carry out audits of the calculation processes for the various indicators (static and dynamic) and control the integrity of calculated exposures;
- to audit the methodologies used.

This risk is monitored using indicators showing the sensitivity of future margins and economic value to interest rates, and by modelling scenarios which assess the entity's capacity to withstand exogenous shocks.

The interest rate movements tested affect both uncertain cash flows from financial products and earnings from Retail Banking operations via behavioural models – particularly implicit options available to customers.

The supervision of interest rate risk is the responsibility of the ALM Committee, which monitors indicators and forecasts trends based on commercial policy guidelines and observed customer behaviour. The interest rate risk indicators are also reviewed by the GRMC. Interest rate risks are generally reviewed on a monthly basis.

## Objectives

Interest rate risk is managed so as to hedge the sensitivity of La Banque Postale's future net interest margin while ensuring compliance with value sensitivity indicators. A dynamic approach based on the business plan is used, applying interest rate derivatives (hedges) or adjusting commercial policies.

The balance sheet includes implicit and explicit options, leading to non-linear economic values based on interest rates. In this context, ALM proposes the regular rebalancing of structural positions using market instruments.

## Scope

As required by the Basel Committee, significant interest rate risks in the banking book are identified and measured. Some of these risks may give rise to a specific follow-up procedure.

Interest rate risk is measured by maturity and by type of index for products dependent on variable or adjustable rates (Euribor, inflation, €STR, etc.), taking into account likely runoff agreements, which are themselves dependent on market conditions.

Interest rate risk includes several components:

- fixing risk related to differences between new interest rates applied to assets and to liabilities (depending on baseline rates and maturities);
- yield curve risk related to fixing risk: this is generated by changes in the yield curve (translation, rotation, etc.);
- baseline risks: these are related to the use of multiple baseline interest rates and arise from the imperfect correlation of different reference rates;
- option-related risks (contractual or behavioural);
- risks caused by positions exposed to inflation.

The change in the net interest margin is therefore measured by reference to several interest rate scenarios. The interest rate risk on the balance sheet is simulated with dynamic modelling, taking into account future changes in outstanding amounts (early repayments, loan originations, etc.), in accordance with behavioural models and the business plan.

Trading desk transactions are not included in the overall interest rate risk management process as the risk associated with these transactions is monitored and managed according to the individual limits for each portfolio. These specific trading desk portfolios are subject to market risk-type limits.

## Assessing overall interest rate risk

### Agreements and models

The interest rate gap and interest rate sensitivity valuation methodologies used are determined according to the type of assets (or liabilities) comprising the balance sheet:

- outstanding loans with fixed maturities (contractual runoff that may or may not be adjusted by a model);
- outstanding loans with no fixed maturities (conventional runoff);
- off-balance sheet items (liquidity commitments and guarantees).

Transactions with no contractual maturity (including customer deposits and passbook savings accounts) are included based on runoff conventions approved by the Balance Sheet Management Committee and the Group Risk Department.

Off-balance sheet transactions are included, taking into account drawdown assumptions.

### Interest rate gap

For a given currency, the nominal interest rate gap is calculated for fixed-rate transactions and for variable-rate and adjustable-rate transactions up to the next rate review or reset date. The nominal interest rate gap does not take into account interest rate payments.

The interest rate gap is the difference between the amount of fixed-rate assets and the average amount of fixed-rate liabilities including the effects of off-balance sheet items by maturity.

### EVE (Economic Value of Equity) sensitivity

This corresponds to a negative change in value resulting from various shock scenarios. EVE is calculated using static modelling, based on the contractual maturities of balance sheet items.

The following shock scenarios were modelled:

- parallel 200 bps increases in short- and long-term rates;

- parallel 200 bps decreases in short- and long-term rates;
- steeper yield curve (decrease in short-term rates, increase in long-term rates);
- flatter yield curve (increase in short-term rates, decrease in long-term rates);
- increase in short-term rates;
- decrease in short-term rates.

EBA guidelines also require banks to model a regulatory floor for the risk-free rate. The floor starts at -1% and is increased in steps of 0.05% to 0% at 20 years.

### Net Interest Margin sensitivity

Net interest margin (NIM) sensitivity is defined as the difference between NIM in a modified interest rate scenario and NIM in a baseline interest rate scenario.

NIM sensitivity is calculated for each interest rate scenario taking into account interest rate-dependent behavioural models, and by maintaining levels of loan origination and deposits from the commercial business, along with assumptions related to equivalent financial transactions in the baseline scenario.

Only the behavioural models show a reaction to the shock scenario. Their impacts on amounts outstanding modify the level of short-term financing.

Different interest rate scenarios featuring an instantaneous shock relative to the baseline curve:

- parallel 100 bps increases in short- and long-term rates;
- parallel 100 bps decreases in short- and long-term rates;
- steeper yield curve (decrease in short-term rates, increase in long-term rates);
- flatter yield curve (increase in short-term rates, decrease in long-term rates);
- increase in short-term rates;
- decrease in short-term rates.

EBA guidelines also require banks to model a regulatory floor for the risk-free rate. The floor starts at -1% and is increased in steps of 0.05% to 0% at 20 years.

## NOTE 35 Additional information on financial instruments

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### 35.1 Fair value and hierarchy of financial instruments

The fair value hierarchy levels defined in IFRS 7 are as follows:

- level 1: instruments valued according to the (unadjusted) prices quoted for identical assets or liabilities on an active market;
- level 2: instruments valued using inputs that are observable for the asset or liability;
- level 3: instruments valued using inputs that are not based on observable market data.

31/12/2022

(in € millions)	Carrying amount	Fair value <sup>(a)</sup>	Fair value hierarchy <sup>(b)</sup>		
			Level 1	Level 2	Level 3
<b>ASSETS</b>					
<b>Bank assets</b>					
Loans and advances to customers	129,628	121,000		107,168	13,832
Loans and advances to credit institutions	67,095	67,131		66,816	315
Financial assets at fair value through profit or loss	222,722	222,722	158,121	44,206	20,395
Hedging derivatives	1,139	1,139		1,139	
Financial assets at fair value through OCI	194,534	194,534	186,121	3,934	4,479
Investment property at amortised cost	3,508	4,200		4,200	
Investment property at fair value	2,772	2,772		2,772	
Securities at amortised cost	27,193	23,491	22,197	948	346
<b>Non-bank assets</b>					
Other non-current financial assets	591	591		190	401
Trade and other receivables	5,503	5,503			
Other current financial assets	702	702	231	471	
Cash and cash equivalents	4,537	4,537	910	3,627	
<b>LIABILITIES</b>					
<b>Bank liabilities</b>					
Liabilities due to credit institutions	26,445	26,459		26,421	38
Customer deposits	233,276	233,174		231,446	1,728
Financial liabilities at fair value through profit or loss	13,359	13,359	345	13,014	
Hedging derivatives	2,371	2,371		2,371	
Debt securities	29,052	30,407	11,996	18,411	
Subordinated debt	9,099	8,009	2,155	5,853	
<b>Non-banking liabilities</b>					
Bonds and debt	11,564	10,083		10,083	
Trade and other payables	9,903	9,903			

(a) Including fair value of items recognised at amortised cost.

(b) For items recognised at fair value.

31/12/2021

(in € millions)	<b>Carrying amount</b>	<b>Fair value<sup>(a)</sup></b>	<b>Fair value hierarchy<sup>(b)</sup></b>		
			<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>ASSETS</b>					
<b>Bank assets</b>					
Loans and advances to customers	123,117	125,901		112,097	13,804
Loans and advances to credit institutions	67,823	67,837		67,547	290
Financial assets at fair value through profit or loss	231,420	231,420	182,357	30,587	18,476
Hedging derivatives	1,022	1,022		1,022	
Financial assets at fair value through OCI	228,310	228,310	222,356	3,064	2,890
Investment property at amortised cost	1,344	1,827		1,827	
Investment property at fair value	2,050	2,050		2,050	
Securities at amortised cost	23,480	24,256	22,671	1,087	498
<b>Non-bank assets</b>					
Other non-current financial assets	500	500		166	334
Trade and other receivables	5,554	5,554			
Other current financial assets	436	436	230	206	
Cash and cash equivalents	2,895	2,895	634	2,261	
<b>LIABILITIES</b>					
<b>Bank liabilities</b>					
Liabilities due to credit institutions	30,393	30,723		30,683	40
Customer deposits	234,582	234,582		232,967	1,615
Financial liabilities at fair value through profit or loss	4,253	4,253	470	3,783	
Hedging derivatives	333	333		333	
Debt securities	21,693	22,495	11,725	10,770	
Subordinated debt	10,110	10,376	2,731	7,645	
<b>Non-banking liabilities</b>					
Bonds and debt	10,149	14,176		14,176	
Trade and other payables	9,140	9,140			

(a) Including fair value of items recognised at amortised cost.

(b) For items recognised at fair value.

## Level 3 fair values: reconciliation of opening and closing balances (banking activities)

<i>(in € millions)</i>	Assets at fair value through profit or loss	Financial assets at fair value through OCI	Total
<b>Opening balance</b>	<b>18,477</b>	<b>3,093</b>	<b>21,570</b>
Gains and losses recognised in profit or loss	572		572
Gains and losses recognised in OCI		(1,198)	(1,198)
Purchases	4,917	2,965	7,882
Sales	(1,178)	(56)	(1,234)
Issues			0
Redemptions	(1,615)	(167)	(1,782)
Transfers to or out of level 3	(821)	136	(685)
Change of scope of consolidation	0	2	2
Other movements	43	(30)	13
<b>CLOSING BALANCE</b>	<b>20,395</b>	<b>4,745</b>	<b>25,140</b>

### Level 3 fair values: gains and losses for the period recognised in profit or loss.

None.

## 35.2 Methods for calculating the fair value of financial instruments

### 35.2.1 Financial instruments excluding banking activities

The fair value of bonds and related swaps is measured using a calculation method based on observable inputs, which corresponds to level 2 of the IFRS 7 fair value hierarchy. Details of this calculation method are provided below.

Every financial product is assessed as a series of future cash flows regardless of whether they are determined at the calculation date. The fair value calculation is based on discounting these future cash flows. The discounting factors are deduced from a zero-coupon curve. To calculate the fair value of bonds, La Poste's credit spread is added to the zero-coupon curve. La Poste's implied credit spread is determined based on price brackets supplied by various market participants (brokers).

In the case of cash flows dependent on a floating rate not yet determined at the calculation date, future rates are estimated based on the future structure of interest rates.

In the case of financial products with cash flows in different currencies, the cash flows are discounted for each currency based on discounting factors specific to the currency. The currency market values obtained are then translated into euros at the ECB exchange rate on the day of the calculation.

Option products are determined by factoring in implied market volatility, in view of the option exercise dates.

The fair value of current financial assets and liabilities is deemed equivalent to their carrying amount, in view of their short-term maturity.

The fair value of bonds and UCITS units is determined using quoted prices.

### 35.2.2 Banking activity financial instruments

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an instrument at initial recognition is generally the transaction price.

IFRS 13 recommends using a quoted price in an active market whenever possible to determine the fair value of a financial asset or liability. An active market is defined as a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Examples include prices observed on exchange markets, dealer markets and brokered markets, or quoted by a regulatory agency, that reflect actual transactions (volumes, range of prices) conducted in an orderly market. In the absence of an active market, fair value is determined using valuation techniques. These techniques include the prices of recent transactions carried out on arm's length terms. They use recognised valuation methods based on market data, fair values of substantially identical instruments, discounted cash flow models or option pricing models. The aim of these techniques is to establish what the price of an instrument would be under normal market conditions. For example, the fair value of bonds or variable-income securities and futures is determined using quoted prices. Valuation techniques based on market data are used mainly to value over-the-counter derivatives, securities on which interest is paid up front (commercial paper, certificates of deposit, etc.) and repo deposits.



Financial instruments are analysed in Note 34.1 based on the three levels of inputs in the fair value hierarchy:

- **level 1:** instruments valued according to the (unadjusted) prices quoted for identical assets or liabilities on an active market.

This level primarily includes shares and derivatives quoted on organised markets (futures, options, etc.).

The price quoted for an asset held or a liability to be issued is usually the bid price, and that of a liability held or an asset to be acquired is usually the ask price;

- **level 2:** instruments valued using inputs other than the quoted market prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (prices derived from or corroborated by observable market data).

These instruments are valued using observable parameters and standardised models or on the basis of similar instruments quoted on an active market. This category includes interest rate swaps, caps, floors, etc.;

- **level 3:** instruments valued using unobservable inputs.

Unobservable inputs are defined as inputs based neither on observable market transactions involving the same instrument at the measurement date, nor on observable market data available at the same date.

This category mainly includes unlisted equity investments and units in venture capital and innovation funds.

The market value of unlisted equity investments is determined by reference to criteria such as net assets, earnings outlook and discounted future cash flows.

### Fair value of loans

This information covers all disbursed loans and drawdowns on credit facilities shown in La Banque Postale's balance sheet. Loans granted but not yet disbursed or drawn down are not taken into account: the assumption is that since their rates were recently set, their fair value should not be materially different from their nominal amount.

The main underlying assumptions for the calculation are as follows for the loans marketed by La Banque Postale:

- the fair value of current account overdrafts is presumed to correspond to their book value due to their short duration

(the customer is required to return the account to credit within one month);

- the fair value of loans is determined using internal models based on the discounted present value of cash flows from principal and interest payments over the residual term. The discount rate applied is the internal disposal rate.

### Fair value of deposits

The main underlying assumptions for the calculation are as follows:

- for deposits at regulated interest rates, *Livret B* and *Livret jeune* accounts, *Plans d'épargne populaire* and term deposit accounts, fair value is assumed to be the carrying amount of the amount outstanding;
- the fair value of demand deposits is assumed to correspond to the carrying amount of the amount outstanding, net of the fair value excluding accrued interest of the swaps used to hedge demand deposits (carve-out).

### Fair value of held or issued debt instruments

The fair value of listed financial instruments corresponds to the period-end closing price. The fair value of unlisted financial instruments is determined by discounting future cash flows at the market rate in effect at the closing date.

## 35.3 Impact of financial instruments on net profit/(loss) and equity

### Non-banking activities

The impact of the group's financial instruments on profit or loss (excluding banking activities) is described in Note 13 "Net financial income/(expense)".

### Banking activities

The table below details the impact of the banking activity financial instruments on profit or loss and other comprehensive income.

(in € millions)	Changes in fair value				Net gain/ (loss)
	Interest income (expense)	Fair value through profit or loss	Fair value through OCI	Deconso- lidation and dividends	
<b>2022</b>					
Assets and liabilities at amortised cost	1,623			18	1,641
Assets at fair value through OCI	3,622		(6,293)	(2,694)	(5,365)
Financial instruments at fair value through profit or loss		(10,911)		1,578	(9,333)
Hedging transactions	219	(25)	118		312
<b>TOTAL</b>	<b>5,464</b>	<b>(10,936)</b>	<b>(6,175)</b>	<b>(1,098)</b>	<b>(12,745)</b>
<b>2021</b>					
Assets and liabilities at amortised cost	1,977				1,977
Assets at fair value through OCI	1,763		(952)	(1,208)	(397)
Financial instruments at fair value through profit or loss		12,575		1,399	13,974
Hedging transactions	205	(5)	38		238
<b>TOTAL</b>	<b>3,945</b>	<b>12,570</b>	<b>(914)</b>	<b>191</b>	<b>15793</b>

## 35.4 Hedging derivatives

### Non-banking activities

See Note 28.

### Banking activities

See Note 34.3.

## 35.5 Reclassification of financial assets

In 2008, La Banque Postale chose the option provided by the 13 October 2008 amendment to IAS 39 and IFRS 7 to reclassify certain available-for-sale financial assets to "Loans and

advances". The transfer of part of the securities in the available-for-sale financial assets portfolio that no longer had the expected liquidity to the loans and advances category enables the financial statements to provide a better view of La Banque Postale's allocation of resources. The carrying amount and fair value of securities reclassified on 1 July 2008 remained immaterial at 31 December 2022.

## 35.6 Offsetting of financial instruments

The following tables present the information required by IFRS 7 on financial instruments that are offset in the balance sheet, as well as on financial instruments that are not offset in the balance sheet, but are subject to an enforceable master netting arrangement or similar agreement.

### 35.6.1 Industrial and commercial activity derivative instruments

2022

	Gross amount	Amount offset in balance sheet	Net amount in balance sheet	Amount not offset in balance sheet		Net amount
<i>(in € millions)</i>	A	B	C=A-B	Derivative instruments D	Collateral cash E	F=C-D-E
Derivative assets	44		44	15	29	1
Derivative liabilities	27		27	15	13	(0)

2021

	Gross amount	Amount offset in balance sheet	Net amount in balance sheet	Amount not offset in balance sheet		Net amount
<i>(in € millions)</i>	A	B	C=A-B	Derivative instruments D	Collateral cash E	F=C-D-E
Derivative assets	58		58	30	29	(1)
Derivative liabilities	35		35	30	3	2

La Poste has put framework agreements in place with all of its market counterparties in order to reduce its exposure if its market counterparties default. These agreements result in the losing counterparty paying a security deposit to the winning counterparty in cash, equivalent to the net position of the

derivatives. Margin calls occur weekly or daily, according to the counterparties. These agreements do not comply with the criteria in IAS 32 governing the offsetting of derivative assets and liabilities in the balance sheet. They do, however, fall within the scope of disclosures under IFRS 7 on offsetting.

## 35.6.2 Banking activity financial instruments

2022

(in € million)	Gross amount	Amount offset in balance sheet	Net amount in balance sheet	Amount not offset in balance sheet		Instruments received/given as collateral	Net amount
	A	B	C=A-B	Financial instruments	Collateral cash	E	F=C-D-E
<b>ASSETS</b>							
<b>Financial instruments at fair value through profit or loss</b>	223,895		223,895	4,828	2,927		216,140
Of which repo transactions	5,589		5,589				5,589
Of which derivatives (including hedging derivatives)	7,946		7,946	4,828	2,927		191
<b>Loans and advances to credit institutions and customers</b>	198,113	1,373	196,740	101	246	1,426	194,966
Of which repo transactions	6,780	1,373	5,407	101	246	1,426	3,634
<b>Accruals and other assets</b>	36,008		36,008	8			36,000
Of which security deposits	8	0	8	8			0
<b>Other financial assets not offset</b>	289,002		289,002				289,002
<b>TOTAL ASSETS</b>	<b>747,018</b>	<b>1,373</b>	<b>745,644</b>	<b>4,937</b>	<b>3,174</b>	<b>1,426</b>	<b>736,107</b>
<b>LIABILITIES</b>			0				0
<b>Financial instruments at fair value through profit or loss</b>	15,764		15,764	4,828	806		10,130
Of which derivatives (including hedging derivatives)	6,848		6,848	4,828	806		1,214
<b>Liabilities due to credit institutions and customers</b>	261,181	1,373	259,807	101	950	18,941	239,816
Of which reverse repo transactions	39,396	1,373	38,023	101	950	18,941	18,030
<b>Other liabilities not offset (excluding equity)</b>	446,765		446,765				446,765
<b>TOTAL LIABILITIES</b>	<b>723,710</b>	<b>1,373</b>	<b>722,336</b>	<b>4,929</b>	<b>1,756</b>	<b>18,941</b>	<b>696,711</b>

**2021**

	Gross amount	Amount offset in balance sheet	Net amount in balance sheet	Amounts not offset in balance sheet		Instruments received/given as collateral	Net amount	
	A	B	C=A-B	Financial instruments	Collateral cash	D	E	F=C-D-E
<i>(in € millions)</i>				D	D			
<b>ASSETS</b>								
<b>Financial instruments at fair value through profit or loss</b>	232,524		232,524	2,237	961			229,326
Of which repo transactions	1		1					1
Of which derivatives (including hedging derivatives)	3,368		3,368	2,237	961			170
<b>Loans and advances to credit institutions and customers</b>	192,957	1,965	190,992	82	60	5,119		185,731
Of which repo transactions	9,228	1,965	7,263	82	60	5,119		2,002
<b>Accruals and other assets</b>	33,415		33,415	5				33,410
Of which security deposits	5	0	5	5				0
<b>Other financial assets not offset</b>	315,379		315,379					315,379
<b>TOTAL ASSETS</b>	<b>774,275</b>	<b>1,965</b>	<b>772,310</b>	<b>2,324</b>	<b>1,021</b>	<b>5,119</b>		<b>763,846</b>
<b>LIABILITIES</b>								
<b>Financial instruments at fair value through profit or loss</b>	4,667		4,667	2,237	338			2,092
Of which derivatives (including hedging derivatives)	2,612		2,612	2,237	338			37
<b>Liabilities due to credit institutions and customers</b>	267,396	1,965	265,431	87	635	27,416		237,293
Of which reverse repo transactions	46,035	1,965	44,070	87	635	27,416		15,932
<b>Other liabilities not offset (excluding equity)</b>	470,433		470,433					470,433
<b>TOTAL LIABILITIES</b>	<b>742,496</b>	<b>1,965</b>	<b>740,531</b>	<b>2,324</b>	<b>973</b>	<b>27,416</b>		<b>709,818</b>

## NOTE 36 Related-party transactions

### 36.1 Relations with the French State and public-sector companies

#### 36.1.1 Relations with the French State

Since the French law of 10 February 2010 reaffirming the provisions of the law July 1990 Act on the organisation of the postal and telecommunications public service, La Poste has been a *société anonyme* (French public limited company) overseen by the Minister for the Economy and Finance, and subject to economic and financial control by the French State, and to the control procedures of the French Court of Auditors and the French Parliament.

The commitments of La Poste and the French State were redefined in "Public Service Agreement 2013-2017" approved by the group's Board of Directors on 22 April 2013 and signed by all stakeholders on 1 July 2013.

The agreement is based on the following principles:

- maintaining the broad scope of the public service missions assigned to La Poste: universal postal service, press transport and delivery, accessible banking and regional development, as well as maintaining the principle of offsetting costs for the latter three missions;
- making progress in strengthening service quality;
- developing missions adapted to users' expectations and technological advancements;
- introducing community commitments to promote the development of businesses and regions, supporting disadvantaged people, developing a digital society and engaging in corporate social responsibility.

A new public service agreement between La Poste and the French State for the 2018-2022 period was approved by the group's Board of Directors on 19 December 2017 and signed on 16 January 2018. This agreement is an extension of the previous agreement and aims at ensuring and modernising the exercise of the four public service missions of La Poste. These missions benefit from the support of the State, in exchange for which La Poste commits to respecting ambitious quality indicators.

Moreover, the agreement expands on the use of community commitments to promote the development of a digital society, local services, and sustainable and responsible development.

An amendment to the public service agreement between La Poste and the French State was signed on 18 May 2022. It incorporates changes announced by the government concerning its support for the universal postal service and regional development missions as well as the reform of the public service mission of press transport.

The French Postal Regulation Law of 20 May 2005 provided France's electronic communications and postal regulation authority ARCEP with the power to regulate pricing for the universal postal service on a multi-year basis, after reviewing

La Poste's proposals. This law also confirmed and clarified La Poste's regional development mission.

Regarding the group's banking activities, the French State sets the commission rates on regulated savings products, *i.e.*, *Livret A* saving accounts, sustainable development savings accounts and *Livret d'épargne populaire* saving accounts. Changes in these rates has a direct impact on La Banque Postale's net banking income.

#### 36.1.2 Relations with public-sector companies

La Poste Groupe enters into transactions, at arm's-length conditions, with public-sector companies in the normal course of its business.

### 36.2 Relations with consolidated companies

Transactions performed between fully consolidated group companies are eliminated on consolidation and are therefore not discussed in this note.

Transactions with companies consolidated by the Caisse des Dépôts (CDC) group mainly concern transactions carried out by La Banque Postale with the savings funds managed by CDC and are presented in the following table:

(in € millions)	31/12/2022	31/12/2021
Income	1,611	1,082
Expenses	(14)	(7)
Receivables	69,280	66,115
Payables	506	452

Transactions with other associates and joint ventures are not material.

### 36.3 Remuneration of administration and management bodies

The remuneration of La Poste Groupe's main senior executives amounted to €5.7 million in total for the year ended 31 December 2022 (€5.6 million in 2021). Senior executives do not receive any specific post-employment benefits.

The Group's main senior executives are the members of the Executive Committee and the members of the Board of Directors (whose remuneration comprises attendance fees, for the most part paid to the State or to Caisse des Dépôts, and the salaries of employee representatives). Attendance fees paid in 2022 amounted to €0.3 million (€0.3 million in 2021).

## NOTE 37 Structured entities

### 37.1 Consolidated structured entities

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. This is the case, for example, when the relevant activities are directed by means of contractual arrangements. Structured entities generally have a narrow and well-defined objective and restricted activities.

Consolidated structured entities include:

- collective investments undertakings (OPC/FCP funds) managed by group subsidiaries as part of its banking business, or that are held in policyholder and own-fund portfolios;
- securitisation funds whose units are issued by structured entities. They are designed to diversify the underlying credit risk and may be organised by tranche.

### 37.2 Unconsolidated structured entities

The following disclosures concern entities structured but not controlled by the group. They are organised by group of entities with the same or similar business: securitisation, mutual funds and other activities.

#### Securitisation

Securitisation covers securitisation funds and similar structures that issue financial instruments with inherent credit risk that may be acquired by investors and may be organised in tranches. Securitisation is a financial technique that converts receivables that are illiquid and held to maturity, into negotiable liquid securities. The purpose of securitisation is to:

- convert illiquid portfolios into liquid securities;

- make it easier to raise funds on more attractive terms (refinancing vehicle);
- enhance risk management by transferring risk to the investor;
- transfer credit risk and its components (interest rate risk, liquidity risk, etc.) and reduce capital requirements;
- restructure the balance sheet (ALM instrument).

#### Mutual funds

This activity seeks to meet investor demand by:

- managing funds *via* structured entities such as collective investment undertakings, real estate investment funds or equivalent vehicles;
- investment insurance premiums received by insurers from policyholders in accordance with the regulatory provisions of the French insurance code. The insurance companies' asset portfolios guarantee their ability to fulfil their obligations towards policyholders throughout the life of the insurance policy and both the value of the investments and the investment yield are correlated to the related obligations.

#### Other activities

This category covers all other activities.

#### Interests in non-consolidated structured entities

The group's interest in a non-consolidated structured entity concerns contractual or non-contractual ties that expose it to a risk of variable returns linked to the entity's performance. Its interest may be in the form of equity instruments or debt securities but may also take the form of a loan, a cash facility, credit enhancement or the provision of collateral or structured derivatives.

The following table provides cumulative information by activity about all entities in which the group has unrestricted interests:

<i>(in € millions)</i>	<b>Securitization</b>	<b>Investment funds</b>	<b>Other</b>
Financial assets at fair value through profit or loss	6,810	99,920	423
Financial assets at fair value through OCI	1,386		87
Financial assets at amortised cost		203	3,211
<b>Total recognised assets in non-consolidated structured entities</b>	<b>8,197</b>	<b>100,123</b>	<b>3,720</b>
Financial liabilities at fair value through profit or loss			351
<b>Total recognised liabilities in non-consolidated structured entities</b>	<b>0</b>	<b>0</b>	<b>351</b>
Funding commitments given			866
<b>Maximum loss exposure</b>	<b>8,197</b>	<b>100,123</b>	<b>4,586</b>
Guarantees received and other credit enhancements			
<b>NET LOSS EXPOSURE</b>	<b>8,197</b>	<b>100,123</b>	<b>4,586</b>

The maximum loss exposure corresponds to the interests recognised in assets and commitments given, less provisions for liabilities and charges recognised in liabilities, less guarantees received.

The maximum loss exposure is, in most cases, limited to the units held in funds, with the exception of funds in which La Banque Postale guarantees capital and performance.

### Disclosures concerning non-consolidated structured entities sponsored by the group

Non-consolidated structured entities sponsored by the group are funds structured by a management company controlled by the group, notably funds managed by La Banque Postale Asset Management.

A structured entity is considered to be sponsored by the group when its name includes either the name of the group or one of its subsidiaries.

Income received by the group from these entities amounted to €104 million for the year ended 31 December 2022 and consisted mainly of non-recurring commission.



## NOTE 38 Off-balance sheet commitments and contingent liabilities

### 38.1 Banking activity commitments

The contractual value of commitments given and received as part of La Banque Postale's business activities can be analysed as follows:

(in € millions)	31/12/2022	31/12/2021
<b>FINANCING, GUARANTEE AND SECURITIES COMMITMENTS GIVEN</b>		
Financing commitments		
■ given to credit institutions	1,296	1,949
■ given to customers	26,849	26,992
Guarantee commitments		
■ given to credit institutions	1,019	1,123
■ given to customers <sup>(a)</sup>	1,199	1,324
Commitments on securities to be delivered	15,432	17,438
<b>FINANCING, GUARANTEE AND SECURITIES COMMITMENTS RECEIVED</b>		
Financing commitments		
■ received from credit institutions <sup>(b)</sup>	14,783	17,185
■ received from customers	1,728	400
Guarantee commitments		
■ received from credit institutions	40,713	36,937
■ received from customers	7,746	6,980
Commitments on securities to be received	179	216
<b>Other commitments given<sup>(b)(c)</sup></b>	<b>54,333</b>	<b>51,044</b>
<b>Other commitments received<sup>(d)</sup></b>	<b>23,666</b>	<b>27,297</b>

(a) Including capital and performance guarantees given to the holders of UCITS units managed by group entities.

(b) Of which commitments given (€8,825 million) and received (€1,795 million) as part of the "3 G" guarantee management arrangement with the Banque de France, which the Banque de France, which allows banks to jointly manage all collateral relating to their refinancing transactions with Banque de France.

(c) In 2022, this included €25,277 million (€23,798 million in 2021) in home loans pledged as collateral for bonds issued by La Banque Postale Home Loan SFH, the home financing company of the group.

(d) Corresponding mainly to securities pledged to CNP Assurances by ceding insurers under the terms of inward reinsurance contracts.

### Crédit Logement commitments

La Banque Postale is committed to maintaining Crédit Logement's Tier 1 capital at a level equivalent to its interest in the company, i.e., 6%, so that the company can maintain its solvency ratio.

La Banque Postale is also committed to replenishing Crédit Logement's mutual guarantee fund if required. This fund underwrites borrower defaults on guaranteed loans. The

amount of this commitment, which corresponds to the share of loans distributed by La Banque Postale, was €168 million at 31 December 2022 (versus €184 million at 31 December 2021).

## 38.2 Other commitments given

### 38.2.1 Guarantees and endorsements

Total guarantees and endorsements given amounted to €29 million as at 31 December 2022.

### 38.2.2 Commitments relating to the acquisition of Seur

Under the shareholders' agreement signed on 10 March 2008 with Seur franchisees who were shareholders in Seur SA, Geopost granted each shareholder an individual put option with the following terms and conditions:

- sale of all the shares in Seur SA to Geopost. The group recognised the corresponding liability;
- sale of the shares in the franchises owned;

These options are exercisable over a period of 20 years as of 10 March 2008, subject to the acquisition of a franchise by Geopost subsequent to this agreement. The purchase obligation guaranteed by Geopost is capped at an annual €100 million.

These options have been exercisable since the acquisition of the Teruel franchise by Geopost in March 2009.

### 38.2.3 Corporate philanthropy

La Poste had committed to financing several philanthropic projects for a total of €13 million at 31 December 2022.

## 38.3 Other commitments received

### 38.3.1 Guarantees and endorsements

Total guarantees and endorsements received amounted to €71 million at 31 December 2022, including €59 million for La Poste.

### 38.3.2 Credit facilities

The group has access to a €1 billion renewable credit facility with a 5-year maturity until March 2023, for which it received commitments from the 11 banks in the banking syndicate. This facility had not been used at 31 December 2022.

### 38.3.3 Property sale commitments

La Poste Groupe has entered into property sale commitments that are expected to be completed in 2023 or later. As at 31 December 2022, the commitments received in this respect amounted to €41 million in total.

### 38.3.4 Commitments received in business acquisition transactions

In connection with its acquisitions of equity interests, the group receives various legal or negotiated commitments from the vendors, under which the group may be entitled to compensation for any losses under certain conditions.

These commitments include vendor non-compete commitments received in connection with the acquisition of the Seur franchises in Spain and Portugal and various vendor warranties.

The group has also received various other guarantees that cannot be measured accurately because they are triggered or capped when a certain threshold is exceeded.

## 38.4 Contingent liabilities

The group is not aware of any material risks for which no provision has been recognised in the consolidated financial statements.

## NOTE 39 Additional details on banking and insurance activities

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### 39.1 La Banque Postale sub-group balance sheet (in banking format)

#### Assets

<i>(in € millions)</i>	31/12/2022	31/12/2021
Cash, central banks	39,355	50,812
Financial assets at fair value through profit or loss	222,722	231,420
Hedging derivatives	1,139	1,022
Financial assets at fair value through OCI	194,796	228,509
Securities at amortised cost	27,193	23,480
Loans and advances to credit institutions at amortised cost	67,095	67,823
Loans and advances to customers at amortised cost	129,628	123,117
Revaluation differences on portfolios hedged against interest rate risks	721	101
Current tax assets	2,592	831
Accruals and other assets	35,947	33,268
Assets held for sale	0	178
Deferred participation	9,692	0
Investments in equity-accounted companies	1,108	948
Property, plant and equipment, intangible assets and investment properties	12,785	9,796
Net goodwill – Assets	143	142
Elimination of La Banque Postale shares held by La Poste	(8,879)	(8,879)
<b>TOTAL</b>	<b>736,038</b>	<b>762,568</b>

## Liabilities

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Financial liabilities at fair value through profit or loss	13,359	4,253
Hedging derivatives	2,371	333
Interbank transactions: liabilities due to credit institutions	26,445	30,393
Customer deposits	233,277	234,584
Debt securities	29,052	21,693
Revaluation differences on portfolios hedged against interest rate risks	294	422
Current tax liabilities	1,017	1,355
Accruals and other liabilities	22,582	21,226
Insurance company technical provisions	383,656	414,398
Provisions	970	1,075
Subordinated debt	9,099	10,110
<b>Non-controlling interests</b>	<b>7,731</b>	<b>11,690</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>6,314</b>	<b>10,845</b>
Reserves and retained earnings	5,273	10,289
Profit/(loss) attributable to owners of the parent	1,041	556
Balance of transactions with the rest of the group – Impact on profit and loss		
Balance of transactions with the rest of the group – Impact on the balance sheet	(128)	193
<b>TOTAL</b>	<b>736,038</b>	<b>762,568</b>

## 39.2 Banking and insurance assets and liabilities by remaining periods to maturity

<i>(in € millions)</i>	<b>Maturities of under 1 year</b>	<b>Maturities of over 1 year</b>	<b>Total</b>
<b>ASSETS REMAINING PERIODS TO MATURITY</b>			
Cash, central banks	39,355	0	39,355
Financial assets at fair value through profit or loss	22,256	200,466	222,722
Hedging derivatives	110	1,029	1,139
Financial assets at fair value through OCI	26,982	167,814	194,796
Securities at amortised cost	2,621	24,572	27,193
Loans and advances to credit institutions	66,654	441	67,095
Loans and advances to customers	19,705	109,923	129,628
Revaluation differences on portfolios hedged against interest rate risks – Liabilities	0	721	721
<b>LIABILITIES BY REMAINING PERIODS TO MATURITY</b>			
Financial liabilities at fair value through profit or loss	7,413	5,946	13,359
Hedging derivatives	37	2,334	2,371
Liabilities due to credit institutions	24,961	1,484	26,445
Customers deposits	215,713	17,564	233,277
Debt securities	14,143	14,909	29,052
Subordinated debt	316	8,783	9,099
Revaluation differences on portfolios hedged against interest rate risks – Liabilities	0	294	294

## 39.3 Insurance investments

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Financial assets at fair value through profit or loss	212,096	226,403
Hedging derivatives	118	55
Financial assets at fair value through OCI reclassifiable to profit or loss	182,437	216,584
Securities at amortised cost	96	84
Investment properties	6,280	3,393
Investments in equity-accounted companies	1,108	948
<b>INSURANCE INVESTMENTS</b>	<b>402,135</b>	<b>447,467</b>

The Financial assets at fair value through profit or loss and the financial assets at fair value through OCI reclassifiable to profit or loss are detailed below.

## Financial assets at fair value through profit or loss

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Debt instruments</b>	<b>171,448</b>	<b>180,952</b>
Government paper and equivalents	3,992	4,316
Bonds and other fixed-income securities	23,592	20,439
UCITS	60,782	76,848
Assets backing unit-linked contracts	77,726	73,742
Loans and advances	5,356	5,607
<b>Equity instruments</b>	<b>36,946</b>	<b>44,038</b>
Equity and other variable-income securities	34,012	39,301
Assets backing unit-linked contracts	2,933	4,737
<b>Derivatives instruments</b>	<b>3,702</b>	<b>1,413</b>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>212,096</b>	<b>226,403</b>

## Financial assets at fair value through OCI reclassifiable to profit or loss

<i>(in € millions)</i>	<b>31/12/2022</b>		
	<b>Fair value</b>	<b>Loss allowances</b>	<b>Unrealised gains/losses</b>
Government paper and equivalents	97,190	(121)	(24,808)
Bonds and other fixed-income securities	85,247	(175)	(13,264)
<b>Total debt instruments</b>	<b>182,437</b>	<b>(296)</b>	<b>(38,072)</b>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI RECLASSIFIABLE TO PROFIT OR LOSS</b>	<b>182,437</b>	<b>(296)</b>	<b>(38,072)</b>
Tax			10,277
<b>GAINS AND LOSSES RECOGNISED DIRECTLY IN OCI (NET OF TAX)<sup>(a)</sup></b>			<b>(27,795)</b>

(a) On debt instruments at fair value through OCI reclassifiable to profit or loss (insurance investments).

<i>(in € millions)</i>	<b>31/12/2021</b>		
	<b>Fair value</b>	<b>Loss allowances</b>	<b>Unrealised gains/losses</b>
Government paper and equivalents	121,945	(70)	(1,669)
Bonds and other fixed-income securities	94,639	(359)	491
<b>Total debt instruments</b>	<b>216,584</b>	<b>(429)</b>	<b>(1,178)</b>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI RECLASSIFIABLE TO PROFIT OR LOSS</b>	<b>216,584</b>	<b>(429)</b>	<b>(1,178)</b>
Tax			603
<b>GAINS AND LOSSES RECOGNISED DIRECTLY IN OCI (NET OF TAX)<sup>(a)</sup></b>			<b>(575)</b>

(a) On debt instruments at fair value through OCI reclassifiable to profit or loss (insurance investments).

### 39.4 Net Income from insurance activities

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Written premiums	37,140	32,849
Change in unearned premiums	(54)	(176)
<b>Earned premiums</b>	<b>37,086</b>	<b>32,673</b>
<b>Revenue from other activities</b>	<b>82</b>	<b>90</b>
<b>Other operating income</b>	<b>2</b>	<b>14</b>
Investment income net of expenses	5,697	5,289
Gains and losses on disposals of investments	(2,973)	(1,209)
Change in fair value of investments recognised fair value through profit or loss	(11,253)	10,457
Change in impairment losses on investments	128	(68)
Impact of the overlay approach	700	(1,074)
<b>Investment income net expenses</b>	<b>(7,701)</b>	<b>13,396</b>
<b>Total revenue</b>	<b>29,470</b>	<b>46,173</b>
Claims and benefits expenses	(21,572)	(39,215)
Ceded expenses and income	93	205
Income and expenses from other activities	(15)	5
Acquisition costs	(4,313)	(4,013)
Amortisation of value of in-force business and distribution agreements	(580)	(552)
Administrative costs	(362)	(285)
Other recurring operating income and expenses	(614)	(489)
<b>Total other recurring income and expenses, net</b>	<b>(27,364)</b>	<b>(44,345)</b>
<b>Recurring operating profit/(loss)</b>	<b>2,106</b>	<b>1,828</b>
Non-recurring operating income and expenses, net	(48)	(4)
<b>Operating profit/(loss)</b>	<b>2,058</b>	<b>1,823</b>
Finance costs	(121)	(99)
Changes in value of intangible assets	(47)	(122)
Share of profits of equity-accounted companies	28	88
Changes in value of goodwill	23	
Income tax	(432)	(469)
<b>CONSOLIDATED NET PROFIT/(LOSS)</b>	<b>1,509</b>	<b>1,222</b>
<b>Non-controlling interests</b>	<b>279</b>	<b>474</b>
<b>Net profit/(loss) attributable to owners of the parent</b>	<b>1,230</b>	<b>748</b>

### 39.5 Impact of the application of the overlay approach

The net impact of applying the overlay approach by type of financial asset is presented below:

<i>(in € millions)</i>	31/12/2022				31/12/2021			
	Carrying amount	Gross overlay impact	Deferred tax	Net overlay impact	Carrying amount	Gross overlay impact	Deferred tax	Net overlay impact
UCITS	45,527	(438)	112	(326)	46,964	131	(32)	99
Equities and other variable-income securities	31,847	(180)	87	(92)	33,598	943	(56)	887
Bonds	8,508	(83)	37	(47)	6,160	(9)	2	(7)
Others financial assets	13,310	1	38	39	18,559	9	36	45
<b>TOTAL</b>	<b>99,192</b>	<b>(700)</b>	<b>274</b>	<b>(426)</b>	<b>105,281</b>	<b>1,074</b>	<b>(50)</b>	<b>1,024</b>

The impact of the income statement of applying the overlay approach is presented below:

<i>(in € millions)</i>	31/12/2022			31/12/2021		
	IAS 39	IFRS 9	Overlay impact	IAS 39	IFRS 9	Overlay impact
Net banking income excluding overlay	(91)	(791)		51	1,125	
Overlay impact			700			(1,074)
<b>Net banking income</b>	<b>(91)</b>	<b>(791)</b>	<b>700</b>	<b>51</b>	<b>1,125</b>	<b>(1,074)</b>
Deferred taxes	23	297	(274)	(25)	(75)	50
<b>NET PROFIT</b>	<b>(68)</b>	<b>(494)</b>	<b>426</b>	<b>26</b>	<b>1,050</b>	<b>(1,024)</b>



## NOTE 40 Notes to the consolidated statement of cash flows

<p><b>40.1</b> Reconciliation between net profit/(loss) and cash flows from operating activities before cost of net debt and taxes 375</p> <p><b>40.2</b> Depreciation, amortisation and impairment losses 375</p> <p><b>40.3</b> Change in working capital requirement 376</p> <p><b>40.4</b> Change in balance of banking and insurance assets and liabilities 376</p> <p><b>40.5</b> Outflows for acquisitions of property, plant and equipment and intangible assets 376</p>	<p><b>40.6</b> Proceeds from new borrowings 377</p> <p><b>40.7</b> Repayment of borrowings 377</p> <p><b>40.8</b> Other cash flows from financing activities 377</p> <p><b>40.9</b> Change in cash from banking activities 377</p> <p><b>40.10</b> Transition from recurring operating profit to EBITDA 378</p>
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### 40.1 Reconciliation between net profit/(loss) and cash flows from operating activities before cost of net debt and taxes

(in € millions)	Note	2022	2021
<b>Consolidated net profit/(loss) for industrial and commercial activities</b>		<b>176</b>	<b>1,556</b>
Share in net profit/(loss) of equity-accounted companies		84	23
Unrealised gains and losses on fair value adjustments (excluding banking activities)		(3)	(7)
Gains and losses on disposals (incl. dilution)		(18)	(47)
Net changes in provisions		(385)	6
Depreciation, amortisation and impairment losses	40.2	2,966	800
Other non-cash income and expenses		(3)	(24)
<b>Cash flow from operating activities after cost of net debt and taxes for industrial and commercial activities</b>		<b>2,818</b>	<b>2,307</b>
Cost of net debt <sup>(a)</sup>		214	240
Income tax (incl. deferred taxes)		(1,048)	27
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE COST OF NET DEBT AND TAXES FOR INDUSTRIAL AND COMMERCIAL ACTIVITIES</b>		<b>1,985</b>	<b>2,574</b>
Contribution of banking and insurance activities (see EBITDA, Note 40.10)		2,780	2,820
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE COST OF NET DEBT AND TAXES</b>		<b>4,764</b>	<b>5,394</b>

(a) Excluding change in unrealised gains and losses on fair value adjustments.

### 40.2 Depreciation, amortisation and impairment losses

(in € millions)	2022	2021
Additions to and reversals of amortisation of operating profit/(loss)	2,790	800
Additions to and reversals of amortisation of net financial income/(expense)	(7)	(3)
Goodwill impairment	184	3
<b>TOTAL</b>	<b>2,966</b>	<b>800</b>

### 40.3 Change in working capital requirement

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Change in inventories and work-in-progress	(15)	31
Change in operating receivables	35	(486)
Change in operating payables and other operating assets and liabilities	243	11
<b>TOTAL</b>	<b>264</b>	<b>(444)</b>

### 40.4 Change in balance of banking and insurance assets and liabilities

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Change in financial assets at fair value through profit or loss	11,577	(22,361)
Change in hedging derivatives	(167)	471
Change in financial assets at fair value through OCI	(4,016)	16,367
Change in securities at amortised cost	(3,705)	539
Change in loans and advances to credit institutions at amortised cost	314	5,711
Change in loans and advances to customers at amortised cost	(6,527)	2,079
Change in revaluation differences on portfolios hedged against interest rate risks	(621)	119
Change in other financial assets and accruals	(3,174)	(314)
Change in investment property	(982)	(438)
Change in financial liabilities at fair value through profit or loss	11,203	(12,639)
Change in hedging derivatives	2,089	(494)
Change in liabilities due to credit institutions	(5,016)	(2,912)
Change in customers deposits	(1,307)	4,633
Change in debt securities	7,359	54
Change in revaluation differences on portfolios hedged against interest rate risks	(128)	(304)
Change in other financial liabilities and accruals	(1,536)	11,420
Change in banking and insurance activity technical provisions and shadow accounting reserves	(11,676)	6,980
<b>TOTAL</b>	<b>(6,313)</b>	<b>8,911</b>

### 40.5 Outflows for acquisitions of property, plant and equipment and intangible assets

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Acquisitions of intangible assets	(691)	(587)
Acquisitions of property, plant and equipment	(1,115)	(1,144)
Acquisitions of investment property	0	0
Change in amounts due to suppliers of non-current assets	103	(17)
<b>TOTAL</b>	<b>(1,704)</b>	<b>(1,747)</b>

## 40.6 Proceeds from new borrowings

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Bonds	1,550	2,226
Commercial paper	871	725
Other borrowings	1,056	1,875
<b>TOTAL</b>	<b>3,477</b>	<b>4,826</b>

## 40.7 Repayment of borrowings

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Bonds	0	(1,000)
Borrowings from credit institutions	(11)	(25)
La Poste savings bonds	(1)	(1)
Commercial paper	(1,021)	(725)
Borrowings under finance leases	0	0
Other borrowings	(1,762)	(1,789)
<b>TOTAL</b>	<b>(2,795)</b>	<b>(3,540)</b>

## 40.8 Other cash flows from financing activities

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Collection of deposits and guarantees received	6	17
Repayment of deposits and guarantees received	(6)	(5)
Other	(46)	(6)
<b>TOTAL</b>	<b>(46)</b>	<b>6</b>

## 40.9 Change in cash from banking activities

<i>(in € millions)</i>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Opening cash, central banks (assets)		50,812	1,783
Loans and advances to credit institutions repayable on demand (assets)		2,261	43,652
Loans and advances to credit institutions repayable on demand (liabilities)		(1,065)	(1,181)
<b>Opening balance</b>		<b>52,008</b>	<b>44,254</b>
Closing cash, central banks (assets)	24.2	39,355	50,812
Loans and advances to credit institutions repayable on demand (assets)	22.5	1,898	2,261
Loans and advances to credit institutions repayable on demand (liabilities)	31.3	(1,326)	(1,065)
<b>Closing balance</b>		<b>39,927</b>	<b>52,008</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM BANKING ACTIVITIES</b>		<b>(12,080)</b>	<b>7,753</b>
of which impact of changes in consolidation scope		55	298
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM BANKING ACTIVITIES BEFORE IMPACT OF CHANGES IN CONSOLIDATION SCOPE</b>		<b>(12,136)</b>	<b>7,455</b>

## 40.10 Transition from recurring operating profit to EBITDA

		2022			2021		
		Group	Industrial and commercial activities	Banking and insurance activities	Group	Industrial and commercial activities	Banking and insurance activities
<b>Operating profit/(loss)</b>	(a)	1,197	(580)	1,776	3,431	1,808	1,624
<b>of which non-cash movements to be eliminated:</b>							
■ Share in net profit/(loss) of jointly-controlled companies	(a)	31	3	28	87	(2)	89
■ Depreciation and Impairment of non-current assets and movements in provisions included in net banking Income	(b)	(240)	0	(240)	(379)		(379)
■ Additions to and reversals of provisions for employee benefits	note 9	407	413	(6)	15	23	(8)
■ Depreciation, amortisation and provisions	(a)	(3,888)	(3,050)	(837)	(1,772)	(859)	(912)
■ Proceeds from asset disposals before tax	(a)	52	15	36	23	22	1
■ Gains on remeasurement of investments	note 12	21	6	16	18	18	0
■ Miscellaneous		1	2	(0)	17	4	13
<b>EBITDA</b>	<b>CFS</b>	<b>4,811</b>	<b>2,031</b>	<b>2,780</b>	<b>5,422</b>	<b>2,602</b>	<b>2,820</b>
■ Reintegration of change in provisions for current assets and irrecoverable receivables (non-banking activities)	(c)	(40)	(40)		(29)	(29)	
■ Miscellaneous financial income and expenses		(7)	(7)	(0)	(0)	(0)	0
<b>Cash flows from operating activities before cost of net debt and taxes</b>	<b>CFS</b>	<b>4,764</b>	<b>1,984</b>	<b>2,780</b>	<b>5,394</b>	<b>2,574</b>	<b>2,820</b>

(a) See the consolidated income statement. The share net profit/(loss) of jointly-controlled companies does not include the profit of Holding Infrastructures Gazières, which is included in net banking income (see Note 19).

(b) Including amortisation of intangible assets for €366 million in 2022 and €349 million in 2021.

(c) Movements in impairment on current assets and irrecoverable receivables are non-cash movements excluded from the calculation of EBITDA. In accordance with the ANC recommendation on the financial statements of industrial and commercial companies, these movements are eliminated on the line "Change in working capital requirement", hence their reintegration after EBITDA for the calculation of cash flows from operating before cost of net debt and taxes. This restatement is not performed for banking activities.

## NOTE 41 Statutory auditors' fees

Pursuant to French Decree No. 2008-1487 of 30 December 2008, the fees paid to the Statutory Auditors recognised in profit or loss by La Poste and its consolidated companies are presented below.

### 2022

<i>(in € millions, excluding taxes)</i>	<b>KPMG</b>	<b>%</b>	<b>MAZARS</b>	<b>%</b>
<b>Statutory audit of the Company and consolidated financial statements</b>				
■ parent company	0.6	6%	0.6	6%
■ fully-consolidated subsidiaries	7.2	71%	5.4	53%
	<b>7.8</b>	<b>77%</b>	<b>6.0</b>	<b>59%</b>
<b>Service other than statutory audit of the financial statements</b>				
■ parent company	0.3	3%	0.1	1%
■ fully-consolidated subsidiaries	2.0	20%	4.1	40%
	<b>2.3</b>	<b>23%</b>	<b>4.2</b>	<b>41%</b>
<b>TOTAL</b>	<b>10.1</b>	<b>100%</b>	<b>10.2</b>	<b>100%</b>

### 2021

<i>(in € millions, excluding taxes)</i>	<b>KPMG</b>	<b>%</b>	<b>MAZARS</b>	<b>%</b>
<b>Statutory audit of the Company and consolidated financial statements</b>				
■ parent company	0.6	5%	0.5	6%
■ fully-consolidated subsidiaries	6.4	58%	3.4	40%
	<b>6.9</b>	<b>63%</b>	<b>3.9</b>	<b>46%</b>
<b>Service other than statutory audit of the financial statements</b>				
■ parent company	0.2	2%	0.0	0%
■ fully-consolidated subsidiaries	3.9	35%	4.5	54%
	<b>4.1</b>	<b>37%</b>	<b>4.5</b>	<b>54%</b>
<b>TOTAL</b>	<b>11.0</b>	<b>100%</b>	<b>8.4</b>	<b>100%</b>

The services provided by Mazars are as follows: statements and agreed procedures, letters of comfort relating to EMTN programme updates or bond issues, reviews of internal control procedures, accounting consultations, reviews of employment, environmental and social data or indicators.

The services provided by KPMG are as follows: statements and agreed procedures, letters of comfort relating to EMTN programme updates or bond issues, training, reviews of internal control procedures and information systems, accounting and tax consultations, and reviews of employment, environmental and social data and indicators.

## NOTE 42 Events after the reporting period

As part of its international growth strategy, in January 2023 CNP Assurances completed the buyout of Caixa Seguridade and Icatu's interests in CNP Seguros Participações em Saúde

Ltda "Holding Saúde", Seguros Previdência do Sul "Previsul" and CNP Capitalização S.A. "CNP Cap", raising its interest in the three companies to 100%.

## NOTE 43 Scope of consolidation

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
<b>CONSOLIDATING COMPANY</b>							
<b>LA POSTE</b>							
9 rue du Colonel-Pierre-Avia - 75757 Paris Cedex 15, France							
<b>SERVICES-MAIL-PARCELS SEGMENT</b>							
Adimmo	France	52.54	52.54	99.90	99.90	FC	FC
Age d'or Expansion	France	100.00	100.00	100.00	100.00	FC	FC
Asten Santé	France	52.60	52.60	52.60	52.60	FC	FC
Asten Santé à domicile	France	52.60	52.60	100.00	100.00	FC	FC
Axeo Developpement	France	100.00	100.00	100.00	100.00	FC	FC
AXEO Partenariats Pro Services (P.P.S)	France	100.00	100.00	100.00	100.00	FC	FC
Axeo Pro Services	France	100.00	100.00	100.00	100.00	FC	FC
Axeo Services	France	100.00	100.00	100.00	100.00	FC	FC
Bien être à la carte (BEAC)	France	100.00		100.00		FC	
BlueSom	France	52.06		99.00		FC	
Budget Box	France	100.00	100.00	100.00	100.00	FC	FC
Cassiop	France	100.00	100.00	100.00	100.00	FC	FC
Conciergerie	France		51.00		51.00		FC
Coordination Axeo	France	100.00	100.00	100.00	100.00	FC	FC
Creat Direct	Romania	100.00	100.00	100.00	100.00	FC	FC
CyberCité	France		75.00		75.00		FC
DIADOM SAS	France	100.00	100.00	100.00	100.00	FC	FC
Economie d'énergie	France	97.65	98.82	100.00	100.00	FC	FC
EDENEXT	France	97.65	98.82	97.65	98.82	FC	FC
E-SY COM	France	91.10	91.10	91.10	91.10	FC	FC
Financière Axeo	France	100.00	100.00	100.00	100.00	FC	FC
Fluow	France	51.00	51.00	51.00	51.00	FC	FC
Geoptis	France	100.00	100.00	100.00	100.00	FC	FC
Go Logistic	Portugal		90.00		90.00		FC
H2AD	France	50.82	50.82	96.64	96.64	FC	FC
Happytal	France		86.00		86.00		FC
Help Confort	France	100.00	100.00	100.00	100.00	FC	FC
Help Confort ST Nazaire	France	100.00	100.00	100.00	100.00	FC	FC
IM Santé	France	100.00	100.00	100.00	100.00	FC	FC
Inbox Marketing	Romania	99.97	99.97	99.97	99.97	FC	FC
Innovagency	Portugal	100.00	100.00	100.00	100.00	FC	FC
Interactions Marketing	Romania	95.00	100.00	95.00	100.00	FC	FC

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
Isoskèle	France	100.00	100.00	100.00	100.00	FC	FC
Isoskèle Factory	France	100.00	100.00	100.00	100.00	FC	FC
La Poste E-éducation	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Nouveaux Services	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Santé	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Santé et Autonomie (ex La Poste Silver)	France	100.00	100.00	100.00	100.00	FC	FC
Maela	France		48.14		100.00		FC
Matching	France	83.76	83.76	83.76	83.76	FC	FC
Media Presse	France	25.00		25.00		EM	
Mediapost Distribuição Postal	Portugal	100.00	100.00	100.00	100.00	FC	FC
Mediapost Espagne SL	Spain	100.00	100.00	100.00	100.00	FC	FC
Mediapost Hit Mail	Romania	100.00	100.00	100.00	100.00	FC	FC
Mediapost Hit Mail Bulgaria	Bulgaria	100.00	100.00	100.00	100.00	FC	FC
Mediapost Holding	France	100.00	100.00	100.00	100.00	FC	FC
Mediapost SAS	France	100.00	100.00	100.00	100.00	FC	FC
Mediapost SGPS	Portugal	100.00	100.00	100.00	100.00	FC	FC
Metrica	Bulgaria	60.00	60.00	60.00	60.00	FC	FC
MSCM2	France	50.82	50.82	100.00	100.00	FC	FC
Neolog	France	100.00	100.00	100.00	100.00	FC	FC
Newco Santé Holding	France		48.14		48.14		FC
Nouveal	France	66.00	48.14	66.00	100.00	FC	FC
Nouvelle Attitude	France	100.00	100.00	100.00	100.00	FC	FC
Nutrimédical	France	52.60		100.00		FC	
Ofertia Colombia	Colombia		100.00		100.00		FC
Ofertia Mexico	Mexico		100.00		100.00		FC
OnlySo	France		75.00		100.00		FC
Organisme Formation Services	France	100.00	100.00	100.00	100.00	FC	FC
Recygo	France	51.00	51.00	51.00	51.00	FC	FC
S2A Oxygène	France	52.59	52.59	100.00	100.00	FC	FC
Sadimmo	France	47.33		90.00		FC	
SCI STP Immo	France	100.00	100.00	100.00	100.00	FC	FC
SMP	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Gestion	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Informatique	France	100.00	100.00	100.00	100.00	FC	FC
Sogec Marketing	France	100.00	100.00	100.00	100.00	FC	FC
Sogefinad	France	100.00	100.00	100.00	100.00	FC	FC

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
Somepost	France	100.00	100.00	100.00	100.00	FC	FC
STP SA	France	100.00	100.00	100.00	100.00	FC	FC
Tikeasy	France	100.00	100.00	100.00	100.00	FC	FC
TimeOne - Group	France	100.00	100.00	100.00	100.00	FC	FC
TimeOne - LMT	France	100.00	100.00	100.00	100.00	FC	FC
TimeOne - Media Buying	France	100.00		100.00		FC	
TimeOne - Performance	France	100.00	100.00	100.00	100.00	FC	FC
Viapost Maintenance	France	100.00	100.00	100.00	100.00	FC	FC
Viapost SAS	France	100.00	100.00	100.00	100.00	FC	FC
Viapost Transport Management	France	100.00	100.00	100.00	100.00	FC	FC
<b>GEOPOST SEGMENT</b>							
Geopost SA	France	100.00	100.00	100.00	100.00	FC	FC
360° Services SAS	France	100.00	100.00	100.00	100.00	FC	FC
A52 Warehouse Inc.	Canada	32.31	32.31	50.00	50.00	FC	FC
ACP Global Forwarding	Poland	100.00	100.00	100.00	100.00	FC	FC
Air 360	France		60.00		100.00		FC
Alas Courier, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Alolomer, S.L.U.	Spain	24.04	24.04	25.00	25.00	EM	EM
Alturing	France	100.00	100.00	100.00	100.00	FC	FC
Andalupaq Express, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Aramex PJSC	United Arab Emirates	24.93	28.00	24.93	28.00	EM	EM
Armadillo Holding GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
Asendia Austria GmbH	Austria	60.00	60.00	100.00	100.00	FC	FC
Asendia Benelux B.V.	Netherlands	60.00	60.00	100.00	100.00	FC	FC
Asendia Germany GmbH	Germany	60.00	60.00	100.00	100.00	FC	FC
Asendia Holding AG	Switzerland	60.00	60.00	60.00	60.00	FC	FC
Asendia Hong Kong Ltd	Hong Kong	60.00	60.00	100.00	100.00	FC	FC
Asendia Italy S.p.A.	Italy	60.00	60.00	100.00	100.00	FC	FC
Asendia Mgmt SAS	France	60.00	60.00	100.00	100.00	FC	FC
Asendia Mgmt SAS, branch Bern	Switzerland	60.00	60.00	100.00	100.00	FC	FC
Asendia Nordic AB	Sweden	60.00	60.00	100.00	100.00	FC	FC
Asendia Norway A/S	Norway	60.00	60.00	100.00	100.00	FC	FC
Asendia Oceania AU	Australia	60.00	60.00	100.00	100.00	FC	FC
Asendia Oceania NZ	New-Zealand	60.00	60.00	100.00	100.00	FC	FC



Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
Asendia Operations (SCL)	Germany	60.00	60.00	100.00	100.00	FC	FC
Asendia Operations Verwaltung GmbH	Germany	60.00	60.00	100.00	100.00	FC	FC
Asendia Press Edigroup SA	Switzerland	60.00	60.00	100.00	100.00	FC	FC
Asendia Singapore	Singapore	60.00	60.00	100.00	100.00	FC	FC
Asendia Spain S.L.	Spain	60.00	60.00	100.00	100.00	FC	FC
Asendia UK Ltd	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
Asendia USA	United States	60.00	60.00	100.00	100.00	FC	FC
Beijing Linehaul Express Co Ltd.	China	64.63	64.63	100.00	100.00	FC	FC
Bio Cair Fowarding International Co LTD	China	100.00	100.00	100.00	100.00	FC	FC
Biocair Asia Limited	Hong Kong	100.00	100.00	100.00	100.00	FC	FC
Biocair Australia PTY Ltd	Australia	100.00	100.00	100.00	100.00	FC	FC
Biocair Belgium	Belgium	100.00	100.00	100.00	100.00	FC	FC
Biocair Customs Brokerage LLC	United States	100.00	100.00	100.00	100.00	FC	FC
Biocair France SAS	France		100.00		100.00		FC
Biocair Germany GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
BIOCAIR, Inc.	United States	100.00	100.00	100.00	100.00	FC	FC
BIOCAIR International Limited	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Biocair Singapore Pte Ltd	Singapore	100.00	100.00	100.00	100.00	FC	FC
Biocair South Africa (Pty) Ltd	South Africa	100.00	100.00	100.00	100.00	FC	FC
BK Logistics Group B.V.	Netherlands	100.00	100.00	100.00	100.00	FC	FC
BK Pharma Logistics B.V.	Netherlands	100.00	100.00	100.00	100.00	FC	FC
BK Sneltransport B.V.	Netherlands	100.00	100.00	100.00	100.00	FC	FC
Bloomsburys GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
BTB Mailflight	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
BTB Mailflight Holding	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
Broad Reach Commerce Inc.	United States		54.00		90.00		FC
C Chez Vous SAS	France		95.00		95.00		FC
Caledonie express	France	60.00	60.00	60.00	60.00	EM	EM
Cargonet Software SARL	France	100.00	100.00	100.00	100.00	FC	FC
Central de Mensajeros Logística 2008, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Chrono Diali	Morocco	49.00	49.00	49.00	49.00	EM	EM
Chronofresh SAS	France	100.00	100.00	100.00	100.00	FC	FC
Chronopost (Mauritius) Ltd	Mauritius	75.00	75.00	75.00	75.00	FC	FC
Chronopost SAS	France	100.00	100.00	100.00	100.00	FC	FC

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
CI Algérie	Algeria	100.00	100.00	100.00	100.00	FC	FC
CI Burkina	Burkina Faso	40.00	40.00	40.00	40.00	EM	EM
CI Côte d'Ivoire	Côte d'Ivoire	50.00	50.00	50.00	50.00	FC	FC
CI Maroc	Morocco	34.00	34.00	34.00	34.00	EM	EM
CitySprint (UK) Bidco Limited	United Kingdom		100.00		100.00		FC
CitySprint (UK) Group Limited	United Kingdom		100.00		100.00		FC
CitySprint (UK) Limited	United Kingdom		100.00		100.00		FC
CitySprint Courier Services Limited	United Kingdom		100.00		100.00		FC
Customs Clearance Ltd.	United Kingdom	64.63	64.63	100.00	100.00	FC	FC
CXB Partner S.A.U.	Spain		100.00		100.00		FC
Delifresh IDF	France	100.00	100.00	100.00	100.00	FC	FC
Direct Parcel Distribution CZ s.r.o.	Czech Republic	100.00	100.00	100.00	100.00	FC	FC
Direct Parcel Distribution SK s.r.o.	Slovakia	100.00	100.00	100.00	100.00	FC	FC
DPD (UK) Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
DPD Austria	Austria	25.57	25.57	25.57	25.57	EM	EM
DPD Bel FLLC	Belarus	100.00	100.00	100.00	100.00	FC	FC
DPD Belgium	Belgium	100.00	100.00	100.00	100.00	FC	FC
DPD Croatia	Croatia	100.00	100.00	100.00	100.00	FC	FC
DPD Deutschland GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Eesti AS	Estonia	100.00	100.00	100.00	100.00	FC	FC
DPD Eurasia LLC	Uzbekistan	100.00	100.00	100.00	100.00	FC	FC
DPD France SAS	France	100.00	100.00	100.00	100.00	FC	FC
DPD fresh BeLux BV	Belgium	100.00	100.00	100.00	100.00	FC	FC
DPD Group International Services GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD HK Ltd.	Hong Kong	64.63	64.63	100.00	100.00	FC	FC
DPD Hungaria kft	Hungary	100.00	100.00	100.00	100.00	FC	FC
DPD Immobilien GmbH & Co. KG	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Immobilienverwaltung GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Ireland	Ireland	100.00	100.00	100.00	100.00	FC	FC
DPD Kazakhstan LLP	Kazakhstan	100.00	100.00	100.00	100.00	FC	FC
DPD Laser	South Africa	75.00	75.00	75.00	75.00	FC	FC
DPD Latvija SIA	Latvia	100.00	100.00	100.00	100.00	FC	FC
DPD Lietuva UAB	Lithuania	100.00	100.00	100.00	100.00	FC	FC

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
		DPD Local UK Ltd	United Kingdom	100.00	100.00	100.00	100.00
DPD Luxembourg	Luxembourg	100.00	100.00	100.00	100.00	FC	FC
DPD Netherlands	Netherlands	100.00	100.00	100.00	100.00	FC	FC
DPD Polska	Poland	100.00	100.00	100.00	100.00	FC	FC
DPD Portugal	Portugal	100.00	100.00	100.00	100.00	FC	FC
DPD Romania S.A.	Romania	69.81	69.81	100.00	100.00	FC	FC
DPD RUS	Russia	86.80	100.00	100.00	100.00	FC	FC
DPD Schweiz	Switzerland	100.00	100.00	100.00	100.00	FC	FC
DPD Service GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DPD Sichuan Ltd	Germany		64.63		100.00		FC
DPD Slovenia	Slovenia	100.00	100.00	100.00	100.00	FC	FC
DPDCN Linehaul Express Ltd (ex Linehaul Express (Shenzhen) Ltd.)	China	64.63	64.63	100.00	100.00	FC	FC
DPDgroup IT Solutions	Poland	100.00	100.00	100.00	100.00	FC	FC
DPDgroup IT Solutions Hungary Kft	Hungary	100.00	100.00	100.00	100.00	FC	FC
DPDgroup Uk Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
DS Russia GmbH & Co. Asset KG	Germany	86.80	100.00	86.80	100.00	FC	FC
DS Russia GP GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
DS Russia Management GmbH	Germany	88.80	100.00	88.80	100.00	FC	FC
DTDC	India	42.52	42.52	42.52	42.52	EM	EM
Dynamic Parcel Distribution Ltd	United Kingdom	100.00		100.00		FC	
Dynapresse Marketing SA	Switzerland	60.00		100.00		FC	
Epicery SAS	France	87.47	87.47	87.47	87.47	FC	FC
ESW Parent, Inc. (ESPI)	United States		60.00		60.00		FC
ESW U.S. Direct E-Commerce Canada Corp	Canada		60.00		100.00		FC
EVOL ANNECY	France		60.00		100.00		FC
EVOL BORDEAUX	France	60.00	60.00	100.00	100.00	FC	FC
EVOL CENTRE	France	60.00	60.00	100.00	100.00	FC	FC
EVOL CLERMONT FERRAND	France	60.00	60.00	100.00	100.00	FC	FC
EVOL GRENOBLE	France	49.80	49.80	100.00	100.00	FC	FC
EVOL LILLE	France	60.00	60.00	100.00	100.00	FC	FC
EVOL LORRAINE	France	60.00	60.00	100.00	100.00	FC	FC
EVOL LYON	France	60.00	60.00	100.00	100.00	FC	FC
EVOL MARSEILLE AIX TOULON	France	60.00	60.00	100.00	100.00	FC	FC
EVOL MONTPELLIER	France	60.00	60.00	100.00	100.00	FC	FC

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
EVOL NANTES	France	60.00	60.00	100.00	100.00	FC	FC
EVOL NICE	France	60.00	60.00	100.00	100.00	FC	FC
EVOL PARIS	France	60.00	60.00	100.00	100.00	FC	FC
EVOL RENNES	France	60.00	60.00	100.00	100.00	FC	FC
EVOL ROUEN	France	60.00	60.00	100.00	100.00	FC	FC
EVOL STRASBOURG	France	60.00	60.00	100.00	100.00	FC	FC
EVOL TOULOUSE	France	60.00	60.00	100.00	100.00	FC	FC
Express Delivery Services	France	52.58	52.58	52.58	52.58	FC	FC
FB On Board Courier Services Inc.	Canada	7.11	7.11	11.00	11.00	EM	EM
FermoPoint S.r.l.	Italy	50.98	50.98	60.00	60.00	FC	FC
Flap Locadora e Trans. Ltda.	Brazil	98.00	98.00	98.00	98.00	FC	FC
Forwarder Line Logistik	Liechtenstein	100.00	100.00	100.00	100.00	FC	FC
Geopost Americas	United States	100.00	100.00	100.00	100.00	FC	FC
Geopost Bulgaria EOOD	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
Geopost España, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Geopost Holdings Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Geopost IMDH GmbH (ex GP IMDH GmbH)	Germany	100.00	100.00	100.00	100.00	FC	FC
Geopost Intermediate Holdings	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Geopost Ireland Limited	Ireland	100.00	100.00	100.00	100.00	FC	FC
Geopost South East Asia (SEA) Pte. Ltd.	Singapore		100.00		100.00		FC
Geopost Trans EOOD	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
GLPU	France	100.00	100.00	100.00	100.00	FC	FC
Gruppo BRT	Italy	84.96	84.96	84.96	84.96	FC	FC
Hubez HK Ltd	Hong Kong	64.63	64.63	100.00	100.00	FC	FC
iloxx GmbH	Germany	100.00	100.00	100.00	100.00	FC	FC
Infraestructuras, Tecnología Y Soporte AI Reparto, SL	Spain		100.00		100.00		FC
Interlink Express Parcels Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Interlink Express Plc	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Jadlog Logística Ltda.	Brazil	98.00	98.00	98.00	98.00	FC	FC
JLGP Brasil Participações Ltda	Brazil	100.00	100.00	100.00	100.00	FC	FC
Keyopstech	France	95.00	95.00	95.00	95.00	FC	FC
Keyopstech Ivoire SARL	Côte d'Ivoire	95.00		100.00		FC	
Keyopstech Sénégal SARL	Senegal	95.00		100.00		FC	

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
La Poste Global Mail	France	100.00	100.00	100.00	100.00	FC	FC
La Poste IMS	France	60.00	60.00	100.00	100.00	FC	FC
Last Mile Link Technologies Limited	United Kingdom		100.00		100.00		FC
Latin America E-Commerce Direct, S.A. de C.V	Mexico	60.00	60.00	100.00	100.00	FC	FC
Lenton Group Ltd	Hong Kong	64.63	64.63	64.63	64.63	FC	FC
Linehaul Express (Cambodia) Co. Ltd.	Cambodia	16.16	16.16	25.00	25.00	EM	EM
Linehaul Express (Hainan) Ltd	China		64.63		100.00		FC
Linehaul Express (HK) Ltd.	Hong Kong	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (India) Private Ltd.	India	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (Sichuan) Ltd	China		48.79		100.00		FC
Linehaul Express (Taiwan) Ltd.	Taiwan	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (Thailand) Co. Ltd.	Thailand	32.31	32.31	50.00	50.00	FC	FC
Linehaul Express (Yiwu) Ltd	China	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express (Zhengzhou) Ltd.	China	48.79	48.79	75.50	75.50	FC	FC
Linehaul Express Co. Ltd.	Canada	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express France SARL	France	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express LLC	United Arab Emirates	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express Ltd.	United Kingdom	64.63	64.63	100.00	100.00	FC	FC
Linehaul Express Singapore Pte Ltd.	Singapore	64.63	64.63	100.00	100.00	FC	FC
Linehaul MAC Express (Private) Ltd.	Sri Lanka	32.31	32.31	50.00	50.00	FC	FC
Linex Air Services (Private) Ltd.	South Africa	64.63	64.63	100.00	100.00	FC	FC
Linex Corporation	Philippines	38.78	38.78	60.00	60.00	FC	FC
Linex Inc.	United States	64.63	64.63	100.00	100.00	FC	FC
Linex Nankai JP Co, Ltd.	Japan	38.78	38.78	60.00	60.00	FC	FC
LUDEV	France	60.00	60.00	60.00	60.00	FC	FC
Madripaq Servicios, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Mail Plus Ltd	United Kingdom	100.00		100.00		FC	
Menexpres, S.A.	Spain	100.00	100.00	100.00	100.00	FC	FC
Nanny Bag	France		49.95		49.95		EM
Ninja Logistics Pte. Ltd.	Singapore	43.27	42.41	43.27	42.41	EM	EM
North America Direct, Inc.	United States	60.00	60.00	100.00	100.00	FC	FC
On The Dot Technologies Limited	United Kingdom		100.00		100.00		FC
Packcity Geopost	France	34.00	34.00	34.00	34.00	EM	EM
Parceline Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
ParcelLock GmbH	Germany	50.00	50.00	50.00	50.00	EM	EM
PickPoint (Russia) LLC	Russia	48.95	48.95	48.95	48.95	EM	EM

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
Pickpoint Delivery System Ltd. (Cyprus)	Cyprus	48.95	48.95	48.95	48.95	EM	EM
Pickup At Home	France	100.00	100.00	100.00	100.00	FC	FC
Pickup Logistics	France	100.00	100.00	100.00	100.00	FC	FC
Pickup Personal Services	France	95.00	100.00	95.00	100.00	FC	FC
Pickup Services	France	100.00	100.00	100.00	100.00	FC	FC
Pie Mapping Software Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Pour de bon SAS	France	44.89	100.00	44.89	100.00	EM	FC
Project Bolt Newco 1 Limited	United Kingdom		100.00		100.00		FC
Project Bolt Newco 2 Limited	United Kingdom		100.00		100.00		FC
PT Linehaul Express Indonesia	Indonesia	25.85	25.85	40.00	40.00	EM	EM
Pudo Portugal S.A.	Portugal	25.00	25.00	25.00	25.00	EM	EM
Rapido Express and Logistics EOOD	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
Resto In	France	100.00	100.00	100.00	100.00	FC	FC
RPX MAC Express (Private) Limited	Sri Lanka	32.31	32.31	100.00	100.00	FC	FC
Scalefast Australia PTY LTD	Australia		60.00		100.00		FC
Scalefast Canada Enterprises	Canada		60.00		100.00		FC
Scalefast Inc.	United States		60.00		100.00		FC
Scalefast Japan Kabushiki Kaisha	Japan		60.00		100.00		FC
Scalefast S. de R.L. de C.V.	Mexico		60.00		100.00		FC
Scalefast SAS	France		60.00		100.00		FC
Scalefast Singapore PTE Ltd	Singapore		60.00		100.00		FC
Scalefast, S.L.	Spain		60.00		100.00		FC
SCI Exa Immo	France	100.00	100.00	100.00	100.00	FC	FC
SCI Examurs Paris	France	100.00	100.00	100.00	100.00	FC	FC
Sci Intel immo	France	100.00	100.00	100.00	100.00	FC	FC
Seur España Operaciones, S.A.	Spain	96.14	96.14	100.00	100.00	FC	FC
Seur Geopost, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Seur Gerencia de Riesgos, S.L.	Spain	96.14	96.14	100.00	100.00	FC	FC
Seur Logística S.A.	Spain	96.14	96.14	100.00	100.00	FC	FC
Seur, S.A.	Spain	96.14	96.14	96.14	96.14	FC	FC
Shanghai E & T Wako Express Co. Ltd.	China	64.63	64.63	100.00	100.00	FC	FC
SHIFT7	France		60.00		100.00		FC
Siodemka Systemy Sp z o.o.	Poland	100.00	100.00	100.00	100.00	FC	FC
Sodexi	France	35.00	35.00	35.00	35.00	EM	EM
Someva, S.L.U.	Spain	96.14	96.14	100.00	100.00	FC	FC

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
Speedy AD	Bulgaria	69.81	69.81	69.81	69.81	FC	FC
Speedy EOOD	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
Speedy Tech Lab.(ex OMG Mobile EOOD)	Bulgaria	69.81	69.81	100.00	100.00	FC	FC
SPI UK	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
SRT France Logistics	France	100.00	100.00	100.00	100.00	FC	FC
SRT France SAS(Stuart)	France	100.00	100.00	100.00	100.00	FC	FC
SRT Group SAS	France	100.00	100.00	100.00	100.00	FC	FC
SRT Italy S.r.l.	Italy		100.00		100.00		FC
STOCKNORD	France		60.00		100.00		FC
STRT Delivery Portugal, Unipessoal LDA	Portugal	100.00	100.00	100.00	100.00	FC	FC
Stuart Delivery LTD	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Stuart Delivery, S.L.	Spain	100.00	100.00	100.00	100.00	FC	FC
Stuart Polska sp.zo.o.	Poland	100.00	100.00	100.00	100.00	FC	FC
Stuart Urban, S.L. (ex Stuart Logistica)	Spain	100.00	100.00	100.00	100.00	FC	FC
TD Express services	France	100.00	100.00	100.00	100.00	FC	FC
The Courier and Passenger Transport Group Limited	United Kingdom		100.00		100.00		FC
The Courier and Passenger Transport Holdings Limited	United Kingdom		100.00		100.00		FC
The Reach Advisory Limited.	Ireland		60.00		100.00		FC
Transporte Integral de Paquetería, S.A.	Spain	100.00	100.00	100.00	100.00	FC	FC
Transworld Global Courier Ltd	United Kingdom		100.00		100.00		FC
Urgent Deliveries Limited (EcoSpeed)	United Kingdom		100.00		100.00		FC
U.S. Direct (singapore) PTE Ltd	Singapore	60.00	60.00	100.00	100.00	FC	FC
U.S. Direct e-commerce AUS PTY Limited	Australia	60.00	60.00	100.00	100.00	FC	FC
U.S. Direct E-Commerce Netherlands B.V.	Netherlands	60.00	60.00	100.00	100.00	FC	FC
U.S. Direct e-commerce UK	United Kingdom	60.00	60.00	100.00	100.00	FC	FC
US Direct E-Commerce (USA) Inc.	United States		60.00		60.00		FC
Universal Express LLC	United Arab Emirates	64.63	64.63	100.00	100.00	FC	FC
Universal Express Ltd.	Kenya	64.63		100.00		FC	
US Direct eCommerce Holding Ltd	Ireland	60.00	60.00	100.00	100.00	FC	FC
US Direct eCommerce Ltd	Ireland	60.00	60.00	100.00	100.00	FC	FC
US Direct eCommerce Nominee DAC	Ireland	60.00	60.00	100.00	100.00	FC	FC
US Direct E-Commerce Rus LLC	Russia	60.00	60.00	100.00	100.00	FC	FC
Wako Express Co. Ltd.	Taiwan	64.63	64.63	100.00	100.00	FC	FC
WN TPC	United Kingdom	60.00	60.00	100.00	100.00	FC	FC

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
WnDirect USA, Inc	United States	60.00	60.00	100.00	100.00	FC	FC
Your Cargo Contact B.V.	Netherlands	48.47	48.47	75.00	75.00	FC	FC
Yurtici Kargo Servisi A.S.	Turkey	25.00	25.00	25.00	25.00	EM	EM
<b>LA BANQUE POSTALE - CNP - SEGMENT</b>							
La Banque Postale	France	100.00	100.00	100.00	100.00	FC	FC
115 K	France		100.00		100.00		FC
AEP3 SCI	France	78.95	100.00	100.00	100.00	FC	FC
AEP4 SCI	France	78.95	100.00	100.00	100.00	FC	FC
AEW Europe SA	France	40.00		40.00		EM	
Arial CNP Assurances	France	31.58	40.00	40.00	40.00	EM	EM
Assurbail Patrimoine	France	78.95	100.00	100.00	100.00	FC	FC
Assurimmeuble	France	78.95	100.00	100.00	100.00	FC	FC
Assurance	France	52.11	100.00	66.00	100.00	EM	FC
Caixa Seguradora Especializada Em Saúde SA	Brazil	40.86	51.75	100.00	100.00	FC	FC
Caixa Seguradora SA	Brazil	40.86	51.75	100.00	100.00	FC	FC
Caixa Vida e Previdência	Brazil	31.58	40.00	100.00	100.00	FC	FC
CIMO	France	78.95	100.00	100.00	100.00	FC	FC
CNP Asfaltistiki	Cyprus	78.95	100.00	100.00	100.00	FC	FC
CNP Assur Trésorerie Plus	France	77.46	99.09	98.12	99.09	FC	FC
CNP Assurances	France	78.95	100.00	82.12	100.00	FC	FC
CNP Assurances Compañia de Seguros	Argentina	60.37	76.47	76.47	76.47	FC	FC
CNP Assurances Latam Holding Ltda	Brazil	78.95	100.00	100.00	100.00	FC	FC
CNP Assurances Participações Ltda	Brazil	78.95	100.00	100.00	100.00	FC	FC
CNP Capitalização SA	Brazil	20.84	26.39	51.00	51.00	FC	FC
CNP Caution	France	78.95	100.00	100.00	100.00	FC	FC
CNP Consórcio SA Administradora de Consórcios (ex Caixa Consórcio SA Administradora de Consórcios)	Brazil	40.86	100.00	100.00	100.00	FC	FC
CNP Cyprialife	Cyprus	78.95	100.00	100.00	100.00	FC	FC
CNP Cyprus Insurance Holdings	Cyprus	78.95	100.00	100.00	100.00	FC	FC
CNP Cyprus Properties	Cyprus	78.95	100.00	100.00	100.00	FC	FC
CNP Cyprus Tower Ltd	Cyprus	78.95	100.00	100.00	100.00	FC	FC
CNP Europe Life	Ireland	78.95	100.00	100.00	100.00	FC	FC
CNP Immobilier	France	78.95	100.00	100.00	100.00	FC	FC
CNP Luxembourg	Luxembourg	78.95	100.00	100.00	100.00	FC	FC
CNP OSTRUM ISR OBLI 12 MOIS	France	77.84	98.98	98.59	98.98	FC	FC
CNP Participações Securitárias Brasil Ltda	Brazil	40.86	51.75	100.00	100.00	FC	FC
CNP Partners	Spain	78.95		100.00		FC	



Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
CNP Praktoriaki	Greece	78.95	100.00	100.00	100.00	FC	FC
CNP Retraite	France		100.00		100.00		FC
CNP SA de Capitalización y Ahorro p/ fines determinados	Argentina	39.47	50.00	65.38	65.38	FC	FC
CNP Santander Insurance Europe Ltd	Ireland	40.26	51.00	51.00	51.00	FC	FC
CNP Santander Insurance Life Ltd	Ireland	40.26	51.00	51.00	51.00	FC	FC
CNP Santander Insurance Services Ireland Ltd	Ireland	40.26	51.00	51.00	51.00	FC	FC
CNP Seguros Holding Brasil SA	Brazil	40.86	51.75	51.75	51.75	FC	FC
CNP Seguros Participações em Saúde Ltda (ex Caixa Seguros Participações em Saúde Ltda)	Brazil	40.86	51.75	100.00	51.75	FC	FC
CNP UniCredit Vita	Italy	45.40	51.00	57.50	51.00	FC	FC
CNP Vita Assicura	Italy	40.26	100.00	51.00	100.00	FC	FC
CNP Vita Assicurazione	Italy	78.95	100.00	100.00	100.00	FC	FC
CNP Zois	Greece	78.95	100.00	100.00	100.00	FC	FC
Companhia de Seguros Previdencia Do Sul-Previsul	Brazil	40.86	51.75	100.00	100.00	FC	FC
Credicoop Compañia de Seguros de Retiro SA	Argentina		29.82		29.82		EM
EasyBourse	France	100.00	100.00	100.00	100.00	FC	FC
Ecureuil Profil 90	France	44.89	56.22	56.86	56.22	FC	FC
Ecureuil Vie Développement	France	38.69	49.00	49.00	49.00	EM	EM
FCT Elise 2012	France	95.00	95.00	95.00	95.00	FC	FC
Filassistance International	France	52.11	100.00	66.00	100.00	EM	FC
Fundo De Investimento Imobiliario Renda Corporativa Angico - FII	Brazil	38.54	48.81	100.00	100.00	FC	FC
Holding d'Infrastructures Gazières	France	41.84	52.97	53.00	52.97	EM	EM
Holding XS 1 SA	Brazil	31.58	40.00	51.00	51.00	FC	FC
Infra-Invest	Luxembourg	78.95	100.00	100.00	100.00	FC	FC
Infra-Invest France	France	78.95	100.00	100.00	100.00	FC	FC
Infra-Invest Holding	France	78.95	100.00	100.00	100.00	FC	FC
La Banque Postale Asset Management	France	70.00	75.00	100.00	100.00	FC	FC
La Banque Postale Asset Management Holding	France	70.00	75.00	70.00	75.00	FC	FC
La Banque Postale Assurance Santé	France	51.00	51.00	51.00	51.00	FC	FC
La Banque Postale Assurances IARD	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Collectivités Locales	France	65.00	65.00	65.00	65.00	FC	FC
La Banque Postale Conseil en Assurances	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Consumer Finance	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Home Loan SFH	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Immobilier Conseil	France	100.00	100.00	100.00	100.00	FC	FC
La Banque Postale Leasing & Factoring	France	100.00	100.00	100.00	100.00	FC	FC

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
La Banque Postale Prévoyance	France	100.00	100.00	100.00	100.00	FC	FC
LBP Actifs Immo	France	78.95	100.00	100.00	100.00	FC	FC
LBP Dutch Mortgage Portfolio 1 BV	Netherlands	100.00	100.00	100.00	100.00	FC	FC
LBP Dutch Mortgage Portfolio 2 BV	Netherlands	100.00	100.00	100.00	100.00	FC	FC
Louvre Banque Privée (ex BPE)	France	100.00	100.00	100.00	100.00	FC	FC
Ma French Bank	France	100.00	100.00	100.00	100.00	FC	FC
MFPrévoyance SA	France	78.95	100.00	100.00	100.00	FC	FC
Montparvie V	France	78.95	100.00	100.00	100.00	FC	FC
Odonto Empresas Convênios Dentários Ltda	Brazil	40.86	100.00	100.00	100.00	FC	FC
OPCI AEP247	France	78.95	100.00	100.00	100.00	FC	FC
OPCI AEW Imcom 1	France	78.95	100.00	100.00	100.00	FC	FC
OPCI MTP Invest	France	78.95	100.00	100.00	100.00	FC	FC
OPCI Raspail	France	78.95	99.94	100.00	99.94	FC	FC
OPCVM Caixa Seguradora SA	Brazil	40.86	51.75	100.00	100.00	FC	FC
OPCVM Caixa Vida e Previdência	Brazil	31.58	40.00	100.00	100.00	FC	FC
OPCVM CNP Capitalizacão SA (ex OPCVM Caixa Capitalizacão SA)	Brazil	20.84	26.39	100.00	100.00	FC	FC
OPCVM CNP Consórcio SA (ex OPCVM Caixa Consorcios)	Brazil	40.86	100.00	100.00	100.00	FC	FC
OPCVM Holding Caixa Seguros Holding SA	Brazil	40.86	51.75	100.00	100.00	FC	FC
Ostrum Asset Management	France	31.50		45.00		EM	
Outlet Invest	France	78.95	100.00	100.00	100.00	FC	FC
Provincia Seguros de Vida SA	Argentina		40.00		40.00		EM
SAS Allera	France	78.95	100.00	100.00	100.00	FC	FC
SCI CRSF DOM	France	99.94		99.94		FC	
SCI CRSF Métropole	France	100.00	100.00	100.00	100.00	FC	FC
SCI ICV	France	78.95	100.00	100.00	100.00	FC	FC
SCI Lamartine	France		85.00		85.00		FC
SCI Tertiaire Saint Romain	France	100.00	100.00	100.00	100.00	FC	FC
SCP Lamartine Euros	France		100.00		100.00		FC
SCP Lamartine monitoring Holding	France		100.00		100.00		FC
SICAC	France	78.95	100.00	100.00	100.00	FC	FC
SOFIAP	France	66.00	66.00	66.00	66.00	FC	FC
Sogestop K	France	78.95	100.00	100.00	100.00	FC	FC
Tocqueville Finance SA	France	69.93	74.99	99.90	99.99	FC	FC
Univers CNP 1 FCP	France	78.95	100.00	100.00	100.00	FC	FC
Vivaccio ISR actions	France	78.95	100.00	100.00	100.00	FC	FC

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
Wiz Soluções e Corretagem de Seguros SA	Brazil	10.22	12.94	25.00	25.00	EM	EM
XS2 Vida e Previdência SA	Brazil	31.58	40.00	100.00	100.00	FC	FC
XS5 Administradora de consorcios SA	Brazil	19.74	25.00	50.01	50.01	EM	EM
Youse Tecnologia e Assistencia em Seguros Ltda (ex Caixa Seguros Assessoria e Consultoria Ltda)	Brazil	40.86	51.75	100.00	100.00	FC	FC
<b>RETAIL CUSTOMERS &amp; DIGITAL SERVICES SEGMENT</b>							
2B-Softeam Data	France	100.00	100.00	100.00	100.00	FC	FC
Adverline	France	100.00	100.00	99.88	100.00	FC	FC
AR 24	France	55.00	80.24	55.00	80.24	FC	FC
ARKHINEO	France	100.00	100.00	100.00	100.00	FC	FC
Boxtal	France	100.00	100.00	100.00	100.00	FC	FC
Bretagne Routage SA	France	100.00		100.00		FC	
CER - Docapost BPO	France	50.98		50.98		FC	
Certinomis	France	100.00	100.00	100.00	100.00	FC	FC
CNTP - Docapost BPO	France	66.00	100.00	66.00	100.00	FC	FC
Docapost	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Agility	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Applicam	France	100.00	100.00	100.00	100.00	FC	FC
Docapost BPO (ex T2IS - Docapost BPO)	Morocco	50.98	100.00	100.00	100.00	FC	FC
Docapost BPO IS	France	65.00	65.00	65.00	65.00	FC	FC
Docapost BPO SAS	France	100.00	100.00	100.00	100.00	FC	FC
Docapost CSP	France	100.00	100.00	100.00	100.00	FC	FC
Docapost DPS	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Externalisation	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Fast	France	100.00	100.00	100.00	100.00	FC	FC
Docapost IOT	France	100.00	100.00	100.00	100.00	FC	FC
Docapost Localéo	France	100.00	100.00	100.00	100.00	FC	FC
Docaposte E -Santé	France	100.00	100.00	100.00	100.00	FC	FC
DOCAPOSTE Trust & Sign	France	100.00	100.00	100.00	100.00	FC	FC
DOCAPOSTE Trust & Sign POLOGNE	Poland		100.00		100.00		FC
DOCAPOSTE Trust & Sign ROUMANIE	Romania		100.00		100.00		FC
ESCENT Belgique	Belgium	100.00	100.00	100.00	100.00	FC	FC
ESCENT Luxembourg	Luxembourg	100.00	100.00	100.00	100.00	FC	FC
Eukles	France	100.00	100.00	100.00	100.00	FC	FC
GENITECH Tunisie	Tunisia	100.00	100.00	100.00	100.00	FC	FC
Heva	France		100.00		100.00		FC

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
Icanopée	France	80.00	100.00	80.00	100.00	FC	FC
Inadvans	France	100.00	100.00	100.00	100.00	FC	FC
Index Education Développement	France	76.60	80.00	100.00	100.00	FC	FC
Index Education France	France	76.60	80.00	100.00	100.00	FC	FC
Index Italie	Italy	76.60	80.00	100.00	100.00	FC	FC
Kidsicare	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Services à la Personne	France	100.00	100.00	100.00	100.00	FC	FC
La Poste Telecom	France	51.00	51.00	51.00	51.00	EM	EM
LP11	France	100.00	100.00	100.00	100.00	FC	FC
Maileva	France	100.00	100.00	100.00	100.00	FC	FC
MARKETSHOT	France	89.86	100.00	89.86	100.00	FC	FC
Media Prisme SAS	France	82.05	82.05	82.05	82.05	FC	FC
Openvalue	France	80.00	80.00	100.00	100.00	FC	FC
OPTELO	France	100.00	100.00	100.00	100.00	FC	FC
Oxeva	France	70.03		70.03		FC	
Probayes	France	100.00	100.00	100.00	100.00	FC	FC
Prosofteam	France	100.00	100.00	100.00	100.00	FC	FC
Sefas Espana	Spain	100.00	100.00	100.00	100.00	FC	FC
Sefas Inc	United States	100.00	100.00	100.00	100.00	FC	FC
Sefas Ltd	United Kingdom	100.00	100.00	100.00	100.00	FC	FC
Sefas SA	France	100.00	100.00	99.99	99.99	FC	FC
Seres Allemagne	Germany	66.00	66.00	100.00	100.00	FC	FC
Sères Espagne	Spain	66.00	66.00	100.00	100.00	FC	FC
Sérès SA	France	66.00	66.00	66.00	66.00	FC	FC
Sofadev - Docapost BPO	Morocco	50.98	100.00	100.00	100.00	FC	FC
Softeam	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Agency	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Armonys	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Consulting	France	100.00	100.00	100.00	100.00	FC	FC
Softeam Group	France	100.00	100.00	100.00	100.00	FC	FC
Voxaly	France	100.00	100.00	100.00	100.00	FC	FC
<b>REAL ESTATE SEGMENT</b>							
Poste Immo	France	100.00	100.00	100.00	100.00	FC	FC
Akatea 2 TPF2 SAS	France	20.02	20.02	20.02	20.02	EM	EM
Akatea TPF2	France	20.02	20.02	20.02	20.02	EM	EM
Arkadea Lyon Girondins	France	50.00		50.00		EM	

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
Ciposte SAS	France	100.00	100.00	100.00	100.00	FC	FC
Fréjorgues Energy SAS	France	46.00	46.00	46.00	46.00	EM	EM
Holding PI	France	46.00	46.00	46.00	46.00	EM	EM
Holding PI2	France	46.00	46.00	46.00	46.00	EM	EM
ImmoStoc SAS	France	100.00	100.00	100.00	100.00	FC	FC
LocaPoste SAS	France	100.00	100.00	100.00	100.00	FC	FC
Lumin' Toulouse SAS	France	44.00	44.00	44.00	44.00	EM	EM
Lumin'Logistique urbaine	France	44.00	44.00	44.00	44.00	EM	EM
Multiburo	France		100.00		100.00		FC
Multigestion	France		100.00		100.00		FC
Multiburo Gares	France		100.00		100.00		FC
Multiburo Suisse SA	Swiss		100.00		100.00		FC
N.C.I	Belgium		100.00		100.00		FC
PI Energy	France	46.00	46.00	46.00	46.00	EM	EM
PI Energy 2	France	46.00	46.00	46.00	46.00	EM	EM
PI Logistique Urbaine	France	100.00	100.00	100.00	100.00	FC	FC
Poste Immo tertiaire	France	100.00	100.00	100.00	100.00	FC	FC
SAS Arkadea	France	50.00		50.00		EM	
SAS PI développement	France	100.00	100.00	100.00	100.00	FC	FC
SAS PI Energies renouvelables	France	100.00	100.00	100.00	100.00	FC	FC
SAS PI Invest	France	100.00	100.00	100.00	100.00	FC	FC
SAS Startway IG	France	28.00	45.10	28.00	45.10	EM	FC
SAS Startway Partners	France	79.97	96.00	79.97	100.00	FC	FC
SAS STARTWAY SYSTEM	France		100.00		100.00		FC
SC Pyxis	France	100.00	100.00	100.00	100.00	FC	FC
SCCV 56, Rue Cler	France	49.00	49.00	49.00	49.00	EM	EM
SCCV Paris Campagne Première	France	49.00	49.00	49.00	49.00	EM	EM
SCI Activités annexes	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Colis	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Courrier de Proximité	France	100.00	100.00	100.00	100.00	FC	FC
SCI Activités Courrier Industriel	France	100.00	100.00	100.00	100.00	FC	FC
SCI Aix-Pichaury	France		100.00		100.00		FC
SCI Arkadea Fort de France	France	49.00	49.00	49.00	49.00	EM	EM
SCI Arkadea Lyon Crepet	France	35.00	35.00	35.00	35.00	EM	EM
SCI Arkadea Lyon Croix Rousse	France	30.00	30.00	30.00	30.00	EM	EM
SCI Arkadea Marseille Saint Victor	France	49.00	49.00	49.00	49.00	EM	EM

Company	Country	% interest		% control		Consolidation method	
		2021	2022	2021	2022	2021	2022
SCI Arkadea Rennes Trigone	France	49.00	49.00	49.00	49.00	EM	EM
SCI Bataille	France	35.00	35.00	35.00	35.00	EM	EM
SCI BP	France	100.00	100.00	100.00	100.00	FC	FC
SCI BP Mixte	France	100.00	100.00	100.00	100.00	FC	FC
SCI Centres de loisirs	France	100.00	100.00	100.00	100.00	FC	FC
SCI DOM	France	100.00	100.00	100.00	100.00	FC	FC
SCI Green Opale	France	100.00	100.00	100.00	100.00	FC	FC
SCI Logement	France	100.00	100.00	100.00	100.00	FC	FC
SCI Nantes Aubiniere	France		100.00		100.00		FC
SCI PI 17	France	100.00	100.00	100.00	100.00	FC	FC
SCI PI Bordeaux Tourville	France	100.00	100.00	100.00	100.00	FC	FC
SCI Route du Moulin Bateau Bonneuil	France	100.00	100.00	100.00	100.00	FC	FC
SCI RSS Strasbourg MEE	France	59.00	59.00	59.00	59.00	EM	EM
SCI Tertiaire	France	100.00	100.00	100.00	100.00	FC	FC
SCI Tertiaire Mixte	France	100.00	100.00	100.00	100.00	FC	FC
Sobre	France	48.56	48.56	48.56	48.56	EM	EM
SOBRE GLP	France	74.28	74.28	51.00	51.00	FC	FC
Société SCCV Rue du Champ Macret-Roye	France	100.00	100.00	100.00	100.00	FC	FC
SOGARIS Paris : les espaces logistiques urbains	France	22.50	22.50	22.50	22.50	EM	EM
Toulouse Occitanie	France	44.00	44.00	44.00	44.00	EM	EM
TPF2 - SPPICAV	France	20.02	20.02	20.02	20.02	EM	EM
Urba 144	France	46.00	46.00	46.00	46.00	EM	EM
<b>UNALLOCATED</b>							
La Poste Ventures (LP7)	France	100.00	100.00	100.00	100.00	FC	FC
Vehiposte SAS	France	100.00	100.00	100.00	100.00	FC	FC
Movivolt	France	30.00	30.00	30.00	30.00	EM	EM

FC : full consolidation

EM : equity method

PC : proportional consolidation

## NOTE 44 Other unconsolidated equity investments – excluding France

<i>(in € thousands)</i>	Country	31/12/2022		31/12/2021
		Percentage held	Carrying amount	Carrying amount
DalcoSud, S.L.U.	Spain	100%	9,723	0
Anchanto	Singapore	19%	6,191	6,191
Cool Runnings Transport B.V.	Netherlands	100%	2,544	0
Bosta Inc.	United States	11%	1,285	1,285
Livelihoods	Luxembourg	3%	1,000	1,000
Localz Pty Ltd.	Australia	5%	926	926
Sérès Argentine	Argentina	90%	850	790
Advanced Ideas SRL	Romania	60%	821	
Sérès Colombie	Colombia	100%	807	707
Sérès Mexique	Mexico	100%	586	553
Koiki	Spain	9%	370	370
Mediapost Vietnam	Vietnam	36%	311	311
Sérès Equateur	Ecuador	100%	216	216
Citibox Smart Services, S.L.	Spain	2%	153	750
Vouchers Depot SRL	Romania	75%	152	0
Séres Pérou	Peru	100%	95	65
Mediapost Martech	Romania	51%	52	52
Vietnam Postal SRL	Vietnam	6%	43	43
CargoNetwork Gm	Germany	11%	40	40
Miscellaneous	Portugal	n.m.	32	78
CID Externalizacion de Servici	Spain	10%	25	25
Miscellaneous	Philippines	n.m.	20	0
Miscellaneous	Spain	n.m.	17	17
Kombiverkehr Deu	Germany	n.m.	16	16
Biocair India Private Limited	India	100%	11	0
IG Zollwerk	Switzerland	7%	10	10
Applicam Tunisie	Tunisia	95%	10	10
Insercion Personal Discapacita	Spain	10%	6	6
Miscellaneous	Germany	n.m.	1	1
Wundr Commerce Ltd	United Kingdom	12%		874
Miscellaneous	Italy	n.m.		13
Tactio Inc. <sup>(a)</sup>	Canada			3,990
Aljutrans Cádiz, S.L. <sup>(b)</sup>	Spain			2,584
Ofertia Mexico <sup>(b)</sup>	Mexico			89
Ofertia Colombia <sup>(b)</sup>	Colombia			18
<b>TOTAL</b>			<b>26,313</b>	<b>21,030</b>

(a) Company solde in 2022.

(b) Company consolidated in 2022.

## 6.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France*

For the year ended 31 December 2022

To the annual general meeting of La Poste,

### Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of La Poste for the year ended 31 December 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the

financial position of the Group as at 31 December 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### Basis for Opinion

#### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

#### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from 1<sup>st</sup> January 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

### Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

They are recognised in the balance sheet at their initial cost and amortized over their estimated useful life as determined by management. They are tested for impairment whenever an indication of impairment is identified by management in order to determine a recoverable value and any adjustment that might be required to their carrying amount.

The carrying amount of these assets was written down in full on 31 December 2022 after taking into account net impairment in 2022 of €940 million (of which €250 million on property, plant and equipment and €228 million on intangible assets and €462 million on right of use assets).

Indeed, as indicated in Note 1.5 "Impairment of the Group's Mail Business assets" to the consolidated financial statements, despite the allocation to the mail business of a part of the compensation granted by the French State to support the universal postal service, which is currently notified to the European Commission, the Mail CGU's business plan has deteriorated significantly in 2022 due to the sharp acceleration in inflation in 2022. This inflation, which is expected to remain at a high level for some time, will generate an important increase in costs over the business plan horizon, which can only be partially offset by an increase in prices. The impairment test was carried out following the methodology described in note 20 "Impairment test of goodwill and non-current assets".

#### Measurement of non-current assets related to the Group's Mail business

##### Description of risk

The Mail Cash-Generating Unit (CGU) corresponds to La Poste's Mail business. This comprises intangible assets (software), property, plant and equipment (handling/sorting machines, fixtures and fittings, IT equipment, etc.) as well as right of use assets under leases.



We considered the assessment of non-current assets dedicated to La Poste's Mail business to be a key audit matter due to the material nature of these assets and the related impairment, the degree of judgement surrounding management's projections and estimates at a time of uncertainty linked to the economic environment, the sensitivity of some of the assessments to operational, economic and financial assumptions and the integration of a part of the compensation for the universal postal service.

### How our audit addressed this risk

We assessed the consistency of the methodology used with the applicable accounting standards and examined the methodology for implementing impairment tests.

Our work consisted primarily in:

- examining the identification of indications of impairment;
- reconciling the value of the net economic assets tested with the underlying accounting data;
- analysing the components of the book value of the CGUs, and the consistency between the establishment of this value and the way in which projected future cash flows were determined with a view to estimating the recoverable amount;
- examining the process for establishing provisions and assessing the consistency of cash flow projections with the information sources available to us, actual cash flows observed, data resulting from the Mail Department's budget process, and the priorities of the new strategic plan;
- with guidance from our internal specialists, analysing the methodology used to calculate recoverable amounts and assessing the appropriateness and reasonableness of the measurement assumptions and inputs used (discount rate, normative growth rate);
- examining the sensitivity tests carried out by management on changes in various inputs and assumptions;
- analyzing the documentation underlying the allocation of part of the universal postal service compensation in the business plan and in the terminal value.

Lastly, we examined the appropriateness of the disclosures provided in Notes 1.5 "Impairment of the Group's Mail Business assets" and 20 "Impairment of goodwill and non-current assets".

## Measurement of goodwill

### Description of risk

As part of its business development, the Group carries out external growth transactions and recognises goodwill. Goodwill, which corresponds to the difference between the acquisition price and the fair value of the assets acquired and liabilities assumed, is detailed in Note 15 "Goodwill" to the consolidated financial statements. It is allocated to the cash-generating units (CGUs) of the businesses into which the acquired companies are integrated.

At 31 December 2022, goodwill amounted to €5,092 million on the balance sheet.

The group verifies at least once a year, and whenever there is an indication of impairment, that the carrying amount of goodwill is not greater than its recoverable amount and does not present a risk of impairment.

The impairment tests are conducted for each CGU based on the methodology outlined in the notes to the consolidated financial statements, particularly Note 3.11 "Impairment of goodwill, intangible assets and property, plant and equipment" and Note 20 "Impairment of goodwill and non-current assets".

The group operates in changing economic environments in France and internationally. As a result, Management is required to assess the appropriateness of all assumptions used to determine the recoverable amount of the CGUs to which goodwill has been allocated, and the reasonableness and consistency of the calculation inputs used.

Any decline in the profitability of businesses to which goodwill has been allocated, due for example to the economic and financial environment in which those businesses operate, can have a significant impact on the recoverable amount of goodwill and lead to the recognition of an impairment loss.

We deemed the measurement of goodwill to be a key audit matter because of its significant amount in the consolidated financial statements, and the calculation method used to determine the recoverable amount, which relies on judgements made by management, particularly in terms of projecting future cash flows and determining the discount rates to be used.

### How our audit addressed this risk

We assessed the consistency of the methodology applied by the Group for measuring recoverable amounts with current accounting standards and examined how the methodology is implemented.

With regard to the CGUs that we tested, our work consisted in:

- assessing the relevance of the approach adopted to determine the level of CGUs used for impairment testing;
- analysing the components of the carrying amount of the CGUs, and the consistency of the method used to determine the carrying amount with the methods used to determine projected future cash flows with a view to estimating the recoverable amount;
- assessing the appropriateness of the assumptions used by the Group, in particular the reasonableness of the cash flow projections based on our knowledge of the economic context of each geographic area in which the CGUs operate, as well as the reliability of the procedure for making estimates, by analysing any significant differences between projected and actual cash flows in the year covered by the audit;
- comparing projected future cash flows with Management's most recent estimates used for the Group budget process;
- with the guidance of our internal specialists, analysing the inputs used to calculate the discount rates and the consistency of the growth rates applied for cash flow estimates;
- verifying the analysis conducted by the group of the sensitivity of the recoverable amount to changes in the main assumptions used.

Lastly, we assessed the appropriateness of the disclosures provided in the notes to the consolidated financial statements, in particular Note 3.11 "Impairment of goodwill, intangible assets and property, plant and equipment", and Note 20 "Impairment testing of goodwill and intangible assets".

### Measurement of end-of-career arrangements

#### Description of risk

La Poste Groupe has several post-employment benefit plans, including end-of-career arrangements.

These plans only exist at La Poste SA, the parent company. Provisions for the cost of these commitments represented €1,199 million at 31 December 2022.

The measurement of these commitments and the related expenses for the year are described in Note 3.21.2 "End-of-career arrangements" and Note 30 "Employee benefits" to the consolidated financial statements and are based on various assumptions, in particular the costs relating to each plan and the probability of future membership, assessed on the basis of membership rates in previous years and Management's best estimates.

Changes in some of these assumptions could have a significant impact on the valuation of the liabilities recognised and on consolidated earnings.

Due to the materiality of the amounts concerned and the degree of judgement required by Management, we deemed the measurement of end-of-career arrangements to be a key audit matter.

#### How our audit addressed this risk

We assessed the underlying data used by the group to determine the amount of the provision recorded. Our work consisted in :

- gaining an understanding of the process used to measure commitments relating to end-of-career arrangements;
- gaining an understanding of the internal control procedures put in place relating to the measurement of these commitments;
- testing the effectiveness of the controls put in place by the group to determine the costs used in the measurement of end-of-career arrangements (identification of beneficiaries, authorisation, determination of the cost of each plan, etc.), which we considered key to our audit.

We also assessed the assumptions used by the group to assess the amount of the provision and the methodology applied, including:

- the relevance of the methodology applied by the group with respect to applicable accounting standards;
- the consistency of the assumptions used to determine the amount of the provision, with the assistance of our internal specialists;
- the consistency of the data used in the calculations, by comparing it to historical data observed for previous plans and the group's estimates for current plans;
- the sensitivity analyses carried out by the group;
- the appropriateness of the disclosures provided in Note 3.21.2 "End-of-career arrangements" and Note 30 "Employee benefits" to the consolidated financial statements.

### Provisions for credit risks

#### Description of risk

La Banque Postale, subsidiary of La Poste Groupe records impairment to cover the risk of default by its customers. In accordance with IFRS 9, La Poste Groupe recognises

impairment for Expected Credit Losses (ECL) on healthy loans (status 1), deteriorated loans (status 2) and defaulted loans (status 3).

The rules for the impairment of expected credit losses require the creation of an impairment status resulting in a 12-month expected credit loss following the origination of a new financial asset, and of a second status resulting in a credit loss expected at maturity, in the event of significant deterioration in credit risk. The impairment of expected credit losses (on loans of status 1 and 2) are primarily determined using models developed by La Banque Postale that include various parameters (probability of default (PD), loss given default (LGD), forward-looking data, etc.).

As indicated in note 34.2 to the consolidated financial statements, the amount of outstanding loans in status 2 and the related provisions have been affected by the specific monitoring measures implemented by La Banque Postale on :

- counterparties or sectors of activity considered to present signs of deterioration for legal entities,
- customers considered to be fragile in the light of the inflationary context for individuals.

Impairment losses are recognised for loans in default (status 3) on an individual or statistical basis. These impairments are assessed by management on the basis of estimated future recoverable cash flows, taking into account the collateral available on each of the loans concerned.

When calculating provisions, a judgement-based assessment is used to classify exposure (status 1, 2, or 3) and to determine future recoverable flows and the calculation of sectoral provisions, the judgement being just as complex as the ongoing crisis' impacts are uncertain.

Given the importance of this judgement in the process for determining impairment and the expected credit risk deterioration as a result of the health crisis, we considered the estimates for expected credit losses on loans to customers at 31 December 2022 to be a key audit matter.

At 31 December 2022, outstanding loans and receivables – customers amounted to €131.1 billion, and the associated provisions totalled €1.6 billion as indicated in notes 34.2.6 "Exposure to credit risk" to the consolidated financial statements. The principles for establishing credit risk provisions are detailed in notes 3.13.7 "Depreciation of financial assets" and 34.2 "Credit Risk".

#### How our audit addressed this risk

##### Provisions for status 1 and 2 loans

We noted that an internal control system is in place that ensures a suitably regular update of the ratings of various loans.

On the provisioning models:

- We verified that a governance system is in place that ensures a suitably regular review of the appropriateness of the impairment models and parameters used to calculate impairment;
- We assessed the correct update of the parameters used to calculate impairment at 31 December 2022;

- We assessed how the main economic impacts of the macro-economic context in updating impairments models and parameters were taken into account, as well as the additional impacts of sectoral provisioning.

We also examined the relevant documentation so as to assess the justification of the sectors selected for making specific provisions.

Based on a sample of credit files relating to legal entities, classified as status 2 and included on the "watchlist", we performed counter analyses of the amounts provisioned.

We performed controls on the IT system implemented by La Banque Postale to process its loan transactions, particularly tests on the general IT controls, interfaces and controls conducted on specific data used for provisions for credit risks.

### Provisions for status 3 loans

As part of our audit work, we examined the control procedures applicable to identifying risk exposure, monitoring credit and counterparty risk, assessing the risk of non-recovery and determining defining impairment testing methods and determining the related impairment on an individual and collective basis.

Our work included assessing the quality of the system monitoring sensitive, doubtful or disputed counterparties, the credit review procedure, and the guarantee valuation system.

Based on a sample of credit files relating to legal entities, we also performed counter analyses of the amounts provisioned.

Lastly, we examined the relevance of the information provided in the notes to the consolidated financial statements.

## Technical reserves of insurance companies

### Description of risk

On the liabilities side of their balance sheet, the entities controlled by La Poste Groupe that carry out insurance activities recognise technical reserves representative of their commitments to policyholders.

These technical reserves include a reserve for escalating risks which is recorded to cover timing differences between the coverage of risks and their financing in the form of insurance premiums. This reserve is constituted prospectively, by comparing the insurer's future commitments with those of the policyholder. French regulations do not specify all of the inputs to be used to calculate this reserve.

We deemed this reserve to be a key audit matter considering the sensitivity of the reserve for escalating risks dependency and borrower risk to the selection of the following key assumptions which require a significant degree of management judgment:

- the discount rate on the dependency risk;
- experience tables developed on the basis of observation and analysis of portfolio data;
- the behaviour of policyholders.

At 31 December 2022, technical insurance reserves, gross of reinsurance, amounted to €383,7 billion. See notes 3.13.15 "Insurance activities", 31.8 "Specific provisions for the insurance and

Banking activities and shadow accounting" to the consolidated financial statements.

### How our audit addressed this risk

We assessed the methodology used for determining the reserve for escalating risks. We have carried out the following procedures with the guidance of our internal actuarial specialists:

For the reserve for escalating risks:

- we examined the mathematical design of the actuarial model to verify that it does not include any material discrepancy that can result in an error in the amount of the reserve, in reperforming the calculation;
- we assessed the consistency of the key assumptions used to determine the reserve including:
  - determination of homogeneous risk classes (level of mutualization between positive and negative reserve for escalating risks calculated individually when possible) linked with segmentation used for tariffication;
  - principles and methodology for discount rates;
  - principles and methodology for surrender rates and sensitivity tests;
  - principles and methodology for experience-based tables;
  - principles and methodology for determining PRC indicators and their correct implementation in the calculation.

We also examined the disclosures provided in the notes to the consolidated financial statements.

## Measurement of level 3 financial assets

### Description of risk

Through its subsidiary La Banque Postale, La Poste Groupe recognises in its consolidated financial statements, a portfolio of financial assets measured at fair value (through profit or loss or equity) considered as level 3 of the fair value hierarchy. Most of the asset portfolio are held by CNP Assurances.

Investments classified as assets at fair value through equity are measured at fair value at the year-end. The change in fair value is recorded directly in equity.

Financial assets at fair value through profit or loss are measured at fair value at the end of the financial year. The change in fair value is recorded directly in the income statement.

Changes in fair value are recorded taking into account unrealised tax liabilities and, in the case of assets carried by CNP Assurances, policyholder rights.

Level 3 in the fair value hierarchy under IFRS 13 includes all assets whose valuation is based on unobservable market data. Fair value may be derived from internal valuation models resulting from standard models or from external agents providing valuation without reference to an active market.

We deemed the valuation of these level 3 financial assets to be a key audit matter given the significant amount and sensitivity of their fair value at management's discretion, particularly concerning the selection of the measurement methods and underlying assumptions to be used.

The fair value of the assets represented outstandings of €25.1 billion at 31 December 2022, as indicated in note 35.1 "Fair value and ranking of financial instruments" to the consolidated financial statements.

### How our audit addressed this risk

Our work consisted in:

- assessing the internal control implemented for the valuation of financial assets, by verifying existence and effectiveness of controls carried out by the management;
- verifying that the estimates of the value of level 3 financial assets, determined by management, are based on an appropriate justification of the measurement method, assumptions and data used;

- obtaining the most recent valuations available for a sample of assets, prepared by experts and fund managers, in order to assess the values used by the Company;
- involving our internal risk and model experts to perform an independent calculation and sensitivity analysis on a sample of structured securities;
- reviewing and justifying changes in classification between the 3 fair value levels;
- reviewing the financial information required under IFRS 7 in the notes.

We also examined the disclosures provided in the notes to the consolidated financial statements.

### Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*), is included in the Group's information given in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

### Report on Other Legal and Regulatory Requirements

#### Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation N°2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent in the macro-tagging of the consolidated accounts in accordance with the European single electronic format, the content of some of the tags in the notes may not be rendered identically to the consolidated accounts attached to this report

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

#### Appointment of the Statutory Auditors

We were appointed as statutory auditors of La Poste by the annual general meeting held on 8 June 2021 for Mazars and by the inter-ministerial decree of 29 June 2009 for KPMG SA.

At 31 December 2022, Mazars and KPMG Audit were in the second and fourteenth consecutive year of their engagement, respectively.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable,

its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

### Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going

concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

### Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, 16 March 2023

The Statutory Auditors

KPMG SA

Mazars

Stéphanie Millet  
Partner

Xavier de Coninck  
Partner

Gonzague Senlis  
Partner

Charles de Boisriou  
Partner

## 6.3 PARENT COMPANY FINANCIAL STATEMENTS 2022

The amounts shown in the tables are generally expressed in millions of euros. Rounding may on occasion result in slight differences in totals or changes.

### Income statement

<i>(in € millions)</i>	Note	2022	2021
Services-Mail-Parcels revenue		7,280	7,618
Retail Customers & Digital Services revenue		3,264	3,480
Real Estate revenue		21	17
Other revenue		20	19
<b>Revenue</b>	<b>Note 1</b>	<b>10,585</b>	<b>11,134</b>
Other operating income		2,894	2,912
<b>Operating revenue</b>		<b>13,479</b>	<b>14,046</b>
Purchases		(496)	(531)
Other external expenses	Note 2	(5,369)	(5,202)
Taxes other than on income	Note 3	(601)	(617)
Personnel expenses	Note 4	(7,449)	(7,717)
Depreciation, amortisation and provisions	Note 5	(33)	(86)
<b>Operating expenses</b>		<b>(13,948)</b>	<b>(14,153)</b>
<b>Operating loss</b>		<b>(469)</b>	<b>(107)</b>
<b>Net financial income</b>	<b>Note 6</b>	<b>1,758</b>	<b>345</b>
<b>Recurring profit</b>		<b>1,289</b>	<b>238</b>
<b>Non-recurring items</b>	<b>Note 7</b>	<b>(548)</b>	<b>310</b>
<b>Profit before income tax</b>		<b>741</b>	<b>548</b>
Income tax	Note 8	230	205
<b>NET PROFIT</b>		<b>971</b>	<b>753</b>

## Balance sheet

### Assets

<i>(in € millions)</i>	Note	31/12/2022			31/12/2021
		Gross value	Depreciation, amortisation and provisions	Net value	Net value
<b>Intangible assets</b>	Note 9	1,847	(1,609)	238	416
Land and buildings		258	(146)	112	114
Other property, plant and equipment		3,334	(2,835)	499	702
<b>Property, plant and equipment</b>	Note 10	3,592	(2,981)	611	816
<b>Non-current financial assets</b>	Note 11	17,344	(233)	17,111	16,667
<b>Non-current assets</b>		<b>22,783</b>	<b>(4,823)</b>	<b>17,960</b>	<b>17,899</b>
<b>Inventories and work-in-progress</b>	Note 12	133	(8)	125	107
Trade receivables and related accounts		1,865	(24)	1,841	1,904
Other receivables		836	-	836	915
<b>Operating receivables</b>	Note 13	2,701	(24)	2,677	2,819
<b>Miscellaneous receivables</b>	Note 15	230	(18)	212	162
<b>Accruals</b>	Note 16	57	-	57	77
<b>Marketable securities and cash</b>	Note 17	4,608	-	4,608	2,909
<b>Current assets</b>		<b>7,729</b>	<b>(50)</b>	<b>7,679</b>	<b>6,074</b>
<b>TOTAL</b>		<b>30,512</b>	<b>(4,873)</b>	<b>25,639</b>	<b>23,973</b>

## Equity and liabilities

<i>(in € millions)</i>	Note	31/12/2022	31/12/2021
Share capital		5,620	5,365
Additional paid-in capital		1,168	1,303
Reserves		142	572
Retained earnings		-	(654)
Net profit for the year		971	753
<b>Equity</b>	<b>Note 19</b>	<b>7,901</b>	<b>7,339</b>
<b>Other equity</b>	<b>Note 19</b>	<b>750</b>	<b>750</b>
<b>Regulated provisions</b>	<b>Note 20</b>	<b>57</b>	<b>49</b>
<b>Provisions for contingencies and losses</b>	<b>Note 20</b>	<b>1,613</b>	<b>1,806</b>
Borrowings		11,082	9,521
Miscellaneous loans and borrowings		281	435
Bank accounts and bills of exchange		38	14
<b>Financial debt</b>	<b>Note 21</b>	<b>11,401</b>	<b>9,970</b>
Trade payables and related accounts		1,571	1,459
Tax and employee-related payables		1,133	1,124
Other operating payables		753	747
<b>Operating payables</b>	<b>Note 13</b>	<b>3,457</b>	<b>3,330</b>
Miscellaneous payables	Note 15	360	552
Accruals	Note 16	100	177
<b>Liabilities</b>		<b>15,318</b>	<b>14,029</b>
<b>TOTAL</b>		<b>25,639</b>	<b>23,973</b>



## Cash flow statement

<i>(in € millions)</i>	Note	2022	2021
<b>Net profit</b>		<b>971</b>	<b>753</b>
Elimination of non-cash and non-operating items			
■ Gains/(losses) on disposals		1	9
■ Net changes in provisions	Note 26	(184)	(76)
■ Depreciation, amortisation and impairment	Note 26	900	(133)
<b>Cash flows from operating activities before cost of debt and taxes</b>		<b>1,688</b>	<b>553</b>
■ Financial income and expenses		(11)	51
■ Income tax		(193)	(212)
<b>Cash flows from operating activities after cost of debt and taxes</b>		<b>1,484</b>	<b>392</b>
■ Change in working capital requirement	Note 27	128	(345)
■ CICE tax credit received during the year		(1)	(1)
■ Taxes paid		167	160
<b>Net cash from operating activities</b>		<b>1,778</b>	<b>206</b>
■ Purchases of property, plant and equipment and intangible assets	Note 28	(347)	(311)
■ Purchases of financial assets		(1,055)	(1,822)
■ Proceeds from disposals of intangible assets and property, plant and equipment	Note 29	4	13
■ Proceeds from disposals of financial assets	Note 29	500	596
<b>Net cash used in investing activities</b>		<b>(898)</b>	<b>(1,524)</b>
■ Dividends paid		(409)	-
■ Interest		33	(44)
■ Debt issues	Note 30	2,421	2,950
■ Debt repayments	Note 31	(1,022)	(1,726)
■ Other cash flows from financing activities		(54)	(6)
<b>Net cash flow from financing activities</b>		<b>969</b>	<b>1,174</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>1,849</b>	<b>(144)</b>
■ Cash and cash equivalents at the beginning of the period		2,513	2,657
■ Cash and cash equivalents at the end of the period	Note 32	4,362	2,513

## About La Poste

### Legal status of La Poste

La Poste is a French public limited company (*société anonyme*) governed by the legal and regulatory provisions applicable to public limited companies, including the French Commercial Code (*Code de commerce*), except where the said Code is superseded by special provisions such as law no. 83-675 of 26 July 1983 on the democratisation of the public sector and law no. 90-568 of 2 July 1990 on the organisation of the postal and telecommunications public service.

La Poste fulfils a public service mission and public interest role and conducts other activities in accordance with the aforementioned law of 2 July 1990 and the rules and regulations governing each of its business activities.

The public service missions and public interest role include:

- universal postal service;
- contribution to regional planning and development through its network of retail outlets;
- press transport and delivery;
- accessible banking under the terms set out in Articles L. 221-2 and L. 518-25-1 of the French Monetary and Financial Code (*Code monétaire et financier*).

In accordance with the rules of ordinary law, La Poste performs any other activities involving the collection, sorting, transport and delivery of postal items, mail of any type, objects and goods.

Following the decision of the Extraordinary General Meeting of 8 June 2021, La Poste became a “mission-led company” (*entreprise à mission*) within the meaning of Article L. 210-10 of the French Commercial Code. It has adopted a purpose (*raison d'être*) and set itself the following social and environmental objectives:

- contributing to the development and cohesion of local areas;
- fostering social inclusion;
- promoting ethical, inclusive and sustainable digital services;
- working to accelerate the environmental transition for all.

## Significant events

### A. La Poste SA capital increase

Following the General Meeting of 8 June 2022, La Poste SA paid a dividend of €724.1 million, which was distributed:

- in cash for €409.1 million, of which €270 million for CDC and €139.1 million for the French State;
- in shares via a capital increase for €255.5 million, through the issue of 127,737,226 new shares with a par value of €2 and a share premium of €59.5 million.

Following this distribution, La Poste's share capital stood at €5,620.3 million divided into 2,810,162,908 ordinary shares with a par value of €2. La Poste SA is 66% owned by Caisse des Dépôts and 34% owned by the French State.

### B. Bond issue

In the first half of 2022, La Poste carried out a tap issue on two tranches of bonds for a total of €250 million:

- €100 million at a rate of 1% on the bond issue maturing in September 2034;
- €150 million at a rate of 0.625% on the bond issue maturing in October 2026.

On 14 September 2022, La Poste issued a dual-tranche fixed-rate sustainable bond for a total amount of €1.2 billion, comprising:

- €600 million at a fixed rate of 3.125% maturing in March 2033;
- €600 million at a fixed rate of 2.625% maturing in September 2028.

This issue is part of La Poste's Social Commitment.

The funds raised through this transaction will be used to finance or refinance assets and projects that fall within the four social and environmental objectives now enshrined in La Poste's Articles of Association (see section “About La Poste”).

In September 2022, La Poste also carried out a €100 million tap issue on the 0% bond tranche maturing in July 2029.

### C. Arcep agreement on 2022 price increases

Price increases for domestic and international mail and parcels took effect on 1 January 2022 further to the opinion issued by France's electronic communications and postal regulation authority, Arcep, on 8 July 2021 (Opinion no. 2021-1346). All these changes comply with the multi-annual price cap for the 2019-2022 period, as set by Decision no. 2017-1252 of 26 October 2017.

### D. New press agreement

A memorandum of understanding on the reform and scheduling of the public service of press subscription delivery for the 2022-2026 period was signed on 14 February 2022 between press industry organisations, La Poste and the French State. The European Commission gave its approval for the new measures on 5 December 2022, finding them in line with EU state aid rules. The agreement will take effect on 1 January 2023 for the 2023-2026 period.

Pending implementation of the new reform, the French State continued to provide financial support to La Poste in 2022 for press transport and delivery, in accordance with the current arrangements.

Compensation granted by the State for 2022 amounted to €84 million, which was paid on 16 December 2022.

## E. Impairment of the Mail business' intangible assets and property, plant and equipment

Despite the compensation received from the French State in 2021 for the universal postal service, which has been notified to the European Commission, the business plan for La Poste's Mail CGU was severely affected in 2022. The main cause was inflation, which accelerated sharply during the year and is expected to remain high for some time to come. This has led to a substantial increase in costs over the term of the business plan, which can only be partially offset by price increases.

The impairment test for this CGU was carried out on the basis of the business plan updated to best reflect five-year forecasts, with a WACC of 6.5%. It resulted in all non-current assets of the CGU being impaired for a total amount of €447 million. These assets consist solely of items subject to depreciation and amortisation, mainly software and industrial equipment.

The test was based on a growth rate of negative 5% and took into account the structural decline in volumes in this business. The results were not sensitive to changes in this assumption or the WACC.

The impairment losses recognised in the 2022 financial statements break down as follows:

- intangible assets: €228 million;
- property, plant and equipment: €219 million.

## F. Revaluation of the salary index for civil servants

On 7 July 2022, French Decree no. 2022-994 raised the index used to determine civil servants' salaries by 3.5%, with effect from 1 July 2022. This change was taken into account in the measurement of the main personnel-related provisions and accruals at 30 June 2022.

## Post-balance sheet events

No events likely to have a material impact on La Poste's financial statements occurred after the reporting date.

## Accounting policies

### A. Accounting framework

The annual financial statements are prepared in accordance with the provisions of Regulation no. 2014-03 on the French General Chart of Accounts issued by the French Accounting Standards Authority (*Autorité des normes comptables* - ANC) and approved by the ministerial decree of 8 September 2014 as well as with all the subsequent ANC regulations amending the said Regulation.

### B. Accounting principles

#### 1. Use of estimates

When preparing the financial statements, La Poste is required to make the best possible estimates and to use assumptions that affect the amounts of assets and liabilities reported in the balance sheet, the contingent assets and liabilities disclosed in the notes to the financial statements and the income and expenses reported in the income statement. The actual amounts may subsequently differ from the estimates and assumptions used.

### 2. Revenue

Revenue arising from the sale of goods or services is recognised when the risks and rewards of ownership are transferred to the customer. Revenue is recognised as and when the related goods or services are delivered ("over time"). Revenue for postage stamps and pre-paid envelopes is recognised when sold ("at a point in time"), other than in exceptional situations.

As a result, the time taken to deliver mail and parcels is taken into consideration when measuring revenue at the reporting date.

### 3. Distinction between recurring and non-recurring items

Only **unusual** and **one-off** income and expenses are classified as non-recurring items. La Poste has decided to classify the following as non-recurring items:

- disposals of non-current assets;
- provisions for other-than-temporary impairment of non-current assets;
- items related to force majeure (fire, storms, etc.).

### 4. Income tax

The La Poste parent company has opted for a tax consolidation regime and is the head of the tax group. The tax consolidation methods are detailed in Note 8.

#### VAT taxation rules

The provisions of Article 261-4-11° of the French Tax Code (*Code général des impôts*) provide for VAT exemption for services falling within the scope of the universal postal service as defined by Article L. 1 of the French Postal and Electronic Communications Code (*Code des postes et communications électroniques*) and rendered by the universal postal service provider in France as specified in Article L. 2 of the said Code.

As the French service provider responsible for the universal postal service, La Poste exempts all its postal products falling within the scope of the universal postal service from VAT. The postal products sold by La Poste and not falling within the scope of the universal postal service are subject to VAT in accordance with ordinary legal provisions (application of the normal VAT rate subject to the application of regional VAT rules on services).

#### Regional economic contribution

Article 344 *quindecies* of Appendix III to the French Tax Code as amended by Decree no. 2022-1699 of 28 December 2022 establishes the direct tax base allowance rates enjoyed by La Poste for its regional development mission. For 2022, the allowance was set at 99% of the tax base for the corporate property tax (CFE) and for property taxes, and at 99% of the value added used for the application of Article 1586 *ter* for the corporate value-added tax.

## 5. Intangible assets

ANC Regulation no. 2014-03 defines an intangible asset as an identifiable non-monetary asset without physical substance, i.e., an asset arising from legal or contractual rights, or from separable rights.

Intangible assets primarily consist of software and leasehold rights.

Software is amortised over a period of one to five years.

The rules for impairment of intangible assets are set out in Section G below.

### Research and development costs

Development costs are expensed, except for expenditure relating to internal software development to the extent that:

- it is highly likely that the project will be technically feasible;
- management has sufficient human and material resources to produce the software;
- there is a clear intention to produce the software and use it on a long-term basis for La Poste's own requirements or those of its customers.

These expenses are capitalised as intangible assets and amortised over a period ranging from three to five years from commissioning.

The amount of research and development costs recognised as expenses for the year is provided in Note 9.

## 6. Property, plant and equipment

### Breakdown of the original value of property, plant and equipment by component

A component is a part of property, plant and equipment that has a different useful life, or that generates economic benefits at a rate that differs from that of the asset as a whole.

La Poste has identified the following components:

#### Real estate assets (six components):

- shell;
- roofing;
- joinery and external work;
- major equipment items;
- small equipment items, fixtures and fittings;
- land.

#### Equipment:

- sorting machines: three components (mechanical parts, intelligence and peripherals). A fourth component (feeders and measuring instruments) has been identified for TPGD parcel sorting machines;
- sorting-area equipment: two components (mechanical parts, intelligence).

### Depreciation period

Property, plant and equipment is depreciated on a straight-line basis over its useful life.

As part of the application of the accounting regulations for assets, the useful lives of property, plant and equipment were reviewed in 2005, which primarily resulted in a lengthening of the average depreciation periods. The changes mainly concerned:

- the real estate portfolio, especially the main structural frame component;
- the main mechanical component of sorting machines.

The useful lives applied are as follows:

**Buildings:** the useful life depends on the technical and/or architectural category to which the building belongs (La Poste has defined seven categories):

- shell: 20 to 80 years;
- roofing: 20 to 60 years;
- joinery and external works: 20 to 40 years;
- major equipment items: 15 to 20 years;
- small equipment items, fixtures and fittings: 5 to 10 years.

#### Equipment:

- sorting machines: 5 to 15 years;
- sorting-area equipment: 5 to 8 years;
- office equipment and computer hardware: 3 to 5 years;
- office furniture: 10 years.

Given that Tax Instruction BOI 4 A-13-05 retains the option for an entity to depreciate property, plant and equipment over their useful life, La Poste has recognised an accelerated depreciation charge on the following non-current assets:

- the main "shell" component for buildings, in order to set the useful life at 40 years for depreciation purposes;
- the main "mechanical" component for sorting machines, in order to set the useful life at six years and eight months for depreciation purposes.

### Acquisition cost of property, plant and equipment

Only expenses giving rise to a controlled resource as a result of past events from which La Poste expects to generate future economic benefits are capitalised.

In accordance with the option provided under ANC Regulation no. 2014-03, acquisition costs that are directly attributable to the acquisition of property, plant and equipment or to bringing the asset into working order are not included in the cost of property, plant and equipment.

Borrowing costs are not included in the acquisition cost of property, plant and equipment.

Investment subsidies received in respect of the acquisition of an item of property, plant and equipment are recorded as balance sheet liabilities and recognised in the income statement over the useful lives of the underlying assets for which they were allocated.

## 7. Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are tested for impairment whenever there is evidence of a loss in value.

Impairment tests consist in comparing the net book value of each asset to its present value, which is the higher of realisable value and value-in-use. Where the present value of an asset, or group of assets, falls below its net book value and the asset continues to be used, then its net book value is reduced to the present value via an impairment charge.

**Realisable value** represents the amount that could be obtained at the balance-sheet date by selling an asset in an arm's length transaction, net of sale costs.

The **value-in-use** of an asset, or group of assets, is the value of the future economic benefits expected from their use and/or sale.

Impairment is recognised for assets held for sale where the market value falls below the net book value.

## 8. Equity investments

Shares in La Poste's subsidiaries are recognised at cost less any provisions for impairment.

Such impairment reflects the difference between the acquisition cost of the equity investments and their fair value at the balance-sheet date, which is usually determined using discounted future cash flows or the share in the (consolidated) net assets of the entity concerned. Where a disposal decision has been taken, the fair value is determined with reference to the realisable value, as defined in Section G above.

Dividends received are recognised in financial income in the year in which the decision to pay out dividends is made.

## 9. Other non-current financial assets

These are mainly loans granted by La Poste to its subsidiaries.

Other non-current financial assets also include loans made in connection with social housing schemes, which are recognised at nominal value. Provisions are made on the basis of the maturities and repayment terms of these loans and also to take account of the estimated risk of default.

## 10. Inventories and work-in-progress

La Poste applies the weighted average unit cost method to measure the initial cost of inventory, except for finished products, which are measured at production cost.

At the balance-sheet date and in accordance with ANC Regulation no. 2014-03 on assets, inventories are measured at the lower of initial cost and present value. The present value is the higher of realisable value (market value) and value-in-use, which usually corresponds to the discounted future net cash flows.

Where the present value is the lower of the two, an impairment charge is recognised in order to reduce the initial cost to the present value.

## 11. Operating receivables

### Trade receivables

At initial recognition, trade receivables on commercial activities are recorded at nominal value.

### Impairment rules for trade receivables

- Receivables due from customers that are subject to a court-ordered settlement or compulsory liquidation are written down in full, regardless of age.
- For other trade receivables, impairment is based on age and the risk of default:
  - over one year: the value of the receivable is written down in full;
  - between three months and one year: the provisioning rate is calculated on the basis of an average "loss rate". The loss rate represents the difference between the receivables at 1 January of a given year and the amounts received during that year.

### Other receivables

At initial recognition, other receivables are recorded at nominal value. They are written down, where applicable, based on age or the risk of default.

## 12. Miscellaneous receivables and payables and accruals

Miscellaneous receivables and payables and accruals primarily concern accounts in the process of being settled at the balance-sheet date, including intra-group transactions.

## 13. Marketable securities and cash

Marketable securities are measured at the lower of acquisition cost and market value.

## 14. Foreign currency transactions

Payables, receivables and cash and cash equivalents denominated in foreign currencies are translated into euros at the closing exchange rate. If the closing exchange rate changes the historical value of payables and receivables, the resulting differences are recorded in the balance sheet within unrealised foreign exchange gains or losses.

At La Poste, unrealised foreign exchange gains or losses are mainly related to financial transactions (bonds and related hedging transactions).

## 15. Provisions for contingencies and losses

Provisions are recognised where (i) at the balance-sheet date, La Poste has a present obligation (legal or constructive) towards a third party as a result of a past event, (ii) it is probable that an outflow of resources embodying future economic benefits will be required to settle the obligation, and (iii) a reliable estimate can be made of the obligation.

The provisions are measured on the basis of the expenditure that La Poste expects will be required to settle the liability, as estimated using management data from the information system and the assumptions selected by La Poste, supplemented where applicable by experience with similar transactions and, in some cases, by reports from independent experts or by supplier quotes. The assumptions used are reviewed at each balance-sheet date.

## 16. Pension plan and end-of-career benefits

### Pension plan

#### Civil servant staff

The Amended Budget Law of 2006 introduced a new method of funding the pensions of civil servants employed by La Poste, applicable from 1 January 2006, as described in Note 24 to the parent company financial statements.

Under the new scheme introduced in 2006, La Poste pays employer contributions in full discharge of its liability for pension payments. As a result, no provision for pension obligations towards civil servants is recorded in the financial statements.

## Contract staff

The pension plan for La Poste's contract staff is the standard plan provided for under ordinary law. It is a defined contribution plan under which the group pays fixed contributions to an external fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits due. Consequently, once the contributions have been paid, no liability or benefit obligation is recorded in La Poste's financial statements. Contributions paid to an external fund or insurance company are expensed in the period concerned.

## Retirement benefits (contract staff)

These liabilities are covered by a provision in the balance sheet.

Following the update in November 2021 to ANC Recommendation no. 2013-02 of 7 November 2013 on the rules for measuring and recognising pension and similar benefit obligations in annual and consolidated financial statements prepared in accordance with French accounting standards, which introduced a choice of methods for attributing benefits under defined benefit plans, La Poste has opted for the method as laid down by the IFRS IC decision approved by the IASB in May 2021.

Accordingly, as of 2021, the calculations made by La Poste take into account the number of years of service that will be used when the employee leaves the Company to determine the amount of his or her retirement benefit.

The resulting adjustment of the provision for retirement benefits constitutes a change in accounting policy and led to the recognition in the 2021 financial statements of an adjustment of €123 million within retained earnings (see Note 19 "Equity").

The main assumptions used and the measurement of the liability are set out in Note 24 to the financial statements.

## End-of-career benefits

La Poste records a provision for the costs of the end-of-career benefits granted to its employees. For the purposes of measuring the provision, all persons enrolled in the plan at the balance-sheet date are included.

End-of-career benefits are described in Note 24 to the financial statements.

## 17. Debt securities (bonds and La Poste savings bonds, excluding perpetual hybrid debt securities)

Debt securities are recognised at nominal value under "Debt" in balance sheet liabilities. They are broken down in the notes to the financial statements by type: bonds and La Poste savings bonds.

Accrued interest not due (AIND) on these securities is posted to a related payables account, with a corresponding entry to the income statement.

Bond issue and redemption premiums are amortised on a straight-line basis over the life of the bonds, with issue costs deferred on a straight-line basis over the same period.

Such issue and redemption premiums are recognised in balance sheet assets under "Miscellaneous receivables" (see Note 15).

## 18. Derivatives

Derivative transactions are disclosed under off-balance sheet commitments in Note 23.

The hedging performed by La Poste complies with hedge accounting, which is based on the principle of the symmetrical treatment of the hedging instrument and the underlying hedged item in terms of their recognition in the income statement.

In application of ANC Regulation no. 2015-05 of 2 July 2015, instruments used in transactions classified as "isolated open positions" for accounting purposes are measured at market value at the balance-sheet date. Changes in value are recognised in the balance sheet and unrealised losses are charged to net financial income/(expense) through a provision for contingencies and losses.

## 19. Share capital

La Poste's share capital amounts to €5.620 billion, divided into 2,810,162,902 ordinary shares with a nominal value of €2 each. It is 66% held by Caisse de Dépôts et Consignations and 34% by the French State.

The shareholding structure is the result of transactions relating to the creation of the large public financial group, decided by La Poste's Combined General Meeting of 4 March 2020.

## 20. Off-balance sheet commitments

Commitment accounts are defined in the French General Chart of Accounts separately from balance sheet and off-balance sheet accounts, as rights and obligations that may change the value or substance of a company's assets, where the effects of such rights and obligations are contingent on the fulfilment of conditions or the completion of subsequent transactions.

Commitments may only be listed under off-balance sheet commitments if they pertain to transactions occurring after the balance-sheet date (commitments made in the normal course of business), or if they relate to contingent assets and liabilities (guarantee commitments).

- A contingent liability is:
  - an obligation that is not likely or certain to cause an outflow of resources;
  - or from a possible obligation whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

## 21. Cash flow statement

La Poste prepares a cash flow statement, which presents the inflows and outflows of cash and cash equivalents classified under operating, investing and financing activities.

**Operating activities** are the main revenue-generating activities and any other activities other than those defined as investing or financing activities.

Cash flows from operating activities are determined based on the indirect method whereby net profit for the year is adjusted for all non-cash transactions (i.e., net charges to depreciation, amortisation and provisions other than those relating to current assets plus business-related changes in working capital), deferrals or adjustments relating to past or future operating cash inflows or outflows and all income and expenses associated with cash flows from investing or financing activities.

**Investing activities** relate to the acquisition and disposal of non-current assets and to any other investments not included in cash and cash equivalents.

La Poste's cash flows from investing activities primarily consist of purchases and disposals of the following items:

- intangible assets and property, plant and equipment, adjusted for non-cash transactions (accounts receivable or payable on non-current assets);

- equity investments in other companies;
- other financial assets (guarantees and deposits, receivables on investments, etc.).

**Financing activities** relate to transactions that affect the amount and composition of equity and debt.

Cash flows from financing activities include sources of financing (new borrowings) and related outflows (La Poste savings bond redemptions and debt repayments).

**Cash and cash equivalents** are very short-term liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

La Poste's cash and cash equivalents include cash in hand, bank debit balances and marketable securities that do not carry any material risk of changes in value and can be readily converted into cash (particularly money-market UCITS), and the portion of bank credit balances and related interest accrued corresponding to overdrafts.

## 22. Consolidated financial statements

The consolidated financial statements are prepared at the level of La Poste Groupe. La Poste, which is registered with the Paris Trade and Companies Registry under number 356 000 000 and whose registered office is located at 9 rue du Colonel-Pierre-Avia, 75015 Paris, is the parent company.

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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## NOTES TO THE INCOME STATEMENT

### NOTE 1 Revenue and other operating income

<b>1.1</b>	Revenue of the Services-Mail-Parcels business line	415	<b>1.3</b>	Revenue of the Real Estate business line	417
<b>1.2</b>	Revenue of the Retail Customers & Digital Services business line	416	<b>1.4</b>	Other operating incomes	417

La Poste's revenue breaks down as follows:

(in € millions)	2022	2021
Services-Mail-Parcels revenue	7,280	7,618
Retail Customers & Digital Services revenue	3,264	3,480
Real Estate revenue	21	17
Other revenue	20	19
<b>TOTAL</b>	<b>10,585</b>	<b>11,134</b>

In 2022, the revenue by geographic area was as follows:

- France/domestic sales: 90.6%;
- European Union: 6.5%;
- Other: 2.9%.

The breakdown by geographic area was unchanged compared to 2021.

#### 1.1 Revenue of the Services-Mail-Parcels business line

Services-Mail-Parcels revenue (domestic and international) breaks down as follows:

(in € millions)	2022	2021
Services-Mail revenue	5,336	5,593
Parcels revenue	1,944	2,025
<b>TOTAL</b>	<b>7,280</b>	<b>7,618</b>

■ Services-Mail revenue breaks down by activity as follows:

(in € millions)	2022	2021
Correspondence	3,268	3,370
Advertising (direct marketing and PA*)	752	818
Press	300	323
International	441	525
Other Mail revenue	575	557
<b>TOTAL</b>	<b>5,336</b>	<b>5,593</b>

\* PA: printed advertising.

“Correspondence” revenue consists of business mail (companies and legal entities).

International Mail revenue breaks down as follows:

<i>(in € millions)</i>	2022	2021
Mail franked at post office counters	-	79
Terminal dues	121	159
Other international Mail revenue	320	287
<b>TOTAL</b>	<b>441</b>	<b>525</b>

Revenue from mail franked at post office counters in 2022 (€75 million) is included in the international revenue of the Retail Customers & Digital Services business line.

International revenue corresponds to international business correspondence and terminal dues.

Terminal dues are the payments received by La Poste for delivering mail from abroad in France. They are determined at the balance-sheet date on the basis of estimates of weight and number of items distributed known at that date.

Other Mail revenue primarily includes revenue from collecting and delivering letters to homes.

■ Parcels revenue breaks down as follows:

<i>(in € millions)</i>	2022	2021
BtoC (Business to Consumer)	1,821	1,905
Others	123	120
<b>TOTAL</b>	<b>1,944</b>	<b>2,025</b>

## 1.2 Revenue of the Retail Customers & Digital Services business line

Retail Customers & Digital Services revenue breaks down as follows:

<i>(in € millions)</i>	2022	2021
Retail Customers & Digital Services revenue	2,359	2,573
Retail Network revenue	905	907
<b>TOTAL</b>	<b>3,264</b>	<b>3,480</b>

■ Retail Customers & Digital Services revenue breaks down by activity as follows:

<i>(in € millions)</i>	2022	2021
Correspondence	1,229	1,398
Advertising (direct marketing and PA*)	38	43
International	104	84
BtoC parcels	99	104
CtoC parcels	419	480
Digital services	19	16
Other Mail-Parcels revenue	451	448
<b>TOTAL</b>	<b>2,359</b>	<b>2,573</b>

\* PA: printed advertising.

- International revenue for the Retail Customers & Digital Services business line in 2022 (€104 million) included:
  - €75 million from mail franked at post office counters;
  - €28 million in other international revenue.

- Retail Network revenue** mainly corresponds to invoices to La Banque Postale.

Pursuant to current service agreements, La Poste invoices La Banque Postale for services relating to the financial activities provided by the post offices, which primarily include:

- “financial services” provided by counter staff;

- installation and operational management of ATMs.

These two services amounted to €831 million in 2022 compared to €837 million in 2021.

Retail Customers & Digital Services revenue also includes commissions received on third-party sales (excluding mail and parcels) at post office counters, and compensation received for use of its commercial network (Chronopost and La Poste Mobile).

### 1.3 Revenue of the Real Estate business line

Real Estate revenue breaks down as follows:

<i>(in € millions)</i>	2022	2021
Real Estate revenue	21	17
<b>TOTAL</b>	<b>21</b>	<b>17</b>

Real Estate revenue mainly corresponds to services provided by La Poste to its real estate subsidiaries.

### 1.4 Other operating incomes

<i>(in € millions)</i>	2022	2021
Press contribution	84	88
Compensation for the universal postal service	520	520
Compensation for the regional development mission	73	74
Banking services	1,792	1,844
Capitalised production	191	160
Services performed for subsidiaries	117	115
Other operating income	117	111
<b>TOTAL</b>	<b>2,894</b>	<b>2,912</b>

**Other operating income** includes the compensation for the universal postal service and regional development mission.

In line with the commitments made by the French State since 2008, the State pays the additional costs incurred by La Poste on the public service mission of press transport and delivery.

The compensation for 2022 amounted to €84 million and was paid in full during the year (compared to €88 million for 2021).

**Banking services** include the reimbursement of expenses and income invoiced to La Banque Postale in respect of the banking activities carried out by La Poste. They break down as follows:

<i>(in € millions)</i>	2022	2021
“Financial services” personnel expenses	715	717
Costs of the “La Poste Network banking advisory line”	1,077	1,127
<b>TOTAL</b>	<b>1,792</b>	<b>1,844</b>

Services performed for subsidiaries break down as follows:

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Services charged to subsidiaries	67	65
Re-invoiced personnel expenses	4	5
Management fees charged to first-tier subsidiaries	46	45
<i>Of which La Banque Postale</i>	21	18
<b>TOTAL</b>	<b>117</b>	<b>115</b>

## NOTE 2 Other external expenses

Other external expenses break down as follows:

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
External services	2,860	2,697
Transport	787	802
International mail services	188	192
Rental expenses	995	1,000
Maintenance and repair costs	315	304
Telecommunications expenses	90	95
Travel and assignments	71	51
Customer transaction costs	63	61
<b>TOTAL</b>	<b>5,369</b>	<b>5,202</b>

“External services” consist mainly of outsourced services (€1,056 million) and intermediaries’ expenses and fees (€272 million).

“Rental expenses” include property expenses (leases and rental expenses in the amount of €773 million) and vehicle rentals (€168 million).

“Transport” includes national and international mail transport (€755 million) as well as the costs of the sub-contracted cash transport (€24 million).

## NOTE 3 Taxes and levies

Taxes and levies break down as follows:

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Payroll taxes	380	390
Public transport allowance	77	78
Local taxes	4	3
Voluntary apprenticeship tax payments	27	25
Housing tax contributions (FNAL)	25	26
Vocational training tax charge	36	37
Employer construction tax charge	24	25
Other taxes and levies	28	33
<b>TOTAL</b>	<b>601</b>	<b>617</b>

“Local taxes” primarily consist of the regional economic contribution tax (CET) (€1 million). Since 2011, pursuant to the provisions of French Postal Law no. 2010-123 of 10 February 2010, La Poste receives a tax reduction on the contribution. The amount of the reduction was published in Decree no. 2022-1699 of 28 December 2022.

“Other taxes and levies” mainly include the social solidarity contribution (C3S) (€20 million).

## NOTE 4 Personnel expenses

Personnel expenses break down as follows:

(in € millions)	2022	2021
Wages and salaries, bonuses and allowances	5,484	5,742
Civil servant pension contributions	237	296
Social contributions	1,306	1,353
Employee welfare costs	184	170
Other personnel expenses	239	157
Competitiveness and employment tax credit (CICE)	(1)	(1)
<b>TOTAL</b>	<b>7,449</b>	<b>7,717</b>

The €268 million fall in **personnel expenses**, linked to a reduced headcount, mainly reflects:

- a €258 million decrease in "Wages and salaries, bonuses and allowances";
- a €59 million decrease in "Civil servant pension contributions";
- a €47 million decrease in "Social contributions";

- an €82 million increase in "Other personnel expenses", mainly due to the accrued profit-sharing expense (up €56 million).

The **headcount** was as follows (based on equivalent employees/year):

Number of employees	2022	2021
<b>TOTAL</b>	<b>148,091</b>	<b>158,389</b>

## NOTE 5 Net depreciation, amortisation, provisions and impairment

Net depreciation, amortisation, provisions and impairment break down as follows:

(in € millions)	2022	2021
Depreciation and amortisation	237	158
Deferred expense charges	2	2
Net charges to/reversals of asset impairments	(13)	8
Net charges to/reversals of provisions for contingencies and losses	(193)	(82)
<b>TOTAL</b>	<b>33</b>	<b>86</b>

- The breakdown of depreciation and amortisation is shown in Notes 9 and 10 to the balance sheet.
- The breakdown of net charges to and reversals of asset impairment is shown in Note 18.

- The breakdown of net charges to and reversals of contingency and loss provisions is shown in Note 20.

## NOTE 6 Net financial income

Net financial income breaks down as follows:

(in € millions)	2022	2021
Net gain/(loss) on foreign currency	1	(4)
Net income/(expense) on loans, borrowings and other fixed asset investments	4	(46)
Income from equity investments	1,867	419
Other financial income and expenses	(114)	(24)
<b>TOTAL</b>	<b>1,758</b>	<b>345</b>

## Net financial income in 2022 primarily consisted of:

- income from equity investments, breaking down as follows:

(in € millions)	2022	2021
La Banque Postale	1,542	171
Geopost	288	208
Poste Immo	30	28
Others	7	12
<b>TOTAL</b>	<b>1,867</b>	<b>419</b>

- net income/(expense) on borrowings (net expense of €156 million) and loans (net income of €160 million), including related financial instruments;
- other financial income and expenses (net expense of €114 million), which primarily include a net impairment charge for equity investments (€103 million). See balance sheet under "Non-current financial assets".

## NOTE 7 Non-recurring items

### Non-recurring items break down as follows:

(in € millions)	2022	2021
Net profit on asset disposals	2	4
Net asset depreciation and amortisation charges	(542)	312
Net accelerated amortisation	(9)	(7)
Miscellaneous non-recurring income and expenses	1	1
<b>TOTAL</b>	<b>(548)</b>	<b>310</b>

The net charges to and reversals of depreciation, amortisation and impairment recorded in 2022 primarily concerned the Mail business' intangible assets and property, plant and equipment (see Section "Significant events").

## NOTE 8 Income tax

(in € millions)	2022	2021
Income or expenses on tax consolidation	191	206
Net tax income or expense	39	(1)
<b>TOTAL</b>	<b>230</b>	<b>205</b>

In 2022, the La Poste tax group recorded an overall loss. The tax group included 163 subsidiaries at 31 December 2022 (versus 138 at 31 December 2021).

For 2022, the French corporate tax rate under ordinary law was 25%.

The social contribution was 3.3% of the reference French corporate tax, less a deduction of €763,000.

Tax consolidation income was €191 million, corresponding to the tax expenses of the subsidiaries belonging to the tax group.

The amount of the subsidiaries' losses transferred to the tax group under the tax consolidation group rules was €748 million in 2022.

Under the tax group agreement between La Poste and its fully-consolidated subsidiaries, subsidiaries returning to profit retain the option of using loss carry-forwards arising during the tax group period to calculate the tax expense owed to the parent company. The use of such tax losses by the subsidiaries results in an expense for the group in the fiscal year in which such losses are used, provided the subsidiaries remain part of the tax group.

The net tax income of €39 million mainly corresponds to the tax credits received by La Poste SA for the fiscal year and the reversal of the impairment related to sponsorship tax credits granted to La Poste as the parent company of the tax consolidation group.

(in € millions)	2022	2021
<b>Items that reduce future tax liability</b>		
Temporary differences		
Of which:		
■ Provisions for early retirement and retirement benefits	1,260	1,450
■ Non-deductible provisions	759	138
■ Swaps and related items	1	3
■ Other temporary differences (including unrealised foreign exchange gains)	40	74
<b>TOTAL</b>	<b>2,060</b>	<b>1,665</b>
<b>Items that increase future tax liability</b>		
■ Poste Immo – Roll-over relief on capital contribution	51	76
■ Miscellaneous	83	118
<b>TOTAL</b>	<b>134</b>	<b>194</b>

## NOTES TO THE BALANCE SHEET

### NOTE 9 Intangible assets

Movements in intangible assets and the corresponding amortisation and impairment break down as follows:

#### 9.1 Gross value

(in € millions)	Amount at 31/12/2021	Acquisitions	Disposals	Reclassifications	Amount at 31/12/2022
Research and development costs	223	-	(2)	54	275
Licences, patents and similar rights	60	-	(18)	-	42
Software	1,249	8	(81)	69	1,245
Leasehold rights	10	-	-	-	10
Goodwill	3	-	-	-	3
Intangible assets in progress	193	202	-	(123)	272
<b>TOTAL</b>	<b>1,738</b>	<b>210</b>	<b>(101)</b>	<b>-</b>	<b>1,847</b>

The "reclassifications" column corresponds to intangible assets commissioned during the year.

The "Disposals" column primarily corresponds to the retirement of fully depreciated assets.

## 9.2 Amortisation and depreciation

<i>(in € millions)</i>	Amount at 31/12/2021	Increases	Decreases	Reclassifications	Amount at 31/12/2022
Research and development costs	140	35	(2)	-	173
Licences, patents and similar rights	56	1	(18)	-	39
Software	1,114	94	(82)	-	1,126
Leasehold rights	10	-	-	-	10
<b>Other intangible assets</b>	<b>1,320</b>	<b>130</b>	<b>(102)</b>	<b>-</b>	<b>1,348</b>
Goodwill depreciation	2	-	-	-	2
Depreciation of other intangible assets	-	294	(35)	-	259
<b>TOTAL</b>	<b>1,322</b>	<b>424</b>	<b>(137)</b>	<b>-</b>	<b>1,609</b>

The research and development costs expensed in 2022 amounted to €105 million.

## NOTE 10 Property, plant and equipment

Movements in property, plant and equipment and the corresponding depreciation and impairment break down as follows:

### 10.1 Gross value

<i>(in € millions)</i>	Amount at 31/12/2021	Acquisitions	Disposals	Reclassifications	Amount at 31/12/2022
Land	50	-	-	-	50
Buildings	204	-	(1)	5	208
<b>Land and buildings</b>	<b>254</b>	<b>-</b>	<b>(1)</b>	<b>5</b>	<b>258</b>
Plant and machinery	1,596	27	(202)	34	1,455
Vehicles	79	3	(6)	-	76
IT equipment	504	27	(133)	7	405
Other property, plant and equipment	1,601	50	(333)	15	1,333
Property, plant and equipment in progress	47	79	-	(61)	65
<b>Other property, plant and equipment</b>	<b>3,827</b>	<b>186</b>	<b>(674)</b>	<b>(5)</b>	<b>3,334</b>
<b>TOTAL</b>	<b>4,081</b>	<b>186</b>	<b>(675)</b>	<b>-</b>	<b>3,592</b>

The "Disposals" column primarily corresponds to the retirement of fully depreciated assets.



## 10.2 Amortisation and depreciation

<i>(in € millions)</i>	<b>Amount at 31/12/2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Reclassifications</b>	<b>Amount at 31/12/2022</b>
<b>Buildings</b>	140	5	-	-	145
Plant and machinery	1,299	61	(202)	-	1,158
Vehicles	74	3	(6)	-	71
IT equipment	435	38	(133)	-	340
Other property, plant and equipment	1,317	62	(331)	-	1,048
<b>Other property, plant and equipment</b>	<b>3,125</b>	<b>164</b>	<b>(672)</b>	<b>-</b>	<b>2,617</b>
Depreciation of land and buildings	-	1	-	-	1
Depreciation of other property, plant and equipment	-	246	(28)	-	218
<b>TOTAL</b>	<b>3,265</b>	<b>416</b>	<b>(700)</b>	<b>-</b>	<b>2,981</b>

### NOTE 11 Non-current financial assets

Non-current financial assets break down as follows:

<i>(in € millions)</i>	<b>31/12/2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>31/12/2022</b>
Equity investments	10,379	36	(2)	10,413
Impairment of equity investments	(102)	(132)	29	(205)
<b>Net equity investments</b>	<b>10,277</b>	<b>(96)</b>	<b>27</b>	<b>10,208</b>
Intercompany loans	6,331	1,019	(493)	6,857
Other loans	54	1	(4)	51
Impairment of loans	(9)	(20)	1	(28)
<b>Net loans receivables</b>	<b>6,376</b>	<b>1,000</b>	<b>(496)</b>	<b>6,880</b>
Other non-current financial assets	14	11	(2)	23
<b>Net other non-current financial assets</b>	<b>14</b>	<b>11</b>	<b>(2)</b>	<b>23</b>
<b>TOTAL</b>	<b>16,667</b>	<b>915</b>	<b>(471)</b>	<b>17,111</b>

La Poste's equity investments are mostly held through the holding companies Geopost, Poste Immo, La Banque Postale and Véhiposte, in which La Poste holds 100% of the capital.

The primary changes recorded in respect of La Poste's equity investments were due to:

- the capital increase of La Poste Nouveaux Services (LPNS) subscribed by La Poste for €20 million by offsetting liquid and payable receivables in LPNS' current account;
- the capital increase of La Poste Ventures subscribed by La Poste for €6 million;

- the capital increase of LP12 subscribed by La Poste for €5 million;
- the capital increase of GLPU for €4 million subscribed by offsetting liquid and payable receivables in GLPU's current account;
- repayment of contributions from the Xpansion 2 FPCI fund for €2 million.

The impairment charged against equity investments mainly concerns the subsidiaries Mediapost SAS, Mediapost Holding, Somepost and Sofrepost.

“Loans” consist mostly of loans granted by La Poste to its subsidiaries.

■ The changes in intercompany loans recorded at the end of December 2022 break down as follows:

<i>(in € millions)</i>	<b>Increase</b>	<b>Decrease</b>
Geopost SA	317	22
Véhiposte SAS	198	127
Poste Immo	157	218
Asendia	121	2
La Poste Silver	71	3
Docaposte	36	-
LP11	24	18
Mediapost Holding	4	5
Armadillo Holding GmbH	-	15
Mediapost SAS	-	4
Fluow	-	1
Change in accrued interest not due (AIND)	91	77
<b>TOTAL</b>	<b>1,019</b>	<b>493</b>

■ The impairment charged against loans relates to loans granted to subsidiaries and organisations building subsidised housing (included in “Other loans”).

Loans and other non-current financial assets break down by maturity as follows:

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>Maturity</b>			<b>31/12/2021</b>
		<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	
Equity investments	10,413	-	-	10,413	10,379
Gross loans	6,908	294	2,189	4,425	6,384
Other non-current financial assets	23	13	9	1	14
<b>TOTAL</b>	<b>17,344</b>	<b>307</b>	<b>2,198</b>	<b>14,839</b>	<b>16,778</b>

## NOTE 12 Inventories and work-in-progress

<i>(in € millions)</i>	<b>31/12/2022</b>			<b>31/12/2021</b>
	<b>Gross value</b>	<b>Impairment</b>	<b>Net value</b>	
Inventories of raw materials, supplies, goods for resale and other supplies	117	(5)	112	94
Inventories of finished and semi-finished products	16	(3)	13	13
<b>TOTAL</b>	<b>133</b>	<b>(8)</b>	<b>125</b>	<b>107</b>

## NOTE 13 Operating receivables and payables

### 13.1 Operating receivables

Operating receivables break down as follows:

(in € millions)	31/12/2022	Maturity			31/12/2021
		Less than 1 year	1 to 5 years	More than 5 years	
Trade receivables and related accounts	1,175	1,175	-	-	1,131
International mail receivables	690	690	-	-	813
Impairment of trade receivables	(24)	(24)	-	-	(40)
<b>Trade receivables and related accounts</b>	<b>1,841</b>	<b>1,841</b>	<b>-</b>	<b>-</b>	<b>1,904</b>
Tax and employee-related receivables	766	766	-	-	906
Impairment of tax and employee-related receivables	-	-	-	-	(36)
Other operating receivables	70	70	-	-	45
<b>Other receivables</b>	<b>836</b>	<b>836</b>	<b>-</b>	<b>-</b>	<b>915</b>
<b>TOTAL</b>	<b>2,677</b>	<b>2,677</b>	<b>-</b>	<b>-</b>	<b>2,819</b>

Tax and employee-related receivables include the compensation for the universal postal public service mission for €520 million.

### 13.2 Operating payables

Operating payables break down as follows:

(in € millions)	31/12/2022	Maturity			31/12/2021
		Less than 1 year	1 to 5 years	More than 5 years	
Trade payables and related accounts	1,198	1,198	-	-	1,123
International mail payables	373	373	-	-	336
Tax and employee-related payables	1,133	1,133	-	-	1,124
Other operating payables	753	753	-	-	747
<b>TOTAL</b>	<b>3,457</b>	<b>3,457</b>	<b>-</b>	<b>-</b>	<b>3,330</b>

Receivables and payables on international mail transactions are mostly incurred with foreign postal operators in connection with terminal dues. Terminal dues are income for services performed by post offices to process mail arriving from other foreign operators.

## NOTE 14 Accrued income and expenses

### 14.1 Assets

(in € millions)	Note	31/12/2022		31/12/2021	
		Accrued income	Balance sheet	Accrued income	Balance sheet
Intercompany loans	11	91	6,857	76	6,331
Other non-current financial assets	11	-	23	-	14
Trade receivables and related accounts	13	165	1,175	165	1,131
Other international mail receivables	13	598	690	701	813
Tax and employee-related receivables	13	554	766	629	906
Other operating receivables	13	37	70	25	45
<b>TOTAL</b>		<b>1,445</b>		<b>1,596</b>	

Accrued tax and employee-related receivables include the subsidy to be received from the French State as compensation for the universal postal public service mission for €520 million.

### 14.2 Liabilities

(in € millions)	Note	31/12/2022		31/12/2021	
		Accrued expenses	Balance sheet	Accrued expenses	Balance sheet
Debt	21	106	11,401	96	9,970
Trade payables and related accounts	13	905	1,198	856	1,123
Other international mail payables	13	321	373	296	336
Tax and employee-related payables	13	744	1,133	754	1,124
Other operating payables	13	251	753	184	747
<b>TOTAL</b>		<b>2,327</b>		<b>2,186</b>	

Accrued tax and employee-related payables mostly includes a provision for paid leave (€190 million in expenses at 31 December 2022 compared to €211 million at 31 December 2021).

## NOTE 15 Miscellaneous receivables and payables

Miscellaneous receivables and payables breaks down as follows:

(in € millions)	31/12/2022		31/12/2021	
	Assets	Liabilities	Assets	Liabilities
Current account position	133	323	111	470
Receivables/payables in respect of La Banque Postale	-	2	6	40
Other receivables/payables	97	35	63	41
<b>TOTAL</b>	<b>230</b>	<b>360</b>	<b>180</b>	<b>552</b>

The **current account position** presents La Poste's position in the central corporate treasury system set up with the group's subsidiaries.

Receivables and payables in respect of La Banque Postale arise on La Poste's industrial and commercial activities.

Other receivables consist of:

- €31 million in third-party receivables;
- €53 million in issue premiums on bonds;
- €13 million in deferred bond issue expenses.

Other payables mostly consist of:

- repayable cash amounts received on behalf of third parties (€20 million in 2022 versus €22 million in 2021), which correspond to sales made by La Poste on behalf of third parties (Titres-Cadeaux, Chronopost, etc.);
- the unpaid portion of the subscription to the XAnge 4 and XAnge Digital 3 funds for €13 million.

## NOTE 16 Accruals

### 16.1 Assets

(in € millions)	31/12/2022	31/12/2021
Unrealised foreign exchange losses <sup>(a)</sup>	20	35
Prepaid expenses	24	28
Other transactions	13	14
<b>TOTAL</b>	<b>57</b>	<b>77</b>

(a) **Unrealised foreign exchange losses** primarily relate to borrowings in foreign currencies for which currency swaps have been set up to fully hedge the exchange rate risk.

Prepaid expenses mainly include:

- prepaid expenses on balancing payments in respect of bonds, for €5 million (compared to €8 million at 31 December 2021);
- prepaid operating expenses of €18 million (compared to €17 million at 31 December 2021), primarily corresponding to property rents invoiced in advance.

### 16.2 Liabilities

(in € millions)	31/12/2022	31/12/2021
Unrealised foreign exchange gains <sup>(a)</sup>	20	35
Prepaid income	80	142
<b>TOTAL</b>	<b>100</b>	<b>177</b>

(a) **Unrealised foreign exchange gains** primarily relate to borrowings in foreign currencies for which currency swaps have been set up to fully hedge the exchange rate risk.

Prepaid income consists of:

- prepaid income on balancing payments in respect of bonds, for €1 million (compared to €2 million at 31 December 2021);
- prepaid operating income of €79 million (compared to €140 million at 31 December 2021).

## NOTE 17 Marketable securities and cash

Marketable securities and cash break down as follows:

(in € millions)	31/12/2022	31/12/2021
Marketable securities	1,241	916
Impairment of marketable securities	-	(1)
<b>Marketable securities</b>	<b>1,241</b>	<b>915</b>
<b>Cash at bank</b>	<b>3,364</b>	<b>1,991</b>
<b>Cash on hand</b>	<b>3</b>	<b>4</b>
<b>TOTAL</b>	<b>4,608</b>	<b>2,909</b>

**Marketable securities** are made up of short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value:

- at 31 December 2022, they consisted of mutual funds for €1,141 million and unlisted bonds for €100 million;
- unrealised losses on marketable securities at 31 December 2022 amounted to €0.5 million (versus €1.1 million at 31 December 2021).

**Cash at bank** consists of:

- cash investments (term accounts/deposits), in an amount of €2,363 million at 31 December 2022 (compared to €833 million at 31 December 2021);
- bank accounts and bills of exchange for €1,196 million at 31 December 2022 (compared to €1,158 million at 31 December 2021).

## NOTE 18 Asset impairment

Changes in asset impairment in 2022 break down as follows:

<i>(in € millions)</i>	Amount at 31/12/2021	Additions	Reversals		Amount at 31/12/2022
			used	not used	
Intangible assets	2	294	(35)	-	261
Property, plant and equipment	-	247	(28)	-	219
<b>Impairment of intangible assets and property, plant and equipment</b>	<b>2</b>	<b>541</b>	<b>(63)</b>	<b>-</b>	<b>480</b>
Equity investments	101	132	(29)	-	205
Loans	9	20	(1)	-	28
<b>Impairment of non-current financial assets</b>	<b>110</b>	<b>152</b>	<b>(30)</b>	<b>-</b>	<b>233</b>
Inventories and work-in-progress	5	7	(1)	(3)	8
Trade receivables and related accounts	40	7	(10)	(13)	24
Tax and employee-related receivables	36	-	-	(36)	-
Miscellaneous receivables	19	1	(1)	-	18
Marketable securities	1	3	(4)	-	-
<b>Impairment of current assets</b>	<b>101</b>	<b>18</b>	<b>(16)</b>	<b>(52)</b>	<b>50</b>
<b>TOTAL</b>	<b>213</b>	<b>711</b>	<b>(109)</b>	<b>(52)</b>	<b>763</b>

Impairment is charged against assets in accordance with the principles defined in Section G "Accounting policies".

Additions to and reversals of impairment over the period break down as follows:

(in € millions)	Additions				Reversals			
	Operating profit/(loss)	Net financial income/expense	Non-recurring items	Income tax	Operating profit/(loss)	Net financial income/expense	Non-recurring items	Income tax
Intangible assets and property, plant and equipment	25	-	516	-	-	-	(63)	-
Equity investments	-	132	-	-	-	(29)	-	-
Loans	-	20	-	-	-	(1)	-	-
Inventories and work-in-progress	8	-	-	-	(4)	-	-	-
Trade receivables and related accounts	7	-	-	-	(23)	-	-	-
Tax and employee-related receivables	-	-	-	-	-	-	-	(36)
Miscellaneous receivables	1	-	-	-	(1)	-	-	-
Marketable securities	-	3	-	-	-	(4)	-	-
<b>Total</b>	<b>41</b>	<b>155</b>	<b>516</b>	<b>-</b>	<b>(28)</b>	<b>(34)</b>	<b>(63)</b>	<b>(36)</b>
<b>TOTAL</b>		<b>711</b>				<b>(161)</b>		

## NOTE 19 Equity

Changes in equity break down as follows:

(in € millions)	Share capital	Additional paid-in capital	Reserves	Retained earnings	Net profit/(loss) for the year	Total equity
<b>BALANCE AT 31/12/2020</b>	<b>5,365</b>	<b>1,303</b>	<b>572</b>	<b>770</b>	<b>(1,546)</b>	<b>6,463</b>
Appropriation of earnings	-	-	-	(1,546)	1,546	-
Change in accounting policy	-	-	-	123	-	123
Net profit/(loss) for the period	-	-	-	-	753	753
<b>BALANCE AT 31/12/2021</b>	<b>5,365</b>	<b>1,303</b>	<b>572</b>	<b>(654)</b>	<b>753</b>	<b>7,339</b>
Capital increase	255	60	-	-	-	315
Appropriation of earnings	-	-	37	716	(753)	-
Dividend payments	-	(195)	(467)	(62)	-	(724)
Net profit/(loss) for the period	-	-	-	-	971	971
<b>BALANCE AT 31/12/2022</b>	<b>5,620</b>	<b>1,168</b>	<b>142</b>	<b>-</b>	<b>971</b>	<b>7,901</b>

Following the General Meeting of 8 June 2022, La Poste SA paid a dividend of €724 million, which was distributed:

- in cash for €409 million;
- in shares via a capital increase for €255.5 million, through the issue of 127,737,226 new shares with a par value of €2 and a share premium of €59.5 million.

Following this distribution, La Poste's share capital stood at €5,620,325,816 divided into 2,810,162,908 ordinary shares with a par value of €2. La Poste SA is 66% owned by Caisse des Dépôts and 34% owned by the French State.

### Other equity

On 3 May 2018, La Poste issued perpetual hybrid debt securities for €750 million.

## NOTE 20 Provisions for contingencies and losses

Movements in provisions for contingencies and losses break down as follows:

<i>(in € millions)</i>	Amount at 31/12/2021	Additions	Reversals		Amount at 31/12/2022
			used	not used	
End-of-career benefits	990	299	(439)	-	850
Retirement benefits for contract staff	339	4	(55)	-	288
Long-term sick leave/supplementary leave/ time savings account	345	20	(10)	-	355
Legal risks	22	2	(1)	(17)	6
Employee-related disputes	27	22	(6)	(4)	39
Claims and damages	21	15	(10)	(2)	24
Other provisions for contingencies and losses	62	30	(20)	(21)	51
<b>TOTAL</b>	<b>1,806</b>	<b>392</b>	<b>(541)</b>	<b>(44)</b>	<b>1,613</b>
<b>Accelerated amortisation</b>	<b>49</b>	<b>13</b>	<b>(5)</b>	<b>-</b>	<b>57</b>

The main assumptions used to measure provisions for end-of-career benefits for civil servants and retirement benefits for contract staff are described in Note 24.

**Provisions for legal risks** relate to claims brought before administrative, civil or commercial courts.

**Provisions for employee-related disputes** cover all employee disputes (industrial tribunals, etc.) and the risk of adjustments demanded by Urssaf (French social security body).

At 31 December 2022, the schedule for provisions for contingencies and losses was as follows:

<i>(in € millions)</i>	Amount at 31/12/2022	Period Y+1	Period Y+2	Period Y+3	Period Y+4	Period Y+5
End-of-career benefits	849	388	258	131	52	20
Retirement benefits for contract staff	288	28	13	15	15	217
Long-term sick leave/supplementary leave/ time savings account	355	184	89	80	2	-
Legal risks	6	3	2	2	-	-
Employee-related disputes	39	28	2	6	3	-
Claims and damages	24	6	12	3	1	2
Other provisions for contingencies and losses	51	24	8	8	6	5
<b>TOTAL</b>	<b>1,613</b>	<b>661</b>	<b>384</b>	<b>245</b>	<b>79</b>	<b>244</b>



Additions and reversals over the period break down as follows:

<i>(in € millions)</i>	Additions				Reversals			
	Operating profit/(loss)	Net financial income/ (expense)	Non- recurring items	Income tax	Operating profit/(loss)	Net financial income/ (expense)	Non- recurring items	Income tax
End-of-career benefits	299	-	-	-	(439)	-	-	-
Retirement benefits for contract staff	4	-	-	-	(55)	-	-	-
Long-term sick leave/ supplementary leave/time savings account	20	-	-	-	(10)	-	-	-
Legal risks	2	-	-	-	(18)	-	-	-
Employee-related disputes	22	-	-	-	(10)	-	-	-
Claims and damages	15	-	-	-	(12)	-	-	-
Other provisions for contingencies and losses	29	1	-	-	(40)	-	-	(1)
<b>Total</b>	<b>391</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>(584)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>TOTAL</b>		<b>392</b>				<b>(585)</b>		
Accelerated amortisation	-	-	13	-	-	-	(5)	-

## NOTE 21 Financial debt

Financial debt breaks down as follows

<i>(in € millions)</i>	31/12/2022	31/12/2021
Bonds (excluding AIND)	10,525	8,975
Other borrowings (excluding AIND)	470	470
Accrued interest not due (AIND)	87	76
<b>Borrowings</b>	<b>11,082</b>	<b>9,521</b>
La Poste savings bonds (excluding AIND)	51	52
Accrued interest not due (AIND)	20	20
<b>La Poste savings bonds</b>	<b>71</b>	<b>72</b>
<b>Deposits and guarantees received</b>	<b>60</b>	<b>63</b>
Short-term borrowings (excluding AIND)	150	300
<b>Short-term borrowings</b>	<b>150</b>	<b>300</b>
Bank accounts and bills of exchange	38	14
<b>TOTAL</b>	<b>11,401</b>	<b>9,970</b>

The change in borrowings is mainly due to repayments and new issues during the year (see Section "Significant events").

The financial debt maturity schedule (excluding bank accounts and bills of exchange) is as follows:

<i>(in € millions)</i>	Maturity in less than 1 year		Maturity in 1 to 5 years		Maturity in more than 5 years		Total	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Bonds (excluding AIND)	1,000	-	3,625	3,475	5,900	5,500	10,525	8,975
Other borrowings (excluding AIND)	-	-	-	-	470	470	470	470
La Poste savings bonds (excluding AIND)	51	52	-	-	-	-	51	52
Deposits and guarantees received	29	29	31	35	-	-	60	63
Short-term borrowings (excluding AIND)	150	300	-	-	-	-	150	300
Accrued interest not due (AIND)	105	96	-	-	-	-	105	96
<b>TOTAL</b>	<b>1,335</b>	<b>477</b>	<b>3,656</b>	<b>3,510</b>	<b>6,370</b>	<b>5,970</b>	<b>11,362</b>	<b>9,957</b>

The change in borrowings, excluding accrued interest not due (AIND), breaks down as follows:

<i>(in € millions)</i>	31/12/2021	Increase	Decrease	Translation adjustments	31/12/2022
Borrowings	9,445	1,550	-	-	10,995

At 31 December 2022, borrowings break down by interest-rate type as follows:

<i>(in € millions)</i>	Debt breakdown before impact of interest-rate swaps		Impact of fixed-for-floating swaps	Debt breakdown after impact of interest-rate swaps	
	Amount	%		Amount	Amount
Fixed-rate borrowings	10,995	100%	-	10,995	100%
Variable-rate borrowings	-	0%	-	-	0%
<b>TOTAL BORROWINGS</b>	<b>10,995</b>	<b>100%</b>	<b>-</b>	<b>10,995</b>	<b>100%</b>

At 31 December 2022, borrowings break down by currency as follows:

<i>(in € millions)</i>	Debt breakdown before impact of currency swaps		Impact of currency swaps	Debt breakdown after impact of currency swaps	
	Amount	%		Amount	Amount
Euro	10,525	96%	470	10,995	100%
US dollars	470	4%	(470)	-	0%
<b>TOTAL BORROWINGS</b>	<b>10,995</b>	<b>100%</b>	<b>-</b>	<b>10,995</b>	<b>100%</b>

## Issue premiums on bonds

Unamortised issue premiums stemming from the difference between the issue price received and the redemption price amounted to €53 million for all bonds (premiums paid) at 31 December 2022, versus €20 million (premiums paid) at 31 December 2021.

## La Poste savings bonds

La Poste savings bonds correspond to savings bond liabilities. The amount is decreasing due to the redemption of La Poste bonds, which have all reached maturity.

## Deposits and guarantees received

Deposits and guarantees received principally consist of collateral security deposits received in conjunction with hedges for €29 million at 31 December 2022, unchanged compared to 31 December 2021.

## Short-term borrowings

In 2022, La Poste issued new commercial paper. At 31 December 2022, total commercial paper issued amounted to €150 million.

## NOTE 22 Related-party transactions

### Relations with the French State and public sector companies

#### Relations with the French State

Since the French law of 10 February 2010 reaffirming the provisions of the law of July 1990 on the organisation of the postal and telecommunications public service, La Poste has been a *société anonyme* (French public limited company) overseen by the Minister for the Economy and Finance, and subject to economic and financial control by the French State, and to the control procedures of the French Court of Auditors and the French Parliament.

The commitments of La Poste and the French State were redefined in "Public Service Agreement 2013-2017" approved by the group's Board of Directors on 22 April 2013 and signed by all stakeholders on 1 July 2013.

The agreement is based on the following principles:

- maintaining the broad scope of the public service missions assigned to La Poste: universal postal service, press transport and delivery, accessible banking and regional development, as well as maintaining the principle of offsetting costs for the latter three missions;
- making progress in strengthening service quality;
- developing missions adapted to users' expectations and technological advancements;
- introducing community commitments to promote the development of businesses and regions, support disadvantaged people, develop a digital society and engage in corporate social responsibility.

A new public service agreement between La Poste and the French State for the 2018-2022 period was approved by the group's Board of Directors on 19 December 2017 and signed on

16 January 2018. The agreement is an extension of the previous agreement and aims at ensuring and modernising the exercise of the four public service missions of La Poste. These missions benefit from the support of the State, in exchange for which La Poste commits to respecting ambitious quality indicators.

Moreover, the agreement expands on the use of community commitments to promote the development of a digital society, local services, and sustainable and responsible development.

An amendment to the public service agreement between La Poste and the French State was signed on 18 May 2022. It incorporates changes announced by the government concerning its support for the universal postal service and regional development missions as well as the reform of the public service mission of press transport.

The French Postal Regulation Law of 20 May 2005 granted Arcep the power to regulate the pricing for the universal postal service on a multi-year basis, after reviewing La Poste's proposals. In addition, the law confirmed and clarified La Poste's regional development mission.

#### Relations with Caisse des Dépôts

Following the decision of La Poste's Combined General Meeting of 4 March 2020 to increase La Poste's capital by €1.565 billion, Caisse des Dépôts holds 66% of La Poste's share capital.

#### Relations with public sector companies

La Poste Groupe enters into transactions with public-sector companies in the normal course of its business and on arm's length terms.

#### Relations with consolidated companies

- Transactions between consolidated companies are carried out on arm's length terms.
- Companies that are deemed to be related to La Poste are companies that are fully consolidated by La Poste Groupe.

## OFF-BALANCE SHEET COMMITMENTS

### NOTE 23 Derivatives

#### Hedging of liabilities and loans

(in € millions)	31/12/2022		31/12/2021	
	Notional	Fair value	Notional	Fair value
Hedging	1,918	20	1,713	30
Transactions in isolated open positions	-	-	-	-
<b>TOTAL</b>	<b>1,918</b>	<b>20</b>	<b>1,713</b>	<b>30</b>

The financial instruments used by La Poste are shown according to their management purpose.

Hedging swaps used for financial management purposes relate to transactions aimed at controlling the cost of La Poste's debt.

In accordance with the group's accounting principles, a provision may be recorded on swaps in isolated open positions and relating to La Poste's bond debt, in order to cover unrealised losses on financial instruments.

The implementation of ANC Regulation no. 2015-05 of 2 July 2015 led La Poste to reclassify its financial instruments portfolio as hedging transactions.

At 31 December 2022, these transactions are exclusively with La Banque Postale.

Loans denominated in foreign currencies are hedged by currency swaps.

#### Other hedging transactions

La Poste performed forward foreign exchange purchase and sale transactions on the Singapore dollar and the United Arab Emirates dirham.

At 31 December 2022, these transactions resulted in a reciprocal commitment of €1,454 million.

#### Counterparty risk management

Market transactions are only carried out with top-tier banks or financial institutions, within the rating terms and the authorisation limits set for each counterparty by La Poste's Executive Management.

### NOTE 24 Employee benefit obligations

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All details about La Poste's post-employment and long-term benefit commitments are provided in this note.

The following table summarises the accounting treatment of the various existing plans:

	Balance sheet		Off-balance sheet	
	2022	2021	2022	2021
Post-employment benefits granted to retired civil servants			X	X
Retirement benefits for La Poste's contract staff	X	X		
End-of-career benefits	X	X		
Other long-term benefits (paid leave)	X	X		

## 24.1 Measurement methods

### Post-employment long-term benefits

Post-employment and long-term obligations under defined benefit plans and the related costs are measured by the projected unit credit method, in accordance with IAS 19 (amended). Actuarial assessments are performed every year.

The assessment takes into account external economic assumptions (discount rates, inflation rates, pension increases, etc.), together with assumptions that are specific to La Poste (employee turnover rates, mortality rates, salary levels increase rates, etc.).

## 24.2 Main actuarial assumptions used to measure all employee benefit obligations

### Discount rate

The gross discount rates used for 2022, based on interest rates for eurozone investment grade corporate bonds, are as follows:

Duration of the obligation	5 years	20 years
Discount rate (eurozone)	3.7%	3.7%

### Change in pensions and compensation

Pension increases are linked to inflation. The long-term trend used for wages and salaries is based on reasonable assumptions regarding inflation. An assumed average benefit increase of 2% was applied (no change compared with 2021).

## 24.3 Pension plan for civil servants working at La Poste

### Description of La Poste's obligations

Article 150 of the Amended Budget Law for 2006, published in the Official Journal of 31 December 2006, sets out the pension funding plan for French civil servants working at La Poste. The new plan changes the previous funding plan so as to gradually put La Poste on an equal footing with competitors.

The reform implemented in December 2006, approved by the European Commission in 2007, includes:

- the implementation of an employer contribution in full discharge of the liability for the pension payments, with effect from 1 January 2006. The rate was gradually decreased to a so-called "competitive equity" rate in 2010 that brings the mandatory salary-based tax and social security charges paid by La Poste into line with the charges paid by other companies in the postal and banking sectors. For the 2006-2009 period, an additional rate (16.3% in 2006, 6.8% in 2007, 3.7% in 2008 and 1.3% in 2009) was set by the law, on top of the "competitive equity" rate;
- the transfer of the task of centralising and distributing funding for La Poste civil servants' retirement benefits between the French State, La Poste and any other relevant bodies, to the French State Agency for the Funding of La Poste Pensions (EPNFRLP), which was established via the Decree of 19 December 2006. The EPNFRLP is responsible for negotiating the financial agreements provided for under Title II, Book II and Title II, Book IX of the French Social Security Code (*Code de la sécurité sociale*);
- the payment of a one-time fixed contribution of €2 billion to the EPNFRLP by La Poste in 2006.

Since 1 January 2015, La Poste has paid contributions to Centre d'Action Sociale (CAS pensions), following the dissolution of the EPNFRLP by Decree no. 2015-1742 of 23 December 2015.

With the implementation of the plan, and given that the employer contribution is made in full discharge of the liability for the pension payments, no provision is recorded in La Poste's financial statements in respect of civil servants' retirement benefits.

The employer contribution paid by La Poste is calculated using a "competitive equity" rate that brings the mandatory salary-based tax and social security charges paid by La Poste into line with the charges paid by other companies in the postal and banking sectors.

French Decree no. 2021-1210 of 20 September 2021, which entered into force the day after its publication, ratified a change in the methods used to determine the competitive equity rate so as to make its calculation more accurate with regard to the various social security and tax contributions paid by La Poste.

In application of this decree, the French State plans to recalculate the contributions paid for the years 2018 to 2020.

Part of this adjustment was taken into account in the rates notified in 2021 and 2022, for an amount of €81 million for each of these two years.

The remaining adjustment for 2023 is expected to be €81 million. This amount was not recorded in 2022 as the method for determining the competitive equity rate for 2023 was unknown at 31 December 2022.

## 24.4 Post-employment and other similar benefits

Obligations for other post-employment benefits include:

- employee welfare services provided to retired civil servants;
- a loyalty bonus granted to retired employees who hold their pension in a current account at La Banque Postale;
- various allowance commitments.

### Measurement of the obligation

The total value of post-employment benefit obligations was estimated at €426 million at 31 December 2022, versus €352 million at 31 December 2021.

In accordance with the option provided under Article L. 123-13 of the French Commercial Code, no provisions have been recorded in respect of these post-employment benefits.

## 24.5 Retirement benefits for La Poste's contract staff

### Description of existing plans

Employees who retire from La Poste and are eligible for a pension receive retirement benefits based on length of service and final salary.

### Amount recognised on the balance sheet

The amount of the provision recognised for retirement benefits for La Poste's contract staff (appearing under "Provisions for contingencies and losses" in the balance sheet) was €288 million at 31 December 2022 (€339 million at 31 December 2021).

## 24.6 End-of-career benefits

### Arrangements for part-time older employees (TPAS)

Under certain conditions, La Poste employees may benefit from arrangements for part-time older employees (TPAS), which are offered to some people who meet minimum-age (civil servants and contract staff) and length-of-service requirements. The scheme was first implemented in 2011 and is adjusted each year according to the demographic and economic conditions of the Company, as well as to the laws applicable to retirement.

### Amount recognised on the balance sheet

The amount of the corresponding provision (appearing under "Provisions for contingencies and losses" in the balance sheet) was €849 million at 31 December 2022 (€990 million at 31 December 2021).

The provision covers staff who joined the plan prior to the balance-sheet date. No provision is recognised for future potential enrolments, which were estimated at €350 million at 31 December 2022.

The procedures for implementing the TPAS scheme, renewed in 2020 until 30 June 2022, were extended on 21 December 2021 from 1 July 2022 to 30 June 2023, including for the special end-of-career benefit (*allocation spéciale de fin de carrière - ASFC*).

The main features of the TPAS scheme are as follows:

- concerning the age of entry into the scheme:
  - until 30 June 2022, enrolment in the scheme was possible as from 56 years and three months of age (civil servants and staff in office roles) or from 53 years and six months of age (civil servants in active roles) for persons in a position that is physically demanding or who were previously in such a position for at least ten years.

Persons who were not in a physically demanding position could join the scheme as from 57 years and six months of age (civil servants and staff in office roles) or as from 54 years and six months of age (civil servants in active roles),

- from 1 July 2022, the minimum access ages were raised by:
  - three months for persons in a position that is physically demanding, other than civil servants in active roles,
  - six months for other positions;
- the scheme is open to staff, civil servants and employees on permanent contracts working at La Poste and with at least ten years of service for entry into the plan by 1 April 2021, and at least 15 years of service for entry beyond said date;
- the length of the beneficiary's participation in the scheme is fixed upon enrolment and cannot be changed. Participation is for a minimum of one year and the maximum age at the end of the scheme corresponds to the pension eligibility age set by law;
- during their participation in the scheme, the beneficiary works part-time (70%) in an administrative position, with a proportional reduction in compensation;
- work during their participation in the scheme is arranged and divided between operating activities and a "support and advice" period;
- this scheme is open to all La Poste staff who meet the above conditions.

The scheme includes a social and solidarity-based economy-focused component, which was renewed for employees who want to use their experience to benefit charitable associations.

In addition to the above-mentioned conditions for accessing the TPAS scheme, beneficiaries must take the following steps before enrolling:

- obtaining prior approval from the department head;
- submitting an application to a host organisation approved by La Poste for the purpose of obtaining approval to join said organisation and defining the duties that will be assigned to the staff member;
- drawing up an availability agreement between La Poste and the host organisation as part of a skills-based volunteering initiative.

## 24.7 Other long-term benefits

### Description of existing plans

These are paid leave plans:

- time savings account: a plan whereby employees can carry forward some of their unused earned leave;
- supplementary leave: civil servants from French overseas departments or civil servants who work in French overseas departments receive supplementary paid leave, as well as travel expenses;
- long-term sick leave: payment in full or in part of the salaries of civil servants suffering from certain serious illnesses.

### Amount recognised on the balance sheet

The amount of the corresponding commitments recognised (appearing under "Provisions for contingencies and losses" in the balance sheet) was €355 million at 31 December 2022 (€345 million at 31 December 2021). These provisions are designed to cover the costs of individual members of the paid leave schemes described above at the balance-sheet date.

## 24.8 Personal training account (*Compte personnel de formation* - CPF)

Since 1 January 2015, the individual training rights accrued and not used by employees are transferable into each their CPF (law no. 2014-288 of 5 March 2014 applicable as of 1 January 2015).

## NOTE 25 Other off-balance sheet commitments

### 25.1 Off-balance sheet commitments received

#### a) Off-balance sheet commitments received in relation to the consolidated group

Commitments received in connection with the Company's share capital: none.

Commitments relating to the disposal of business lines: none.

#### b) Off-balance sheet commitments received in relation to the Company's financing

##### Unused credit facilities and other potential sources of cash:

- On 16 March 2018, La Poste arranged a new five-year renewable credit facility for €1 billion, for which it received commitments from 11 banks in a banking pool. The new credit facility followed the termination of the previous credit facility set up in October 2011 with nine banks, for an amount of €650 million. No amounts had been drawn under the facility at 31 December 2022.
- In November 2017, an amendment was made to the overdraft authorisation obtained by La Poste from La Banque Postale in 2012, increasing the authorised overdraft from €300 million to €400 million. The overdraft authorisation renews automatically every year. The overdraft had not been used at 31 December 2022.
- La Poste obtained a renewable credit facility for €400 million with La Banque Postale for a five-year period. The new credit line followed the termination of the €200 million renewable credit facility set up in 2009 with La Banque Postale and renewed in 2018 under a new agreement. No amounts had been drawn under the facility at 31 December 2022.

##### Financial instruments:

- Financial instruments held and exercisable at a date after the balance-sheet date: none.

#### c) Off-balance sheet commitments received in relation to the Company's operating activities

##### Guarantees received as part of La Poste's everyday business:

- The total guarantees, endorsements and sureties received by La Poste as part of its everyday business amounted to €59 million at 31 December 2022.
- The total property lease commitments received by La Poste from its subsidiaries (Geopost, Poste Immo and La Banque Postale) amounted to €92 million at 31 December 2022.
- In September 2022, La Poste signed an agreement with the French State, Ademe, financial backers and partners to implement the *Baisse les Watts* (Lower the Watts) programme designed to help micro, small and medium-sized enterprises save energy.

The programme's backers committed to contributing €31 million for the 2022-2025 period, paid to La Poste, which will then transfer a share to its partners involved in implementing the programme.

At 31 December 2022, the remaining commitment was €22 million.

## 25.2 Off-balance sheet commitments given

### a) Off-balance sheet commitments given in relation to the consolidated group

- None.

### b) Off-balance sheet commitments given in relation to the Company's financing

#### Financial instruments:

- Financial instruments held and exercisable at a date after the balance-sheet date: none.

### c) Off-balance sheet commitments given in relation to the Company's operating activities

#### Future rental payment commitments:

- Commitments given by La Poste to group companies amount to €1,571 million, of which €1,218 million for property leases (Poste Immo) and €353 million for vehicle leases (Véhiposte).
- La Poste has committed to paying leases outside the group, in an amount of €411 million.

#### Miscellaneous commitments:

- La Poste's miscellaneous commitments (purchase of goods and services) amount to €157 million.
- As part of the *Baisse les Watts* programme, La Poste has undertaken to pay a share of the funds received from the financial backers to the programme's partners.  
This commitment amounted to €20 million at 31 December 2022.

Obligation to employ disabled workers: none.

#### Social housing fund commitments:

- In December 2022, La Poste signed a three-year agreement with Poste Habitat to fund and reserve rental accommodation for La Poste employees.  
The commitment given amounted to €7 million at 31 December 2022 for the entire period.

Finance leases: none.

#### Investment commitments:

- Orders to non-current asset suppliers at the end of 2022 amounted to €66 million.

#### Commitments given in relation to donations and sponsorship:

- In June 2021, La Poste made a commitment to pay a total of €4.8 million to La Poste's Corporate Foundation from 2022 to 2026. At 31 December 2022, the commitment amounted to €3.8 million.
- La Poste's other commitments relating to sponsorship initiatives totalled €9 million at 31 December 2022.

## NOTES TO THE CASH FLOW STATEMENT

### NOTE 26 Charges to and reversals of amortisation, depreciation and provisions for contingencies and losses

(in € millions)	2022	2021
Charges to/Reversals of operating profit/(loss)	67	77
Charges to/Reversals of net financial income/(expense)	123	19
Charges to/Reversals of non-recurring items	526	(305)
<b>TOTAL</b>	<b>716</b>	<b>(209)</b>

### NOTE 27 Change in working capital requirement

(in € millions)	2022	2021
Change in inventories and work-in-progress	(17)	36
Change in operating receivables	139	(378)
Change in operating payables	107	32
Change in other operating assets and liabilities	(101)	(35)
<b>TOTAL</b>	<b>128</b>	<b>(345)</b>



## NOTE 28 Payments for acquisitions of non-current assets

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Acquisitions of intangible assets	(210)	(172)
Acquisitions of property, plant and equipment	(186)	(150)
Acquisitions in amounts payable to non-current asset suppliers	49	11
<b>TOTAL</b>	<b>(347)</b>	<b>(311)</b>

## NOTE 29 Proceeds from disposals of non-current assets

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Intangible assets and property, plant and equipment	4	13
Non-current financial assets	500	596
<b>TOTAL</b>	<b>504</b>	<b>609</b>

## NOTE 30 Bond issues

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Bonds	1,550	2,225
Commercial paper	871	725
<b>TOTAL</b>	<b>2,421</b>	<b>2,950</b>

## NOTE 31 Bond redemptions

<i>(in € millions)</i>	<b>2022</b>	<b>2021</b>
Bonds	-	(1,000)
La Poste savings bonds	(1)	(1)
Commercial paper	(1,021)	(725)
<b>TOTAL</b>	<b>(1,022)</b>	<b>(1,726)</b>

## NOTE 32 Cash and cash equivalents at the balance-sheet date

<i>(in € millions)</i>	<b>31/12/2022</b>	<b>31/12/2021</b>
Marketable securities and cash	4,607	2,909
Bank account credit balances	(38)	(15)
Subsidiaries' current accounts	(207)	(381)
<b>TOTAL</b>	<b>4,362</b>	<b>2,513</b>

## NOTE 33 Subsidiaries and equity investments

(in € millions)	Capital	Equity other than capital	% of equity interest	Book value of shares held		Loans and advances granted by the parent company	Pledges and guarantees by the Company	Revenue before tax 2022	Profit/(loss) 2022	Dividends received by La Poste
				Gross value	Net value					
<b>Companies in which the gross value of the investment exceeds 1% of La Poste's share capital:</b>										
<b>Subsidiaries (over 50%-held)</b>										
<b>Geopost</b>										
26, rue Guynemer										
92130 Issy-les-Moulineaux										
	702	1,414	100%	1,240	1,240	3,707		83	80	288
<b>La Banque Postale</b>										
115, rue de Sèvres										
75275 Paris Cedex 06										
	6,585	2,589	100%	6,821	6,821			5,326	602	1,542
<b>Poste Immo</b>										
111, boulevard Brune										
75618 Paris Cedex 14										
	1,471	75	100%	1,493	1,493	1,045		107	42	30
<b>Mediapost SAS</b>										
19, rue de la Villette										
69425 Lyon Cedex 3										
	24	3	100%	155	0	29		343	(48)	
<b>Mediapost Holding</b>										
17, rue de la Vanne										
92120 Montrouge										
	64	(19)	100%	64	20	49		0	7	
<b>Docaposte</b>										
45-47, boulevard Paul Vaillant Couturier										
94200 Ivry sur Seine										
	89	(66)	100%	281	281	519		6	8	
<b>La Poste Telecom</b>										
855, avenue Roger Salengro										
92370 Chaville										
	166	(277)	51%	67	67			293	2	
<b>Viapost SAS</b>										
67, avenue de Fontainebleau										
94270 Le Kremlin Bicêtre										
	16	6	100%	126	126			14	1	
<b>Equity investments (between 10%- and 50%-held)</b>										
None										
<b>Other securities whose gross value does not exceed 1% of La Poste's share capital:</b>										
<b>Subsidiaries/ Investments</b>										
				167	162	1,057				7
<b>TOTAL</b>				<b>10,413</b>	<b>10,208</b>	<b>6,406</b>				<b>1,867</b>

## 6.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

### For the year ended 31 December 2022

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the shareholders,

### Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of La Poste for the year ended 31 December 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the

Company as at 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### Basis for opinion

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

#### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors for the period from 1 January 2022 to the date of our report and specifically we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014.

### Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were the most significant for our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

They are recognised in the balance sheet at their initial cost and amortized/depreciated over their estimated useful life as determined by management. They are tested for impairment whenever an indication of impairment is identified by management in order to determine a recoverable value and any adjustment that might be required to their carrying amount.

As at December 31 2022, the carrying amount of these assets was written down in full on 31 December 2022 after taking into account net impairment in 2022 of €447 million of which €219 million on property, plant and equipment and €228 million on intangible assets.

As indicated in note 5 "Impairment of intangible and tangible Mail assets" in the Key events section of the notes to the financial statements, despite the compensation obtained from the French State in 2021 for the universal postal service, the business plan has deteriorated sharply in 2022, mainly due to the sharp acceleration in inflation in 2022. This inflation generates an increase in costs over the business plan horizon which can only be partially offset by an increase in rates. The impairment test was carried out in accordance with the procedures set out in note II.G of the appendix to the annual accounts.

### Measurement of non-current assets related to the Group's Mail business

#### Description of risk

The Mail Cash-Generating Unit (CGU) corresponds to La Poste's Mail Business. This comprises intangible assets (software) and property, plant and equipment (handling/sorting machines, fixtures and fittings, IT equipment, etc.).

We considered that the valuation of fixed assets dedicated to the mail services of La Poste is a key audit matter due to the material nature of these assets and the related impairment, the degree of judgement surrounding management's projections and estimates at a time of uncertainty linked to the economic environment, due to the sensitivity of some of the assessments to operational, economic and financial assumptions and due to the inclusion of a share of the compensation for universal postal service.

### How our audit addressed this risk

We assessed the consistency of the methodology used with the applicable accounting standards and examined the methodology for implementing impairment tests.

Our work consisted primarily in:

- Examining the identification of indications of impairment.
- Reconciling the value of the net economic assets tested with the underlying accounting data;
- Analyzing the components of the book value of the CGUs, and the consistency between the establishment of this value and the way in which projected future cash flows were determined with a view to estimating the recoverable amount;
- Examining the process for establishing provisions and assessing the consistency of cash flow projections with the information sources available to us, actual cash flows observed, data resulting from the Mail Department's budget process, and the priorities of the new strategic plan;
- With guidance from our internal specialists, analyzing the methodology used to calculate recoverable amounts and assessing the appropriateness and reasonableness of the measurement assumptions and inputs used (discount rate, normative growth rate);
- Examining the sensitivity tests carried out by management on changes in various inputs and assumptions ;
- Analyzing the documentation that led to take into account the compensation for the universal postal service in the business plan and in the terminal value and the share of this compensation allocated to the mail business in it.

Finally, we have assessed the appropriateness of the disclosures made in the notes to the financial statements 5 "Impairment of intangible and tangible Mail assets"; " II-G "Impairment of intangible assets and property, plant and equipment" and 18 "Impairment of assets".

## Measurement of equity investments

### Description of risk

At 31 December 2022, equity investments totaled €10,413 million (gross) and €10,208 million (carrying amount). They are recognised at cost less any provisions for impairment.

As stated in Note II.H (Equity investments) to the financial statements, impairment is recognised at the reporting date when an asset's fair value is less than its carrying amount. Fair value is generally calculated on the basis of the subsidiaries or entity's share of (potentially) consolidated equity or using the discounted cash flow method.

At 31 December 2022, equity investments represented a significant portion of La Poste SA's assets, and their fair values are based partly on estimates that require judgement by management. We therefore deemed their measurement to be a key audit matter.

### How our audit addressed this risk

We assessed the conformity of the methodology used with applicable accounting standards and the arrangements implemented to measure fair value.

When the fair value of equity investments was determined on the basis of the equity of a subsidiary or sub-group, we compared the value of the investments with the amount of equity shares held in the net assets of the subsidiary or sub-group.

When the fair value of equity investments was calculated on the basis of the discounted future cash flows of the subsidiary or sub-group in question, we:

- Compared the value to that of the discounted future cash flows for the subsidiary or sub-group.
- Assessed the relevance of the assumptions made by management, in particular the reasonableness of the cash flow projections based on our knowledge of the economic environment, as well as the reliability of the procedure for making estimates, by analyzing any material differences that arose between projected and actual cash flows in the past year;
- Analyzed the consistency of the inputs used to calculate the discount rates and growth rates applied to the cash flow estimates.

We also examined the appropriateness of the disclosures provided in the notes to the financial statements, particularly Note II.H (Equity investments), Note 11 (Non-current financial assets), and Note 33 (Subsidiaries and equity investments).

## Measurement of end-of-career arrangements

### Description of risk

At La Poste SA, there are several types of post-employment benefit plans, including end-of-career arrangements.

The commitment recorded in the financial statements corresponds to the costs relating to employees who had joined the plan at 31 December 2022, which represented €849 million at 31 December 2022.

The measurement of these commitments and the related expenses for the reporting period are described in Note II.P.3 (End-of-career arrangements) and Note 24.6 (End-of-career benefits) to the financial statements and are based on various assumptions, in particular the costs relating to each plan, the estimated number of enrolments at year-end and, for off-balance sheet commitments, the probability of future enrolments, assessed on the basis of enrolment rates in previous years and management's best estimates.

Changes in some of these assumptions could have a significant impact on the valuation of the liability recognised and on the Company's earnings.

Due to the materiality of the amounts concerned and the degree of judgement required by management, we deemed the measurement of end-of-career arrangements to be a key audit matter.

## How our audit addressed this risk

We assessed the underlying data used by the Company to measure the amount of the provision recorded as well as the corresponding off-balance sheet commitments.

Our work consisted in:

- Gaining an understanding of the process used to measure commitments relating to end-of-career arrangements.
- Gaining an understanding of the internal control procedures put in place concerning the measurement of these commitments.
- Testing the effectiveness of the controls put in place by the Company to determine the costs to be used in the measurement of end-of-career arrangements (identification of beneficiaries, authorizations, determination of the cost of each plan, etc.), which we considered important for our audit.

We also assessed the assumptions used by the Company to assess the amount of the provision and off-balance sheet commitments to be recorded and the methodology applied, including:

- The relevance of the methodology applied with respect to the relevant accounting standards.
- The consistency of the assumptions used to determine the amount of the provision, with the assistance of our internal specialists.
- The consistency of the data used in the calculations, by comparing it to historical data observed for previous plans and the Company's estimates for current plans.
- The appropriateness of the disclosures provided in Note II.P.3 (End-of-career arrangements) and Note 24.6 (End-of-career benefits) to the financial statements.

## Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

## Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under article D.441-6 of the French Commercial Code.

## Information related to corporate governance

We attest that the corporate governance section of the Board of Directors' report sets out the information required by article L.225-37-4 and L.22-10-10 of the French Commercial Code.

## Report on other legal and regulatory requirements

### Format of the presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in article L451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the annual financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

### Appointment of the statutory auditors

We were appointed as Statutory Auditors of La Poste by your General Meeting of June 8, 2021 for Mazars and by the inter-ministerial decree of 29 June 2009 for KPMG Audit.

As of December 31, 2022, Mazars was in the second year of its mandate without interruption and KPMG Audit was in the fourteenth year of its mandate without interruption.

## Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Responsibilities of the Statutory Auditors relating to the audit of the financial statements

### Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements.

- Assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein
- Evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Report to the Audit Committee

We submit a report to the Audit Committee, which includes a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, as applicable, any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the statement provided for in article 6 of Regulation (EU) No 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

The Statutory Auditors  
Paris La Défense, 16 March 2023

	Mazars		KPMG
Gonzague Senlis	Charles de Boisriou	Stéphanie Millet	Xavier de Coninck



# 7.

## GENERAL INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

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## 7.1 CAPITAL AND SHAREHOLDING

### 7.1.1 Share capital

#### AMOUNT OF ISSUED SHARE CAPITAL AT 31 DECEMBER 2022

<b>Number of issued, fully paid-up shares</b>	<b>2,810,162,908</b>
Par value of shares	€2
Type of shares issued	ordinary shares
Amount of share capital	€5,620,325,816 fully paid up

#### Shares not representing share capital

None.

#### Shares held by the issuer or its subsidiaries

None.

#### Other securities giving access to share capital

None.

#### Terms of any acquisition rights and/or requirements attached to subscribed but unpaid share capital

None.

#### Rights attached to shares

Each share grants a right to the profits and Company assets in proportion to the percentage of the share capital that it represents. It also confers the right to vote and be represented at General Meetings under the conditions provided for by law and the Articles of Association. Each share confers a right to information and communication as provided for in Articles L. 225-115 et seq. of the French Commercial Code (*Code de commerce*). Ownership of a share automatically implies compliance with the Articles of Association and the decisions of the General Meeting.

Shareholders' losses are limited to their investments.

Heirs, creditors, assignees or other representatives of a shareholder may not require the sealing of the Company's property or securities, nor request a division or sale, nor interfere in the work of the directors; to exercise their rights they must refer to the statements of Company assets and liabilities and the decisions of the General Meeting.

Whenever ownership of more than one share is necessary to exercise any right, in the event of an exchange, consolidation or grant of shares, or as a result of a capital increase or reduction, merger or any other corporate transaction, owners of single shares or a number lower than the required amount may exercise this right only if acting on behalf of a group or by buying or selling the necessary amount of shares.

La Poste has issued only one class of shares.

#### Shares required to change the rights of shareholders

Only the Extraordinary General Meeting is authorised to amend any of the provisions of the Articles of Association. However, it may not increase shareholders' commitments, except through transactions resulting from a lawful grouping of shares.

#### Pledges of Company securities

To La Poste's knowledge, none of the ordinary shares making up the share capital is included in any pledge.

#### Information on the share capital of any group company under option or agreed conditionally or unconditionally to be put under option

There are no options or conditional or unconditional agreements to buy or sell the shares of La Poste Groupe subsidiaries.

#### History of the share capital

Until its conversion to a public limited company, La Poste – as a public industrial and commercial entity – had no share capital.



Date	Transaction	Par value of shares (in €)	Number of shares issued	Capital increase/ (reduction) (in €)	Cumulative number of shares	Total share premium and reserves (in €)	Amount of share capital (in €)
01/03/2010	Subscription by the French State	2	500,000,000	1,000,000,000	500,000,000		1,000,000,000
06/04/2011	Capitalisation of reserves	4	500,000,000	1,000,000,000	500,000,000		2,000,000,000
06/04/2011	Issue and subscription of BSA warrants	4	350,000,000	1,400,000,000	850,000,000	700,000,000	3,400,000,000
15/04/2013	Increase in capital through exercise of ABSA shares with warrants attached	4	100,000,000	400,000,000	950,000,000	200,000,000	3,800,000,000
04/03/2020	Reduction in capital	2	950,000,000	(1,900,000,000)	950,000,000	1,900,000,000	1,900,000,000
04/03/2020	Increase in capital through contributions in kind	2	782,425,682	1,564,851,364	1,732,425,682	403,487,705.27	3,464,851,364
04/03/2020	Increase in capital through capitalisation of share premium	2	950,000,000	1,900,000,000	2,682,425,682	900,000,000	5,364,851,364
08/06/2022	Increase in capital following the payment of scrip dividends	2	127,737,226	255,474,452	2,810,162,908		5,620,325,816

On 1 March 2010, the day the group's status changed to a *société anonyme* (French public limited company), its share capital was set at €1 billion divided up into 500 million ordinary shares with a par value of €2 per share.

Since the transformation of the Company, the share capital has changed on several occasions:

- 6 April 2011: the Extraordinary General Meeting voted to increase the share capital on the one hand, through an increase in the par value, which now stands at €4, via the capitalisation of €1 billion in reserves, thus bringing the share capital to €2 billion and, on the other hand, a new capital increase of €2.7 billion (€1.8 billion in par value and €0.9 billion in share premium) carried out in two stages:
  - issue of 350 million BSA warrants subscribed on 6 April 2011 by the French State and Caisse des Dépôts (CDC), representing respectively 44% (i.e., 155,555,556 shares) and 56% (i.e., 194,444,444 shares). The amount of the issue of €2.1 billion, of which €1.4 billion was for the par value and €0.7 billion for the share premium, was paid up in two phases: a first tranche of €1,050,000,000 on 6 April 2011 and a second one of €1,050,000,000 on 11 May 2012,
  - exercise of 350 million BSA warrants on 15 April 2013, resulting in 100 million new shares being issued with the French State subscribing 44% of them and CDC acquiring 56%, with a value of €6 (€2 of which is the share premium). The total amount of the subscription was €600 million for a nominal amount of €400 million, coupled with a share premium of €200 million, and was fully paid up at the time of subscription;
- on 21 November 2019, the Extraordinary General Meeting of La Poste's shareholders voted to:
  - reduce La Poste's share capital by €1,900,000,000, from €3,800,000,000, its current amount, to €1,900,000,000, through a reduction of the par value of each of the 950,000,000 shares making up the Company's share capital from €4 to €2,
  - allocate the total amount of this reduction in La Poste's share capital, i.e., €1,900,000,000, to a share premium account, not available for distribution but to be reincorporated in La Poste's share capital following the increases in La Poste's share capital remunerating the contributions,
  - carry out this reduction in share capital at the Extraordinary General Meeting of La Poste's shareholders called to approve the increases in the share capital of La Poste to remunerate the contributions by CDC and the French State of their respective shareholdings in the capital of CNP Assurances, i.e., 280,616,340 ordinary shares of CNP Assurances for CDC and 7,645,754 ordinary shares of CNP Assurances for the French State, subject to the condition precedent of approval by the General Meeting of the increases of La Poste's share capital for the sake of remunerating the contributions.

On 4 March 2020, in consideration for the contributions mentioned above, the Extraordinary General Meeting of La Poste's shareholders decided:

- concerning the French State contribution:
  - to increase La Poste's share capital by a total nominal amount of €41,505,520, through the creation of 20,752,760 ordinary shares of a par value of €2 each (subject to the recognition of the reduction in the Company's share capital through the reduction in the par value of the Company's shares), allocated to the French State as remuneration for its contribution, and
  - to create a contribution premium of €63,906,231.52 under La Poste's liabilities, in an account entitled "Contribution premium" to which any La Poste shareholders, old and new, shall be entitled and to which any allocation voted by the General Meeting will be made, to be calculated as the difference between the value of the State contribution (i.e., €105,411,751.52) and the par value of the shares allocated as remuneration for the French State contribution (i.e., €41,505,520);
- concerning the Caisse des Dépôts contribution:
  - to increase La Poste's share capital by a total nominal amount of €1,523,345,844, through the creation of 761,672,922 ordinary shares of a par value of €2 each (subject to the recognition of the reduction in the Company's share capital through the reduction in the par value of La Poste's shares) allocated to CDC as remuneration for its contribution, and
  - to create a contribution premium of €339,581,473.75 under La Poste's liabilities, in an account entitled "Contribution premium" to which any La Poste shareholders, old and new, shall be entitled and to which any allocation voted by the General Meeting will be made, to be calculated as the difference between the value of the CDC contribution (i.e., €1,862,927,317.75) and the par value of shares allocated as remuneration for the CDC contribution (i.e., €1,523,345,844);
- as a consequence of the French State and CDC contributions and the corresponding increases in the share capital of La Poste to remunerate them, the Extraordinary General Meeting noted that:
  - the condition precedent of the reduction in share capital voted by the Extraordinary General Meeting on 21 November 2019 had been met, and

- the immediate and permanent reduction in the share capital agreed at La Poste's General Meeting of 21 November 2019 in the amount of €1,900,000,000, reducing La Poste's share capital from €3,800,000,000, its current amount, to €1,900,000,000, through the reduction of the par value of each of the 950,000,000 shares that make up La Poste's share capital from €4 to €2, with the allocation of the total amount of this reduction in La Poste's share capital, i.e., €1,900,000,000, to a share premium account (the "Share Premium") that is unavailable for distribution but intended to be reincorporated into La Poste's share capital following the completion of the increases in La Poste's share capital made to remunerate the French State contribution and the CDC contribution;
- subsequently, the Extraordinary General Meeting noted the immediate and permanent completion of the French State contribution and the increase in La Poste's share capital and the immediate and permanent completion of the CDC contribution and the increase in La Poste's share capital, as described above;
- lastly, the Extraordinary General Meeting voted to increase La Poste's share capital by incorporating the total capital of the Share Premium, i.e., €1,900,000,000, bringing the share capital from €3,464,851,364.00 to €5,364,851,364. The total increase in share capital is allocated to the "Share premium" item, the amount of which is brought from €2,800,000,000 to €900,000,000.

This capital increase is achieved through the creation of 950,000,000 new free and fully paid-up ordinary shares, of a par value of €2 each, allocated to shareholders on a pro rata basis according to their respective equity investments in La Poste.

As a result of these transactions, La Poste's share capital now stands at €5,364,851,364 divided into 2,682,425,682 ordinary shares with a par value of €2 each.

On 8 June 2022, La Poste's General Meeting decided to distribute dividends in cash with an option to pay scrip dividends in the amount of €315 million.

On 16 June 2022, the Board of Directors noted the subscription by the two shareholders and the corresponding completion of the increase in capital, which now amounts to €5,620,325,816, divided into 2,810,162,908 ordinary shares with a par value of €2 each.

## 7.1.2 Major shareholders

The French State and Caisse des Dépôts hold all share capital and voting rights in La Poste.

There are no legal or statutory provisions that provide for the award of different voting rights to shareholders.

Shareholder	2022 <sup>(a)</sup>			2021			2020		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
French State	955,453,589	34%	34%	912,023,016	34%	34%	912,023,016	34%	34%
Caisse des Dépôts	1,854,709,319	66%	66%	1,770,402,666	66%	66%	1,770,402,666	66%	66%
<b>TOTAL</b>	<b>2,810,162,908</b>	<b>100%</b>	<b>100%</b>	<b>2,682,425,682</b>	<b>100%</b>	<b>100%</b>	<b>2,682,425,682</b>	<b>100%</b>	<b>100%</b>

(a) Since 16 June 2022.

### Control of La Poste

Article 1-2 of French law no. 90-568 of 2 July 1990, as amended by law no. 2019-486 (PACTE law of 22 May 2019), provides that the share capital of La Poste shall be entirely public. It is held by the French State and Caisse des Dépôts, with the exception of the portion of the share capital that may be held by way of employee shareholding under the conditions set out in the same law.

Since 4 March 2020, CDC holds exclusive control of La Poste.

### Known agreements that could lead to a change of control

There are no other agreements that could result in a change of control as of the date of this document.

### Items likely to have an impact in the event of a tender or exchange offer

Not applicable because La Poste's shares are not listed.

### Provisions that could delay or prevent a change of control

In accordance with the provisions of Article 1-2 of the aforementioned law of 2 July 1990 in the wording introduced by law no. 2019-486 of 22 May 2019 on business growth and transformation, the Company's share capital is entirely public. It is held by the French State and Caisse des Dépôts, with the exception of the portion of the share capital that may be held by way of employee shareholding under the conditions set out in the aforementioned law of 2 July 1990.

### Provisions setting the threshold above which all equity investments must be disclosed

None.

### Conditions governing changes in share capital

The share capital may be increased, reduced or written down under the conditions set forth by law.

## 7.1.3 Dividend policy

La Poste paid no dividends for the 2019 and 2020 financial years. For the 2021 financial year, La Poste paid a dividend of €724,150,000, of which €315 million was paid in shares.

The amount of the dividend to be distributed in 2023 for the 2022 financial year will be decided by the Board of Directors on 23 March 2023 and submitted to the approval of the Ordinary General Meeting of 7 June 2023.

## 7.2 MATERIAL CONTRACTS

At the date of publication of the financial information, in addition to the agreements referred to in the Statutory Auditors' special report on related-party agreements, the Company had entered into the following material contracts:

- Public service agreement (see Section 1.3.2 "Regulations applicable to the public service missions");

- agreements with La Banque Postale (see Section 1.2.3 "La Banque Postale");
- shareholders' agreement dated 3 March 2020 as part of the transaction described in Section 6.1 "Capital and shareholding".

### 7.3 INFORMATION ABOUT THE COMPANY

#### Company name

The Company's name is "La Poste".

#### Registration place and number

The Company is registered in the Paris Trade and Companies Register under number 356 000 000.

NAF Code (Trade Sector Code): 5310Z (formerly APE code: 641 A).

LEI number: 9695000YG7TR7PAPOL59.

#### Date of incorporation and duration of the Company

La Poste was incorporated as an *établissement public industriel et commercial* (French public industrial and commercial entity – EPIC) under French law no. 90-568 of 2 July 1990.

La Poste was converted to a *société anonyme* (French public limited company – SA) by law no. 2010-123 of 9 February 2010. The duration of the Company is 99 years as from 1 March 2010. Barring an early wind-up or an extension, the Company will cease to exist on 1 March 2109.

#### Registered office

The registered office of the Company is located at 9, rue du Colonel-Pierre-Avia, 75015 Paris, France.

The telephone number for the registered office is +33(0)1 55 44 00 00.

#### Legal form and governing law

La Poste is a *société anonyme* (French public limited company) with a Board of Directors. It is subject to the legal and regulatory provisions applicable to public limited companies,

including the French Commercial Code, in that it is not affected by any special provisions, such as Order no. 2014-948 of 20 August 2014 relating to the governance and transactions involving the share capital of state-owned companies, or law no. 90-568 of 2 July 1990 relating to the organisation of La Poste and France Télécom's public service, as amended by law no. 2019-486 of 22 May 2019 (PACTE law).

The regulations applying to La Poste as sole provider of the universal postal service are described in Section 1.4 "Regulatory environment" of this document.

#### Information on branches

La Poste's existing branches on 31 December 2021 (Article L. 231-1 of the French Commercial Code): La Poste has listed more than 9,000 secondary establishments, which are registered with the Trade and Companies Registers listed in the Company's business registration certificate (*Kbis*), and which do not meet the management autonomy criterion required to qualify as a branch.

#### Available documents

All documents made available to the public under the legal conditions can be consulted at the registered office of La Poste Groupe.

The group's Articles of Association are available on its website [www.groupelaposte.com](http://www.groupelaposte.com). The group's Universal Registration Documents and its consolidated financial statements for the last ten financial years are also available under the heading "Investors" of the group's website.

### 7.4 MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

#### Corporate purpose

The Company fulfils a public service mission and public interest role and conducts other business in accordance with French law no. 90-568 of 2 July 1990, its Articles of Association and legislation governing each of its business activities.

The public service missions and public interest role include:

- the universal postal service;
- contribution to regional planning and development through its network of retail outlets;
- press transport and delivery;
- accessible banking under the terms set out in Articles L. 221-2 and L. 518-25-1 of the French Monetary and Financial Code (*Code monétaire et financier*).

In accordance with the rules of ordinary law, the Company performs any other activities involving the collection, sorting, transportation and delivery of postal items, mail of any type, objects and goods, and any other local services, digital solutions, services to individuals, e-commerce and urban logistics, and, through its subsidiaries, banking and insurance activities.

The Company is authorised – in France and abroad, independently or through subsidiaries or associated companies – to conduct any business that directly or indirectly relates to its legally defined obligations and business activities, as well as any other business covered by its Articles of Association.

This includes any kind of involvement in any operations or business relating to any of the aforementioned objectives or likely to increase the value of the Company's assets through the creation of new companies or enterprises, the contribution, subscription or purchase of any kind of shares, rights, interests or equity investments in any existing or future company or enterprise, mergers, partnerships or any other association, and more generally the execution of any commercial, industrial, technical, financial, service, real estate or securities transaction – on behalf of third parties, on a proprietary basis or as part of a joint venture – directly or indirectly, in whole or in part, relating to any of the aforementioned objectives, any similar, complementary or connected objectives, or any objectives likely to contribute to the Company's business development.

## Nature of the Company

The Ordinary General Meeting of the Company of 8 June 2021 added two paragraphs to Article 1 of the Articles of Association, as follows:

### Purpose (*raison d'être*)

The Company's purpose is: "Serving all, useful to everyone, La Poste is a people-oriented company with a local presence that develops exchanges and builds essential links by contributing to the common wealth of society as a whole".

### Social and environmental objectives

As part of its role as a mission-led company (*entreprise à mission*) within the meaning of Article L. 210-10 of the French Commercial Code, the Company sets itself the following objectives:

- contribute to the development and cohesion of local areas;
- foster social inclusion;
- promote ethical, inclusive and sustainable digital services;
- work to accelerate the environmental transition for all.

## Management bodies

The Company is administered by a Board of Directors, the composition of which complies with the provisions of Article 10 of the French law of 2 July 1990, as amended, and Title II of the aforementioned Order of 20 August 2014, to which this Article 10 refers explicitly (see Chapter 5 "Governance").

## General Meetings

### Ordinary General Meeting

The Ordinary General Meeting is called to make all decisions that do not alter the Articles of Association. It is held at least once a year, within six months of each financial year-end, to approve the annual financial statements. A legal ruling may grant an extension to this deadline.

When first called, its decisions will only be valid if those shareholders present or represented, or having voted by post, hold at least one-fifth of the shares to which voting rights are attached. If a second meeting is held, no quorum is required. Decisions are made on the basis of a majority of votes cast by those shareholders present, represented or having voted by post.

### Extraordinary General Meeting

Only the Extraordinary General Meeting is authorised to amend any of the provisions of the Articles of Association. However, it may not increase shareholders' commitments, except through transactions resulting from a lawful grouping of shares.

Subject to any legal provisions to the contrary, decisions will only be valid if those shareholders present or represented, or having voted by post, hold at least one-quarter of the shares to which voting rights are attached at the first meeting, or one-fifth at the second. If the latter is inquorate, the second meeting may be adjourned for up to two months from the date when it was convened.

Subject to any legal provisions to the contrary, decisions require a two-thirds majority of votes cast by those shareholders present, represented or having voted by post. The votes cast do not include those attached to shares for which the shareholder has not voted, has abstained or has cast a ballot that was blank or void.

## 7.5 STATUTORY AUDITORS

### Principal Statutory Auditors

#### Mazars Audit

Represented by Charles De Boisriou and Gonzague Senlis

Tour Exaltis  
61 rue Henri Regnault  
92400 Courbevoie, France

Mazars Audit was appointed by the Combined General Meeting of 8 June 2021.

Mazars Audit is a member of the Versailles Regional Association of Statutory Auditors.

#### KPMG Audit

Department of KPMG SA

Represented by Stéphanie Millet and Xavier de Coninck

Tour Eqho  
2, avenue Gambetta  
CS 60055

92066 Paris-La Défense Cedex, France

KPMG SA was reappointed by the Combined General Meeting of 8 June 2021.

KPMG SA is a member of the Versailles Regional Association of Statutory Auditors.

## **7.6 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT**

Mr Philippe Wahl  
Chairman and Chief Executive Officer

### **Declaration by the person responsible for the Universal Registration Document**

I hereby declare that, to the best of my knowledge, the information contained in this Universal Registration Document is in accordance with the facts and that the registration document makes no omission likely to affect its import.

I further declare that, to my knowledge, the financial statements have been prepared in accordance with the relevant accounting standards and give a true and fair view of the assets and liabilities, financial position and result of the Company and all of the companies included in the consolidation, and that the management report, the items of which are identified in the cross-reference table found in Section 8.4.1, gives a true and fair view of the business, results and financial position of the Company and all of the companies included in the consolidation, and describes the main risks and uncertainties they face.

Drawn up in Paris, 23 March 2023  
Chairman and Chief Executive Officer  
Philippe Wahl



# 8.

## ADDITIONAL INFORMATION

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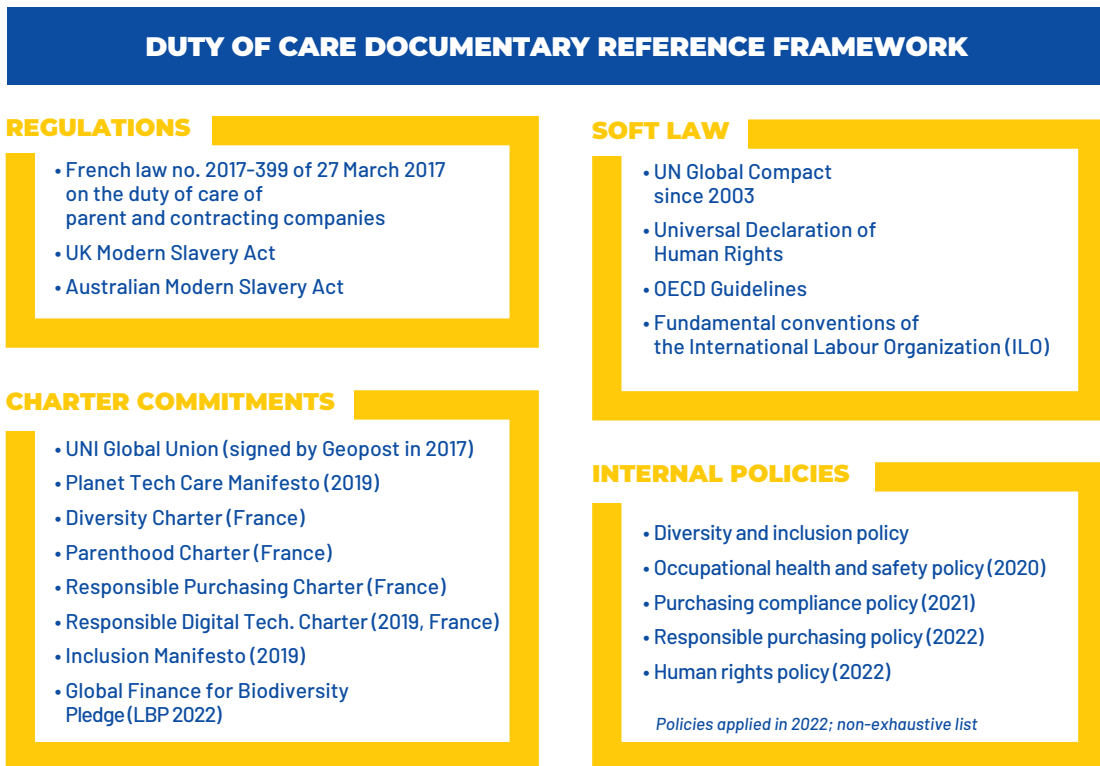
## 8.1 DUTY OF CARE PLAN

### 8.1.1 Introduction

As a signatory to the United Nations Global Compact and contributor to the 2030 global sustainable development strategy goals<sup>(1)</sup>, La Poste Groupe and its subsidiaries are committed to respecting fundamental rights. They ensure that legal provisions relating to human rights and fundamental freedoms, health, safety and environmental protection are upheld, including those provided for by French law No. 2017-399 of 27 March 2017 on the

duty of care of parent and sub-contracting companies (hereinafter, "duty of care law"). In addition to this law, La Poste Groupe has taken additional measures to meet its strong commitment in certain fundamental areas as part of its purpose (*raison d'être*) and its status as a mission-led company. (see Section 1.1.3 "A mission-led company").

The obligations under the duty of care law are therefore in line with the group's commitments and its documentary reference framework as shown below.



#### 8.1.1.1 Duty of care law: framework

Article L. 225-102-4 I of the French Commercial Code sets out the requirements for drafting and implementing a duty of care plan relating to the activity of the Company, all subsidiaries or companies that it controls<sup>(2)</sup>, as well as the activities of subcontractors or suppliers with whom there is an established commercial relationship, including:

1. a risk map for their identification, analysis and prioritisation;

2. procedures for the regular assessment of the situation of subsidiaries, subcontractors or suppliers with which there is an established commercial relationship, with regard to the risk map;
3. appropriate actions to mitigate risks or prevent serious harm;
4. a whistleblowing system to report the suspicion or occurrence of a serious violation, established in consultation with trade unions;

(1) La Poste Groupe contributes to 14 of the 17 United Nations Sustainable Development Goals (SDGs) as part of the 2030 sustainable development agenda.

(2) Any company which, at the end of two consecutive financial years, employs at least 5,000 employees within the company and in its direct or indirect subsidiaries whose registered office is located in France, or at least 10,000 employees within the company and in its direct or indirect subsidiaries whose registered office is located in France or abroad, shall draw up and effectively implement a duty of care plan. The subsidiaries or controlled companies that exceed the thresholds mentioned in the first paragraph shall be deemed to satisfy the obligations set out in this Article if the company which controls them, within the meaning of Article L. 233-3 of the French Commercial Code, draws up and implements a duty of care plan in relation to the company's operations, as well as the operations of all the subsidiaries or companies it controls.



- 5. a system for monitoring the measures implemented and assessing their effectiveness.

This duty of care plan describes the changes and improvement of the duty of care system deployed within the group’s entities in 2022 and presents the outlook for 2023.

### 8.1.1.2 Scope of application

The scope of La Poste Groupe’s duty of care plan covers in accordance with the law:

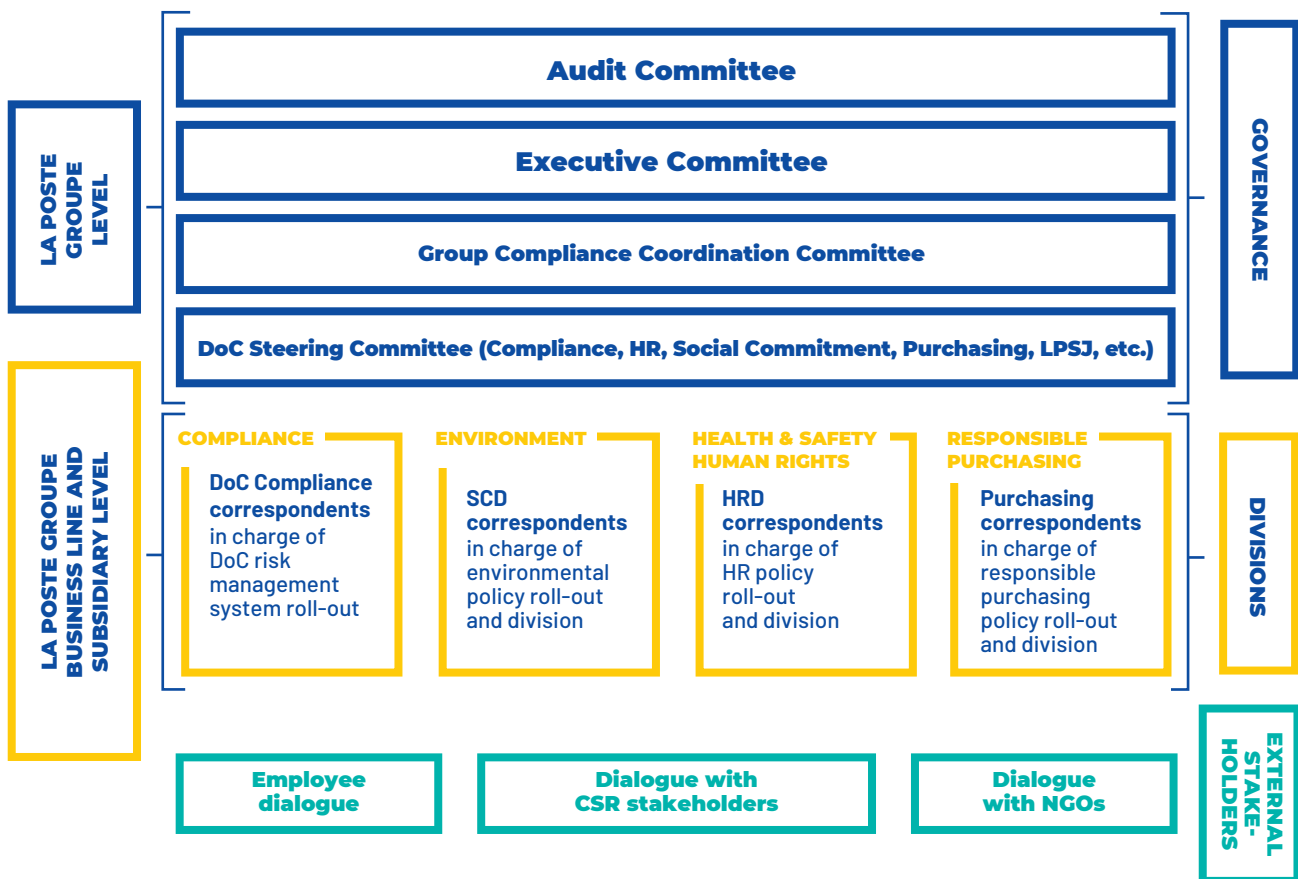
- the activities of La Poste SA, which include those of the Services-Mail-Parcels and Retail Customers & Digital Services business lines;

- the activities of the group’s subsidiaries, directly or indirectly owned and controlled within the meaning of Article L. L233-16-II of the French Commercial Code<sup>(1)</sup>;
- the activities of suppliers and subcontractors with whom the group and its subsidiaries maintain an established commercial relationship.

With regard to the geographic scope, 56% of business (based on revenue) is conducted in France, 25% in the European Union (outside France) and 19% in the rest of the world.

### 8.1.1.3 Governance

Since 1 July 2021, the group’s Compliance Department has overseen the compliance of its entities taking into account their specific operating and regulatory environments. The compliance governance, which includes the duty of care, is structured around four key levels as shown in the diagram below:



The group Compliance Department is supported by the Duty of Care Compliance division for rolling out the plan in France and internationally. Each of the group’s entities, under the responsibility of its senior executives, must implement the five measures of the plan in line with its characteristics and proportionate to its exposure to “duty of care” risks.

(1) See the group organisational chart in Section 1.1.2 of this document.

Several group headquarters contribute to the implementation of the duty of care plan as part of their responsibilities and scope of action:

- the Human Resources Department defines the guidelines for the risk prevention policy for human rights and fundamental freedoms and occupational health and safety;
- the Social Commitment Department defines the group's guidelines in terms of environmental protection and biodiversity, and the reduction and offsetting of its greenhouse gas (GHG) emissions and air pollutants;
- the group Purchasing Department draws up the policy for the prevention of purchasing risks and the assessment of suppliers and subcontractors. It also handles external whistleblowing from employees of suppliers and subcontractors;
- the Risk Department is responsible for the group's risk management policy, risk mapping and the self-assessment of the internal control systems;
- the group Legal Department provides expertise in all areas concerning the duty of care plan in relation to international, European and national regulations;
- Ethics handles employee reports and manages the deployment of the whistleblowing system within the subsidiaries.

In addition, the group's Chairman and Chief Executive Officer asked the members of the Executive Committee to sign a commitment letter to abide by the compliance programmes implemented within the group, including compliance with the duty of care. By signing the letter, the group's senior executives recognise that "the company has a duty of care to prevent harm to fundamental freedoms, human rights, health, safety and the environment, with regard to its own employees and those of its subsidiaries and service providers", and confirm their role in the deployment of the measures of La Poste Groupe's duty of care plan within their entity.

The members of the Executive Committee have appointed officers to oversee the deployment of the duty of care plan within their respective entities and to participate along with the group's governance bodies in discussions on the subject.

These officers take into account the guidelines of the group's duty of care policy and ensure the deployment of the duty of care system within their entity and subsidiaries.

This organisation is adapted in the entities:

- in the Services-Mail-Parcels and Retail Customers & Digital Services business lines, the duty of care risk mapping is led by their own Compliance Departments. These departments, in close consultation with the Human Resources Departments and the Social Commitment Departments of their entities, rely on a network of compliance officers, appointed in each subsidiary, to draw up, in strict compliance with the group's methodology, a duty of care risk map specific to each subsidiary. The Compliance Departments then consolidate these various maps to establish the risk map of the business lines;
- within La Banque Postale, the Sustainability Department coordinates the deployment, monitoring and consolidation of the system, in close collaboration with the officers of its Risk, Human Resources, Responsible Purchasing and Compliance Departments, as well as with the officers of its subsidiary CNP Assurances (La Banque Postale's main subsidiary, integrated into the system in 2022);
- within Geopost, duty of care officers were designated, with a project manager at group level and duty of care officers in the subsidiaries, through the appointment of Market Integrity Local Compliance Officers (MILCOs) in charge of deploying the duty of care compliance programme in the subsidiaries. This programme offers a multifunctional approach based on operations (Partner of Choice programme), human resources (Employer of Choice programme), and sustainable development (environment).

The Steering Committee, which includes the duty of care officers of the business lines and first-tier subsidiaries, as well as representatives of the group's headquarters contributing to the plan, validates the risk mapping, monitors the operational deployment of policies within the group's entities and decides on the compliance actions to be implemented. It met three times in 2022. Dedicated thematic workshops are also conducted.

### 8.1.1.4 Dialogue with stakeholders

La Poste Groupe maintains a dialogue on issues related to the duty of care in conjunction with the ecosystem of its stakeholders.

#### Typology of stakeholders linked to La Poste Groupe's duty of care



## Employee dialogue

Employee dialogue is an integral part of the life and development of the Company and its human resources policies (HR). The main actions carried out by La Poste Groupe in this area are described in Section 4.2 "Social policy to drive development".

The group's strategic plan "La Poste 2030, committed to you", is backed up by an important social component: the employee agreement "La Poste, committed with postal workers" signed in May 2021, to support the changes provided for by this plan. This agreement defines the basis of common commitments for La Poste. It reinforces measures taken to protect the health and safety of postal workers. It also includes other commitments promoting well-being at work, professional development and training of postal workers. It has been supplemented by agreements incorporating measures specific to the activities of the various business lines.

Other national agreements were signed in 2022, in particular in the areas of gender equality. This social dialogue, supported at the national level, also takes place at the level of the group's business lines and subsidiaries:

- in early 2022, the Retail Customers & Digital Services business line signed an agreement that includes a plan on preventing rude customer behaviour, setting the framework for changes in the working environment and working conditions in post offices, thereby strengthening the prevention of aggressive behaviour in post offices;
- in the subsidiaries, social dialogue results in the signing of local agreements each year. This is the case of Geopost, which, as part of its international parcels activity, promotes employee dialogue by organising regular meetings with the European Works Council<sup>(1)</sup> and the French Works Council<sup>(2)</sup>, and through annual meetings with UNI Global Union<sup>(3)</sup>, to discuss issues covered by the agreement signed in 2017.

Actions relating to the duty of care and the preparation of the duty of care plan are discussed each year with the representative trade unions in La Poste's Social Dialogue Committee.

## Dialogue with non-governmental organisations

The group also works closely with several non-governmental organisations (NGOs) and non-profit organisations<sup>(4)</sup> on topics related to the environment or human rights. This dialogue helps to improve understanding of the expectations of stakeholders, to receive advice from sector experts and to share practices.

La Poste Groupe's participation in working groups and discussions with these organisations improves its actions in terms of risk prevention and mitigation and deepens the expertise of its employees. Regarding human rights, in 2022, the group participated in EDH training sessions on forced labour: the link between duty of care and international standards relating to working conditions and the assessment of human rights impacts at the operational level.

Concerning relations with suppliers and subcontractors, La Poste participates in OBSAR<sup>(5)</sup> working groups. The group contributed to the work that led to the publication of the white paper for Purchasing Departments on the implementation of the duty of care and, more recently, participated in the decarbonisation taskforce.

The non-profits and NGOs with which the group works on duty of care related-topics are mainly involved in some of the following fields:

### Human rights and occupational health and safety Environment

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>■ <b>Human rights:</b> <i>Entreprises pour les Droits de l'Homme</i> (EDH)</li> <li>■ <b>Combatting discrimination and promoting inclusion:</b> <i>Association Française des Managers de la Diversité</i> (AFMD), <i>Fondation Agir Contre l'Exclusion</i> (FACE), <i>L'Autre Cercle</i></li> </ul> | <ul style="list-style-type: none"> <li>■ WWF</li> <li>■ <i>Observatoire de la Responsabilité Sociétale des Entreprises</i> (ORSE - Observatory of Corporate Social Responsibility)</li> <li>■ Global Compact (working group on large company/SME relations)</li> <li>■ EV100+ (Geopost)</li> <li>■ Smart Freight Centre (Geopost)</li> <li>■ OBSAR, working group on decarbonisation</li> <li>■ ORÉE<sup>(6)</sup> (<i>Organisation pour le Respect de l'Environnement dans l'Entreprise</i>)</li> <li>■ <i>Ligue pour la Protection des Oiseaux</i> (LPO - League for the Protection of Birds)</li> </ul> |
|--|--|

As part of its commitments as a mission-led company, La Poste has set up a Mission Committee within the meaning of the PACTE law (see Section 5.2.4 "Mission Committee") which is made up of qualified external individuals and employee representatives. This Committee provides the group with its

assessments on issues related to the duty of care. The priority issues raised by this Committee resulted in the launch of a study on the carbon impact of the various delivery methods (home, pick-up points, lockers, etc.).

(1) In order to integrate an international vision into the company's culture and develop employee dialogue, the employee representatives and Geopost management created a European Works Council (EWC) in 2008 with the signature of an employee agreement.  
 (2) Specific committee of the group's European Works Council.  
 (3) Union Network International Global Union is a confederation of trade unions.  
 (4) World Wide Fund for Nature (WWF), *Entreprise des Droits de l'Homme* (EDH), *FNE* (France Nature Environnement), *Observatoire des Achats Responsables* (OBSAR).  
 (5) OBSAR: Responsible Purchasing Observatory. This non-profit organises and leads regular discussions with companies on their experiences and initiatives around responsible purchasing.  
 (6) Founded in 1992, ORÉE is a multi-stakeholder association that has been bringing together and leading a network of committed players for nearly 30 years to discuss and implement environmental changes throughout France. Today, ORÉE brings together, supports and provides tools to a network of more than 180 members on biodiversity and the circular economy.

### 8.1.2 Risk mapping

The group conducts a mapping exercise based on a detailed risk assessment methodology, incorporating the founding elements of the French duty of care law.

A summary of this work is presented by the group's Compliance Department to La Poste's Joint Social Dialogue Committee, the trade unions, the group Risk Committee, the Executive Committee and the Audit Committee, to provide management with an overview of the challenges and the risks related to the duty of care, as well as the measures to be implemented to mitigate these risks.

#### 8.1.2.1 Risk analysis methodology

As part of a continuous improvement process, La Poste Groupe has been mapping the risks associated with the duty of care every year. The mapping campaign is based on a duty of care risk framework (see 8.1.2.2 "Risk framework by area") which takes into account both the risks resulting from the group's own activities (including its controlled subsidiaries) and those resulting from the activities of its suppliers and subcontractors in France and internationally. This framework covers the risks incurred by the group, third parties and the environment on the three topics of the law: the protection of human rights and fundamental freedoms, the health and safety of individuals, and the protection of the environment.

The mapping consists of a net annual risk assessment (see 8.1.2.5 "Overall change in risks in 2022"), which supports the definition of risk prevention and mitigation action plans to be implemented.

The duty of care risk mapping was enhanced in 2022 through:

- the establishment of a common framework for the whole group;
- standardised rules on the determination of a "serious violation" (in this case major net risks or critical risks);
- further development of the methodology for mapping categories in the chain of activities (suppliers and subcontractors) and environmental risks.

For international activities, the scope has been extended to 27 subsidiaries in France and abroad (the analysis covered 15 subsidiaries during the launch phase in 2020). As part of this exercise, each subsidiary manager was asked to provide its risk map in the same format. Workshops were held with the subsidiaries to provide assistance on methodology, followed up by interviews conducted by the Risk, Compliance, HR and European Operations Departments.

#### Mapping methodology

The list of type of risks covered by the duty of care is determined by the group Compliance Department. This list is used as a reference by the entities, which analyse and prioritise these risks, supplementing it, where necessary, with risks specific to their geographical location or business sector.

Risk mapping is based on a four-step process:

##### 1. Identifying and describing the risks

The risk inventory is carried out by each entity based on knowledge of its activities and internal and external environment (including the tax, legal and regulatory framework that applies particularly in countries outside the European Union).

##### 2. Assessing risks and their gross criticality level

This assessment is made using two scales established by the group Compliance Department:

- a scale to assess the occurrence probability (four possible levels: very unlikely, possible, probable and very probable),
- an impact assessment scale (four possible levels: low, moderate, high, very high).

This impact assessment is analysed through the identification of potential social/human/environmental damage, as well as damage to the group's image, financial damage, legal damage, etc. The cross-referencing of these probability and impact ratings then enables the risks to be ranked according to a four-level criticality scale (minor, moderate, major, critical).

##### 3. Defining the risk management plan

For each gross risk assessed, the entities identify existing risk management systems. By cross-referencing the risk management systems with gross criticality (step two above), it is possible to establish the net criticality level (four levels: *minor, moderate, major, critical*). If the risk management systems are deemed insufficient, the entity establishes risk management plans to strengthen the systems. The risk management plans may include additional factors such as level 1 and 2 controls<sup>(1)</sup>, audits to be scheduled, or focus on the proper implementation of the procedures, etc.

##### 4. Reporting to the entity's management

The assessment of the net criticality level of the risks is reported to the entity's management and to the group, together with the assessments of the risk management systems and the description of the risk management plans.

(1) Level 1 controls are operational or managerial controls included in the operations. Level 2 controls are carried out by independent persons within the organisation on a regular basis to check the proper running of level 1 controls.

## 8.1.2.2 Risk framework by area

The table below presents the common reference framework for the three risk topics, supplemented where necessary by the entities according to their specific risks.

Category of risks	Type of risks	Description of risks
Human rights and fundamental freedoms	Child labour	<ul style="list-style-type: none"> <li>■ Non-compliance with the requirements regarding the minimum age for employment</li> </ul>
	Forced labour	<ul style="list-style-type: none"> <li>■ Work or service obtained from a person under threat of punishment and for which the person has not offered himself/herself voluntarily</li> <li>■ Non-payment of working hours</li> <li>■ Forced labour of migrants who may be abused due to their situation</li> </ul>
	Employment conditions	<ul style="list-style-type: none"> <li>■ Undeclared work</li> <li>■ Payment of less than the legal minimum wage</li> <li>■ Non-compliance with legal working hours or excessive working hours</li> <li>■ Unfair contract conditions</li> </ul>
	Freedom of association and the right to collective bargaining	<ul style="list-style-type: none"> <li>■ Failure to respect the right of workers to form or join a trade union</li> <li>■ Non-implementation of employee dialogue with staff representatives</li> <li>■ Hindrance to the right to strike</li> </ul>
	Discrimination in employment	<ul style="list-style-type: none"> <li>■ Discrimination based on gender, age, health status or disability, sexual orientation, origin, politics, trade union membership, religious convictions, etc.</li> </ul>
Health and safety	Serious workplace accidents	<ul style="list-style-type: none"> <li>■ Unhealthy working environment and/or equipment that does not comply with current safety standards</li> <li>■ Lack of mandatory protective equipment</li> <li>■ Insufficient employee training in the field of occupational health and safety</li> </ul>
	Toxic products and occupational risks	<ul style="list-style-type: none"> <li>■ Harm to health caused by chemical, physical and biological substances and agents used or entrusted to the company for treatment</li> </ul>
	Harassment and violence	<ul style="list-style-type: none"> <li>■ Psychological and/or sexual harassment</li> <li>■ Assaults and/or serious threats to health</li> </ul>
Environment	Pollution	<ul style="list-style-type: none"> <li>■ Risks related to air, soil and water pollution:                             <ul style="list-style-type: none"> <li>■ Risks of emission of air pollutants such as fine particles and nitrogen oxides into the atmosphere related to transport and delivery activities</li> <li>■ Risk of leakage of toxic chemicals, oil leakage or spillage of hazardous products from hazardous waste following an industrial accident on a site following a fire, for example</li> </ul> </li> </ul>
	Greenhouse gas emissions	<ul style="list-style-type: none"> <li>■ Risks related to greenhouse gas emissions from transport and delivery activities, as well as from the energy consumption of sites or IT-related equipment. Risks from cooling fluids related to air conditioning installation</li> </ul>
	Biodiversity	<ul style="list-style-type: none"> <li>■ Risks of harm to natural resources and biodiversity, including soil sealing and the significant consumption of natural resources used for La Poste Groupe's processes and offerings</li> </ul>

### 8.1.2.3 Specific issues related to environmental risk assessment

With regard to environmental issues, the methodological principles of the group’s risk assessment process are applied in accordance with the four stages mentioned above. However, due to the technical nature of environmental risks, specific issues are taken into account in the analysis:

- the assessment of gross risks is based on external assessment sources such as the SBTi<sup>(1)</sup> pathway specific to certain business sectors (transport, real estate investments and loans, etc.) and the Secten sector study by Citepa<sup>(2)</sup>, providing a better quality of risk analysis in the group’s ecosystem with regard to greenhouse gas emissions and air pollutants;
- the assessment of net risks is based on the use of “expert opinion” on the effective strategies and pathways adopted by the entities with regard to the risk in question (e.g. for the “Greenhouse gas” risk, the strategy for decarbonising transport activities is included), as well as the actions undertaken to control the risks. In practice, the risk assessment is carried out during workshops in collaboration with the Social Commitment Department and its CSR officers.

### 8.1.2.4 Specific issues related to supplier and subcontractor risk assessment

The group’s Purchasing Department’s purchases amount to around €6 billion, the vast majority of which in France (98%) on behalf of the operating entities of the Services-Mail-Parcels and Retail Customers & Digital Services business lines, La Banque Postale and La Poste Immobilier. The group’s Purchasing Department mapped the purchasing risks of suppliers and subcontractors.

In 2022, its assessment was conducted in two areas:

- suppliers and subcontractors in France, for which the group has identified the most at-risk purchasing categories;
- international suppliers and subcontractors, covering providers of transport, delivery and temporary worker services, which are a central component of the business activity.

#### Suppliers and subcontractors in France

At end-2022, the number of subcontractors and suppliers within the scope of the group’s Purchasing Department<sup>(3)</sup> was almost 38,500. Of which 1,000 account for over 89% of purchasing expenditure, 97.7% are French and most suppliers are SMEs.

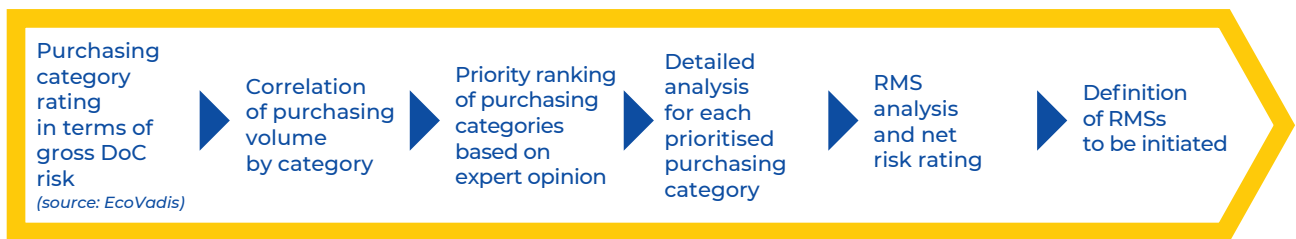
In 2022, La Poste wanted to reinforce the robustness of its assessment process. Therefore, it updated its methodology, based on the EcoVadis sector analysis, a reference used by major French companies. The latter assesses 221 business sectors, in France and abroad, and calculates the gross risk exposure of each sector.

The description of the risks for each sector is structured around three framework topics. With the aim of strengthening the approach, the group’s Purchasing Department changed its methodology for ranking purchasing categories at risk in terms of duty of care by:

- applying the EcoVadis sector rating to the list of categories at risk based on the one identified in 2021;
- using the volume of purchases associated with each category to assess the gross (occurrence) probability.

By using the volume of purchases, the assessment of the group’s risk exposure is more accurate, which may, in some cases, result in a change in the rating of the gross risk of certain purchasing categories. An expert opinion complements this priority ranking. The net risk is then calculated according to the level of maturity of the risk management system as illustrated in the diagram below:

#### Steps in the duty of care risk analysis for outsourced activities



Sixteen purchasing categories were prioritised, their gross risks and risk management systems were analysed to define the necessary action plans in collaboration with the relevant purchasing manager within the framework of collective workshops. By the end of 2022, three of these 16 purchase categories have been subject to a detailed action plan: road transport, delivery and construction/renovation.

(1) Science Based Targets initiative.

(2) Citepa’s Secten data are those supported by INSEE and are officially used by the Ministry for Ecological Transition to monitor greenhouse gas emissions in relation to the reduction targets of France’s national low carbon strategy.

(3) Scope of the group’s Purchasing Department: La Poste SA, La Banque Postale and La Poste Immobilier.

## International suppliers and subcontractors

The international group activities included in the duty of care risk mapping are mainly those of the Geopost subsidiaries, more specifically, its service providers providing transport services, delivery services, parcel handling/sorting services and temporary workers (same as in 2021), which are a central component of their business activity.

An action programme dedicated to the transport partners was created in 2022 and integrated into Geopost's international activities. This Partner of Choice programme is an integral part of Geopost's strategic priorities.

### 8.1.2.5 Overall change in risks in 2022

The mapping exercise carried out in 2022 reveals a stable level in the group's exposure to the risk of harm to human rights and fundamental freedoms, occupational health and safety and the environment.

#### The group's own activities

##### France

The net risks of harm to human rights and fundamental freedoms, occupational health and safety and the environment were assessed as minor thanks to the risk control systems presented in the following section. There was no change in the risk exposure compared to 2021.

##### Internationally

The net risk related to harm to human rights, fundamental freedoms and occupational health and safety was assessed as minor overall. The update of Geopost's Code of Conduct in 2022 resulted in the strengthening of the commitments and rules to be applied by all in terms of human rights and fundamental freedoms as well as health and safety.

There was no change in the risk exposure compared to 2021. The net risk of harm to the environment was assessed as minor overall.

La Poste Groupe remained vigilant, in France and internationally, on the business sectors that emit greenhouse gas and pollutants (transport and delivery), which are subject to specific monitoring and appropriate actions.

## Suppliers and subcontractors including their employees

### France

The level of risk exposure remained stable compared to 2021. The net risk remained minor overall, except for 11 purchasing categories for which the risk was assessed as moderate: delivery, transport, logistics services, industrial materials, construction and renovation, telecommunications, catering, retail furniture and supplies, vehicle equipment and accessories, clothing, petroleum products and services. Mitigation actions adapted to these risks were deployed and continue to be strengthened (see Section 8.1.3.2 "Supplier and subcontractor activities").

### Internationally

The net risks of harm to human rights and fundamental freedoms as well as to occupational health and safety were assessed as minor overall.

Lastly, the net risk of harm to the environment was assessed as moderate thanks to the continuation of current systems with the contracted suppliers.

## 8.1.3 Measures to prevent and mitigate risks

### 8.1.3.1 The group's own activities

The group implemented a risk management system for duty of care risks. The table below describes the system's components for each area.

System	Description
Governance and policies	<ul style="list-style-type: none"> <li>■ Membership of the UN</li> <li>■ Global Compact</li> <li>■ UNI Global Union agreement <sup>(1)</sup></li> <li>■ Letter of commitment to abide by the group's compliance programmes, covering the duty of care, signed by the members of the Executive Committee and their direct employees</li> <li>■ Dedicated duty of care organisation (see 8.1.2) and HR division with human rights correspondents</li> <li>■ 2022 themed policies: "human rights" policy, "diversity and inclusion" policy, updated "health and safety" policy and "responsible purchasing" policy</li> <li>■ Regular reviews of commitments in employee agreements</li> <li>■ Codes of conduct</li> <li>■ Internal rules of La Poste SA and its subsidiaries</li> </ul>
Risk mapping	<ul style="list-style-type: none"> <li>■ Risk framework on the three topics (see 8.1.2.2), including supplier and subcontractor risks, whose mapping is updated annually</li> <li>■ Annual update of risk mapping to monitor risks</li> </ul>
Training and awareness-raising	<ul style="list-style-type: none"> <li>■ Duty of care training (e-learning)(see 8.1.5)</li> <li>■ Thematic training on occupational health and safety, discrimination, disability, climate change</li> <li>■ Regular awareness-raising campaigns adapted to the specific challenges of the various countries and sectors. For example, Geopost's Diversity, Equity and Inclusion (DEI) programme</li> </ul>
Monitoring	<ul style="list-style-type: none"> <li>■ Weekly monitoring, carried out by the Compliance Department, and transmitted monthly to the officers</li> <li>■ Reviewing proposed transpositions of the European Directive on the Duty of Care and the regulation on forced labour in conjunction with the group's European Relations Department</li> <li>■ Monitoring the Corporate Sustainability Reporting Directive (CSRD) concerning non-financial reporting and the regulation on deforestation</li> </ul>
Whistleblowing and reporting system	<ul style="list-style-type: none"> <li>■ Whistleblowing system for employees and suppliers/subcontractors (internet platform)(see 8.1.4)</li> <li>■ Regular communication on whistleblowing requirements and training of ethics officers as a result of the Wasserman Law</li> </ul>
Internal control	<ul style="list-style-type: none"> <li>■ Annual updating of the self-assessment questionnaire on the maturity of risk management systems</li> <li>■ Annual reporting of the duty of care risk mapping</li> <li>■ Duty of care risk assessment for M&amp;A transactions</li> <li>■ Monitoring of the various training courses by the HR Department</li> </ul>
Audit engagement	<ul style="list-style-type: none"> <li>■ Internal group audits</li> </ul>

(1) Union Network International Global Union is a federation of trade unions that has negotiated over 50 global agreements with multinational companies, representing more than 20 million workers in the services sector in 150 countries. Geopost and UNI meet at least once a year to discuss issues covered by the agreement.



## Human rights and fundamental freedoms

In light of the risk prevention measures implemented within the group, the group and its business lines and subsidiaries assessed this net risk as minor.

La Poste Groupe prohibits any form of harm to human rights as defined in internationally recognised texts, in particular:

- the Universal Declaration of Human Rights;
- the UN Guiding Principles on Business and Human Rights;
- declaration and fundamental conventions of the International Labour Organization (ILO)<sup>(1)</sup>;
- the OECD Guidelines for Multinational Enterprises;
- as well as the principles of the United Nations Global Compact, to which La Poste Groupe, including La Poste SA, La Banque Postale, CNP Assurances and Geopost adhere.

CNP Assurances is committed to upholding human rights as defined in the Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. In pledging to uphold the United Nations Global Compact in 2003, CNP Assurances reaffirmed its commitment to respecting these fundamental principles, combatting corruption and protecting the environment.

In 2017, Geopost signed an agreement with UNI Global Union, which confirms its commitment to defending human rights and the rights of employee representatives, particularly within the framework of the ILO conventions. Geopost and UNI meet at least twice a year to discuss monitoring of the agreement.

## Harm to freedom of association and the right to collective bargaining

In light of the risk management systems implemented within the group, the group and its business lines and subsidiaries assessed this net risk as minor. Internationally, prevention measures are deployed in the subsidiaries.

Regular dialogue is organised by Geopost (UNI meetings, European Works Council) with trade unions and staff representatives to take into consideration any reported operational risks.

Geopost has also implemented:

- constant legal monitoring to ensure compliance with current legislation;
- internal and external controls, carried out by the compliance team to ensure compliance with the laws in force;
- an external whistleblowing platform created and implemented at the same time as the Code of Conduct.

## Forced labour, child labour

In light of the risk management systems implemented within the group, the group and its business lines and subsidiaries assessed this net risk as minor. Particular attention is paid to the recruitment process of foreign candidates, which includes verification of their identity and work permit.

In regard to Geopost, the majority of the countries in which the group operates are countries whose legal framework explicitly prohibits forced labour and non-compliance with international labour standards. Therefore, employment contracts are defined in accordance with the applicable local laws in force. Inspections by local labour authorities are carried out in many subsidiaries. In countries not covered by the international standards, the subsidiaries concerned put in place specific measures.

## Discrimination

In France, the business lines and subsidiaries have assessed this net risk as minor. For several years, the group has been committed to policies to prevent and combat all forms of discrimination<sup>(2)</sup> at all stages of a career (recruitment, professional development, promotion, etc.) and in daily working life through internal rules and the signing of various charters:

- the group's diversity and inclusion policy;
- a Recruitment Charter in which La Poste undertakes to examine all applications and to select candidates objectively on the basis of skills (equal opportunities). La Banque Postale also adheres to this Charter and applies it in its subsidiaries; it also has a Non-Discrimination Charter. Several group entities have incorporated these principles into their internal rules of procedure or their Code of Conduct. Geopost's Code of Conduct was updated in June 2022. It reiterates its commitment to fighting against all forms of discrimination and its actions in favour of diversity, and it has been adapted by its subsidiaries;
- the Diversity Charter<sup>(3)</sup>, signed by La Poste, La Banque Postale, CNP Assurances, Geopost, Mediapost and Docaposte. The Services-Mail-Parcels business line obtained the Diversity Label<sup>(4)</sup> which recognises the commitment and effectiveness of its measures in favour of equal opportunities, both for employees and for stakeholders;
- the Charter of L'Autre Cercle<sup>(5)</sup> in favour of the rights of LGBT+ employees, renewed by La Poste in 2022, and which is being rolled out at La Banque Postale.

(1) Conventions 87 and 98 on freedom of association and the right to collective bargaining; Conventions 29 and 105 on the prohibition of forced labour; Conventions 138 and 182 on the abolition of child labour; Conventions 100 and 111 on non-discrimination. La Poste also refers to Convention 190 on violence and harassment.

(2) As defined in Article 225-1 of the French Criminal Code (Code pénal).

(3) The Diversity Charter is proposed to any employer who wishes, through a proactive approach, to promote diversity and thus go beyond the legal framework of the fight against discrimination. It currently counts more than 4,000 signatories (companies, non-profits, etc.).

(4) The Diversity Label was created by the French State in 2008 in collaboration with labour partners and experts. It aims to recognise the effective, voluntary and long-term commitment of an organisation to prevent discrimination and promote diversity in its HR management (recruitment, integration, career management, etc.) while taking into account its field of activity (regional presence, relations with suppliers, customers, users).

(5) L'Autre Cercle is a non-profit organisation that works to defend the rights of lesbian, gay, bisexual, transgender and transsexual employees. The purpose of the Charter is to create an inclusive environment for employees, to ensure equal rights and treatment for all employees, regardless of their sexual orientation or gender, to support people who are victims of discrimination, to measure progress and share best practices to change the professional environment.

In addition, diversity officers in charge of preventing discrimination have been appointed within the business lines and subsidiaries to implement and manage the initiative. More than 15,000 postal workers have benefited from a training module on diversity issues. La Poste also regularly reaffirms its commitment to diversity through communication and awareness-raising campaigns for employees. In 2021 and 2022, an internal campaign was launched to combat stereotypes related to gender, sexuality, origin and disability. For example, in this context, the Retail Customers & Digital Services business line held “inclusive” management workshops on how to manage diversity in its team.

Internationally, the risk of discrimination was assessed as minor overall.

Actions to prevent risks of discrimination were carried out in 2022:

- In particular, Geopost launched its first global inclusion week, which brought together 28 subsidiaries and around 50,000 employees. More than 100 local initiatives on diversity, equity and inclusion were identified during the event;
- within CNP Assurances, the commitment to fighting against discrimination, which is included in CNP Seguros Holding Brasil’s Code of Ethics and Conduct, is part of the mandatory training programme for employees. In 2021, CNP UniCredit Vita renewed its membership of inter-company networks such as:
  - Parks Diversity whose main objective is LGBT inclusion in the workplace,
  - Valore D, which mainly promotes gender diversity and women’s careers.

### Workplace gender equality

The group’s commitments promoting workplace gender equality are regularly supplemented by employee agreements. The agreement on workplace gender equality signed in July 2022 by La Poste reaffirms this ambition:

- increase gender balance at the highest levels of the company and develop gender diversity in all jobs;
- confirm zero tolerance of sexism in the company and develop support for postal workers who are victims of violence;
- support parenthood and work-life balance.

In addition, La Poste has been a signatory of the Parenthood Charter<sup>(1)</sup> since 2008. At La Banque Postale, an employee agreement on workplace gender equality and diversity covering the 2020-2022 period provides for measures to ensure that maternity and parenthood do not affect women’s compensation or career development.

In 2022, women represented 52.7% of La Poste Groupe employees, 52.3% of management as a whole and 40.6% of strategic managers and senior executives.

The group entities follow the gender equality index. In 2022, it corresponded to:

- 94/100 for La Poste (for the fifth consecutive year);
- 99/100 for La Poste Immobilier;
- 92/100 for La Banque Postale;
- 99/100 for CNP Assurances.

The group’s various entities include the principles of workplace gender equality in their internal regulations and ensure that they are respected on a daily basis (see Section 4.2 “Social policy to drive development”).

Docaposte is also continuing its innovative measures aimed at increasing the number of women in the digital sector within the Women@Digital Foundation.

In its “Employer of Choice” programme, Geopost developed a “Diversity, Equity and Inclusion” section involving all its subsidiaries. This section includes a “gender equality” component. In 2022, during its global week dedicated to inclusion, Geopost carried out awareness-raising activities on gender issues.

### Disability

La Poste has long been committed to the inclusion of people with disabilities. The policy in place resulted in a seventh agreement covering La Poste for the period 2018-2022. The policy aimed to (i) develop the recruitment of disabled people, (ii) enable postal workers with disabilities to work in good conditions regardless of their job, in particular by adapting workstations, (iii) guarantee access to training, (iv) offer an attractive career path and (v) combat all forms of discrimination against them.

A network of more than 150 disability officers supports postal workers in their jobs throughout France. Several officers are in charge of the accessibility of digital tools for visually impaired users.

La Poste Groupe is the leading employer of people with disabilities in France (14,000 employees). With a percentage of disabled employees as defined by French law of 8.77% and rising steadily (7.74% in 2020 and 8.66% in 2021), it exceeds the minimum legal requirement of 6%.

In this context, the Services-Mail-Parcels and Retail Customers & Digital Services business lines, via Docaposte, use disability employment organisations and have a partnership with AGEFIPH, which manages disability employment funds.

As part of Geopost’s diversity, equity and inclusion programme, some of its subsidiaries carry out specific awareness-raising campaigns, such as Chronopost’s *Mission Handicap*, which carried out awareness-raising initiatives on autism in 2022.

(1) The Corporate Parenthood Charter, introduced in 2008, aims to encourage companies to offer working parents an environment better suited to family responsibilities. The signatories must implement concrete actions organised around four areas: work organisation, awareness-raising among managers, services to employees and financial support.

La Banque Postale has been pursuing an active policy in favour of employment and continued employment for people with disabilities since its creation. In this context, La Banque Postale signed a Disability Agreement in 2020. Its "Disability Diversity" mission raises employees' awareness on disability, maintains a connection with the occupational health doctor, recruits people with disabilities, maintains individualised support measures to compensate for disabilities and increases purchases from the protected worker sector, by calling on insertion companies (SIAE). Lastly, an e-learning course on "Welcoming customers with disabilities" is provided to employees in contact with customers, with more than 86% of them following the course.

## Employment conditions

In light of the risk management systems implemented within the group, the group and its business lines and subsidiaries assessed this net risk as minor.

Internationally, subsidiaries are particularly attentive to compliance with the rules relating to decent compensation and working hours, particularly during peak periods of activity. Measures to strengthen the operational management of working time risk have been implemented, notably through an employee agreement. This is the case for the Brazilian subsidiary, Jadlog.



### 2023 OUTLOOK: HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

The group's human rights policy (December 2022) will be published and widely disseminated.

Actions to combat all forms of discrimination, promote workplace gender equality and promote diversity will continue.

La Poste will implement its eighth agreement on the employment of people with disabilities signed in January 2023. This agreement has five goals:

- remain the leading employer of workers with disabilities in France and ensure that they are well integrated throughout their career;
- ensure that postal workers with disabilities are supported in their career paths;
- strengthen job retention and develop relations with public employment agencies to increase the opportunities available to postal workers;
- maintain a disability-friendly working environment throughout the company;
- develop support for mental disabilities at work.

Internationally, Geopost will also contribute to the control of human rights risks through the deployment of the human rights policy and related support actions. In addition, Geopost will include criteria on human rights in its annual employee satisfaction measurement applicable to all its subsidiaries.

As part of the monitoring of its community commitments, La Banque Postale will develop its "human rights" policy and renegotiate its agreement on the employment of people with disabilities and its agreement on gender equality and diversity.

CNP Assurances will continue to promote inclusive growth, particularly through its purchasing policy.

## Health and safety

In addition to the management system common to all duty of care topics, the group's HR policy was strengthened in 2021 with a new employee agreement to back up the strategic plan in support of all postal workers. This agreement focuses first on well-being at work and occupational health and safety (OHS).

La Poste is rolling out preventive measures to promote occupational health and safety, taking into account the risks specific to the various jobs. Occupational health measures favour primary prevention aimed at reducing risk factors.

These actions are reviewed by the National Occupational Health & Safety Commission and the Health, Safety & Working Conditions Committee.

### Serious workplace accidents, health and safety

In view of the preventive measures carried out, in accordance with the legal requirements, the business lines and the subsidiaries assessed the net risk related to serious workplace accidents, health and safety as minor.

A number of measures have been implemented to guarantee suitable working conditions and reduce the risk of accidents and physical risks. Training modules have been implemented for managers and employees to improve motor vehicle handling and reduce related risks. Accident-prone modes of transport (motorised two-wheeled vehicles for postal carriers) have been discontinued.

For jobs involving physical exposure, workstation studies are carried out to limit the risk of musculoskeletal disorders (MSDs), incapacity, occupational illnesses and workplace accidents, and to promote correct movements and reduce stressful postures. Testing of innovative prevention equipment such as exoskeletons is being conducted.

To better prevent the risk of accidents and MSDs, particular attention is paid to the proper adjustment of equipment and vehicles to users' morphologies.

La Poste is also continuing its preventive measures related to external companies working at postal sites, after having implemented a training plan on OHS risk prevention rules for managers and operational teams in these situations, as well as a control system at operational sites.

The Responsible and Ethical Purchasing Charter also states the reciprocal commitments of the group and the service providers in these situations. It includes OHS risk prevention rules for their employees, such as:

- the identification of occupational health and safety risks;
- the development of a safety protocol and a prevention plan to prevent these risks;
- communication and awareness-raising among staff on the identified risks, the instructions to be followed and the preventive measures to be applied before starting on-site activity;
- a procedure in the event of a serious event or difficulty observed during the performance of the service.

### Toxic products and related occupational hazards

In light of the risk management systems implemented within the group, the group and its business lines and subsidiaries assessed this net risk as minor:

- Philaposte prints postal stamps using vegetable inks;
- the pre-paid products have the NF Environment label, the fully recyclable Colissimo packaging uses vegetable-based inks and glues made from water and corn starch, and receipts from ATMs do not contain bisphenol A;
- all materials printed by a third party comply with the responsible communication guidelines, which indicate the non-use of toxic products, the absence of lamination, etc.

### Harassment and violence

The business lines and subsidiaries assessed the net risks of harassment and violence as minor.

A system to prevent and handle situations involving psychological and sexual harassment is rolled out at La Poste. It includes a protocol dedicated to the handling of these situations and a guide on harassment.

In 2020, La Poste and CNP Assurances joined the #StOpE Ordinary Sexism in the Workplace initiative involving more than 150 organisations. This initiative includes eight key commitments to encourage all employees to contribute, prevent and identify sexist behaviour and react to everyday sexism. La Poste provides personal support to victims, witnesses and decision-makers in addressing sexist behaviour.

In 2021, several actions were rolled out to combat sexist behaviour and sexist remarks. They included the distribution of a guide, training and an online tool for reporting sexist acts and remarks available to all postal workers.

The Retail Customers & Digital Services business line deployed an action plan at the beginning of 2022, based on four key areas:

- stepped-up support (filing of complaints, provision of a lawyer, etc.) for postal workers who experienced rude customer behaviour;
- maintaining and strengthening measures to prevent rude customer behaviour on a daily basis;
- targeted actions for the most exposed postal offices;
- an increase in communication aimed at postal workers and the general public to make the post office a "respectful environment".

La Poste Groupe also continues to prevent psychosocial risks through the following:

- the Well-Being at Work Essentials initiative prepared in conjunction with the National Agency for the Improvement of Working Conditions. This approach aims to identify work situations that cause teams stress (work organisation, work relationships, change management, autonomy, etc.);
- an online training module entitled "Well-being at work through the prevention of psychosocial risks";
- the Parlons Zen project: this information sharing process between managers and employees is designed to deal with the difficulties encountered in the course of daily work, through forums for discussion on work, and enables postal workers to find solutions to remedy these difficulties.

Internationally, Geopost promotes the fight against all forms of harassment and this commitment is reflected in its updated 2022 Code of Conduct.

Geopost regularly carries out prevention measures and awareness-raising initiatives in its subsidiaries in relation to harassment. Its subsidiary Chronopost has set up a dedicated whistleblowing system for harassment.

At the level of CNP Assurances and its subsidiaries:

- Each year, Seguros Holding Brasil:
  - assesses its workplace risk prevention, and occupational medical check-up programme,
  - organises a health and workplace accident prevention week.

There is also an internal accident prevention commission, which identifies risks and preventive actions to implement.

In addition, in Italy, CNP UniCredit Vita runs numerous webinars on stress management and workplace safety.



## 2023 OUTLOOK: OCCUPATIONAL HEALTH AND SAFETY

Primary prevention measures aimed at eliminating or limiting risks will be pursued.

The Well-Being at Work Essentials approach will be generalised.

Measures to prevent rude and aggressive behaviour will be stepped up.

In 2023, La Banque Postale will negotiate a new agreement on Well-Being and Working Conditions (revised agreement on Health and Well-Being at Work): health and safety as well as harassment are identified in the framework of this future agreement.

Internationally, in 2023, Geopost will also contribute to the control of health and safety risks through:

- employee dialogue on the main occupational health and safety issues within the framework of the UNI Agreement and the French and European Works Councils;
- actions deployed in 2022 on preventive measures for employees and service providers working in business units;
- strengthening accident prevention by deploying the Human Resources Departments' "Health & Safety" working groups;
- annual measurement of employee satisfaction.

## Environment

In addition to the common management system, La Poste Groupe has specific environmental policies (energy and climate policies, circular economy, biodiversity). These policies include commitments in terms of resource management, greenhouse gas emissions, atmospheric pollution and the protection of biodiversity. La Banque Postale has set out formal sector-based policies (coal, gas, oil, aeronautics).

In its "La Poste 2030, committed for you" strategic plan, La Poste Groupe reaffirms its commitment to the energy and environmental transition. For the group, this means strengthening its position as a leader in the environmental transformation, capitalising on its strengths, meeting the expectations of its customers and reaffirming its positive impact and its usefulness to society. The group's environmental policy is based on the three policies referred to above.

### Greenhouse gas emissions

The 2022 risk mapping produced the same results on this topic as in 2021. In light of the risk management systems implemented within the group, the group and its business lines and subsidiaries assessed this net risk as minor.

The commitments made by La Poste Groupe relate to combatting climate change and protecting air quality.

For the past ten years, the group has been implementing policies to reduce GHG emissions and air pollutants. These policies are based on a common approach: measure, reduce, offset.

The group has maintained its carbon neutrality achieved in 2019. It is resolutely committed, alongside the United Nations Global Compact<sup>(1)</sup>, to reaching "net-zero"<sup>(2)</sup> by 2040. This ambition was publicly confirmed by the group when it signed the SBTi Business Ambition for 1.5°C pledge which brings together companies committed on an international level to reaching "net-zero".

With regard to the business lines' GHG emissions reduction pathways, the latter have already made the following commitments:

- Geopost is committed to reducing its scopes 1, 2 and 3 GHG emissions by 43% by 2030 and by 90% by 2040 compared to the 2020 baseline. Its Near Term (2030) and Long Term (2040) pathways were submitted to the SBTi in July 2022. This new target is accompanied by an annual carbon budget for all Geopost subsidiaries to ensure that the planned investments and initiatives are consistent with the level of ambition needed;
- the Services-Mail-Parcels, Retail Customers & Digital Services business lines and La Poste Groupe have committed to a shared medium-term pathway aimed at reducing their emissions (scopes 1 and 2) by 42% by 2030 compared to 2021 and, in the longer term, by 90% between 2021 and 2040. These Near Term (2030) and Long Term (2040) pathways were submitted to the SBTi in December 2022;
- La Banque Postale had its decarbonisation pathways validated scientifically by the SBTi in October 2021. These pathways cover:
  - its own activities (emissions related to the energy consumption of its real estate and vehicle fleet). In this context, it has committed to reducing its greenhouse gas emissions by 46.2% by 2030, compared to 2019,
  - impacts related to its investment and financing activities: SBTi certification covers 85% of the financing and investment portfolios (home loans, commercial real estate, financing of energy projects, equities and bonds, and long-term loans to companies), differentiated by portfolio.

La Banque Postale is also committed to continuing to use 100% renewable electricity until 2030.

(1) The Global Compact is one of the four founding organisations of the Science Based Targets initiative (SBTi), which created the Net-Zero Standard.

(2) "Net-zero" aims to reduce GHG emissions as close as possible to zero and to offset residual emissions by eliminating and/or sequestering an equivalent amount in carbon sinks (forest, mangrove, ocean, wetlands, soil, etc.). The concept of net-zero differs from carbon neutrality because the latter does not necessarily involve carbon sequestration.

To reach “net-zero”, the group is investing in carbon reduction projects to keep offsetting as the last resort. Its ambition is to gradually increase the share of CO<sub>2</sub> sequestration projects in its portfolio of offset projects. Today, it is involved in 30 biological sink projects in France. La Poste is also involved in international sequestration projects and La Banque Postale has its own carbon footprint monetization scheme, enabling the financing of projects to reduce its emissions, as well as the offset and sequestration of residual emissions at the national and international level.

At the national level, La Banque Postale is rolling out the “Climate + Territories” programme in collaboration with the Services-Mail-Parcels and Retail Customers & Digital Services business lines.

The reduction projects are organised around three areas:

- the implementation of an Energy Management System (in force since 2019);
- the maintenance and upkeep of a fleet of electric vehicles;
- the extensive use of renewable energy to power postal sites and the electric fleet.

The results include:

- the offsetting of 100% of the group’s emissions since 2019;
- ISO 50001 certification obtained for the 197 sites equipped with the energy management system;
- implementation of the urban logistics offering, Urby<sup>(1)</sup>, in 23 major cities. The Urby solution reduces the number of vehicles entering cities by 15%;
- Geopost deliveries made exclusively by low-emission vehicles (7,251 at end 2022) in Paris and in 47 French cities, as well as in 91 cities in Europe (239 additional cities have now started the process in Europe).

Other commitments have been made to help achieve these greenhouse gas emission reduction targets:

- La Banque Postale has undertaken to no longer finance the coal, oil, gas and aviation sectors by 2030, except for companies in these sectors that have adopted a science-based transition plan and which have undertaken to no longer use these sectors by 2040. It is the first bank in the world to aim for a complete phase-out of fossil fuels by 2030. La Banque Postale is a member of the Expert Advisory Group which brings together climate experts guiding SBTi in the creation of a new net-zero standard for financial institutions. In parallel, it also joined the Net Zero Banking Alliance as a founding member. This initiative brings together banks from around the world committed to aligning their lending and investment portfolios with net-zero emissions by 2050 (i.e., reducing their CO<sub>2</sub> emissions by around 90% and sequestering any residual emissions). In October, La Banque Postale presented its first net-zero-aligned, sector-based pathways in line with the Alliance’s objectives;

- In 2022, La Banque Postale Asset Management (LBP AM), La Banque Postale’s asset management subsidiary, undertook to align 80% of its total assets under management with a carbon neutral objective by 2030. The subsidiary issued an oil & gas sector policy which will enable it to reach a sector exposure target fully in line with the Paris Agreement in 2030;
- with regard to the development of responsible finance, La Banque Postale offers several specific financing solutions to support individuals, businesses and local authorities in their just transition:
  - green loans to support local authorities and the private sector; reviewed in 2022 to ensure their alignment with the European Green Taxonomy, they will be offered in the first quarter of 2023 by a team dedicated to financing the energy optimisation of buildings and infrastructure (fibre, water and heating networks, public buildings, mobility, public transport),
  - social loans to support the community market introduced in 2022: a loan with a social purpose that aims to create links between citizens, social diversity and inclusion,
  - the Green range which provides home financing solutions to individuals (energy renovations with the zero-rate eco-loan) and eco-mobility (green vehicle personal loan),
  - the Lendopolis offering from Louvre Banque Privée, which enables its clients to invest in renewable energy projects. Lendopolis has financed more than 350 projects, representing €171 million invested and more than 113,000 tonnes of CO<sub>2</sub> emissions avoided.
- The Services-Mail-Parcels business line and Geopost, as transport and delivery players, have committed to using low-carbon energy for 50% of the distance travelled in trucks by 2030. They are therefore diversifying the fleet of long-distance transport vehicles operating on their behalf to include vehicles adapted to alternative energies such as biogas, biofuel, electricity and hydrogen. The strategy adopted is a multi-energy strategy with the use of transitional energies (biogas and biofuels) and tests of target energies (electric and green hydrogen) over the 2022-2035 period, ahead of a gradual switch to the two target energies between 2035 and 2050. In particular, Geopost has joined the international EV100+ initiative, which brings together companies committed to replacing their entire truck fleets with zero-emissions vehicles (in the use phase) by 2040.
- Concerning the group’s new activities, Movivolt (70% owned by Banque des Territoires and 30% by La Poste Groupe) aims to roll out a fleet of 10,500 electric vehicles by 2025, for long-term leasing to companies and local authorities. Its creation is a response to a dual challenge: help companies and local authorities in the introduction of low-emission vehicle zones, and accelerate the shift to soft mobility throughout the country.

(1) Urby offers an urban logistics service in France that pools and optimises urban delivery in several cities using low-greenhouse gas emission vehicles and bicycles.

## Air pollutants

The 2022 risk mapping produced the same results on this topic as in 2020. In light of the risk management systems implemented within the group, the group and its business lines and subsidiaries assessed this net risk as minor.

In addition to its carbon management strategy, La Poste has implemented an air quality policy based on two main areas:

- measurement of pollutants:
  - since 2015, in collaboration with Ademe (the French Environment and Energy Management Agency) and France Environnement, La Poste Groupe has been using a system that monitors the emissions of four pollutants regulated under Euro standards for vehicles managed by Véhiposte,
  - in 2022, in collaboration with Airparif, La Poste renewed its partnership agreement to strengthen air quality monitoring and information for the population of the Paris region,
  - more broadly, a programme measured air quality in 27 European cities by the end of 2022. Sensors have been put in place by Geopost since 2019, in its urban local storage and Pickup points. The results are made available to urban authorities and the public through an online interface,
  - through its subsidiary Geoptis, La Poste sets up mobile (on its vehicles) or fixed (on buildings) air quality sensors that provide data used to support the definition of public policies;
- actions on the fleet and the last mile:
  - La Poste Groupe has defined targets for reducing air pollutants in connection with an action plan based, in particular, on the deployment of electric vehicles,

- it has also formed partnerships with local authorities and economic players to set up shared centres for storing goods and ensure last mile deliveries using low-emission vehicles.

In addition, commitments to reduce local air pollutants have been made for the 2021-2025 period, including a 41% reduction in CO, a 60% reduction in NOx, a 6% reduction in PM2.5, and zero growth in PM10 <sup>(1)</sup>.

## Biodiversity

Biodiversity is the third pillar of the group's environmental policy. The Executive Committee has included this challenge in the group's strategy and approved a biodiversity roadmap for 2022 and 2023 structured around three priorities:

- establish biodiversity governance within CSR governance;
- reduce the pressure on biodiversity caused by the group's activities in France and internationally:
  - pressure on land and land take (under the aegis of La Poste Immobilier, the group's property company),
  - pressure on transport,
  - pressure on La Banque Postale's financial activities;
- contribute to the commitment of people in favour of biodiversity in mainland and overseas France.

Certain subsidiaries also make commitments that are specific to their activity, such as La Banque Postale which, on the occasion of the COP 15 in Montreal at the end of 2022, reaffirmed its commitment to biodiversity by joining the global initiative led by the Finance for Biodiversity Foundation to call on governments to set a clear framework to protect biodiversity and restore ecosystems.



## 2023 OUTLOOK: ENVIRONMENT

The actions undertaken in the field of GHG reduction (in line with the 1.5°C trajectory of the Paris Agreement) will be pursued to achieve the commitments made by the group <sup>(2)</sup>:

- the use of a low-carbon transport/delivery energy mix with a focus on the electrification of La Poste's vehicle fleet in France following the acquisition of 8,000 electric vehicles and 1,000 cargo bikes by 2025;
- the deployment of low-emission delivery solutions in 350 European cities, including 22 French cities by 2025, thereby reducing local air pollutant emissions by 95%;

La Banque Postale has included in its 2023 roadmap:

- the implementation of the pathways validated by the SBTi, while maintaining social commitments to support the bank, its clients and its employees in a just transition;
- the definition of NZBA pathways for agriculture, steel and aluminium;
- the definition of its deforestation policy and its aquatic environment policy, in line with the group's and Caisse des Dépôts' biodiversity policy;
- the definition of sector-based policies for Defence, Real Estate and Automotive.

(1) These targets are based on the measurement of carbon monoxide (CO), nitrogen oxides (NOx) and particulate matter (PM10 and PM2.5) emissions over the entire scope, for which the group used recognised methods (COPERT and HBEFA).

(2) Commitments including the internal fleets of the group's two logistics business lines (Services-Mail-Parcels and Geopost), and the entire fleet of its service providers.

### 8.1.3.2 Supplier and subcontractor activities

Purchases of goods and services from suppliers and subcontractors are carried out by the group's Purchasing Department for La Poste SA, La Banque Postale and La Poste Immobilier, and by Geopost and CNP Assurances within their own scope.

Within the scope of the group's Purchasing Department, 16 purchasing categories were identified as priorities in 2022 and were mostly assessed at a minor or moderate risk level.

In addition to the common management system, the group's Purchasing Department has produced documentation outlining the fundamental principles of a purchase that complies with the law and respects human rights and the environment. It has developed several documents for its division (buyers) and for the stakeholders, specifiers and suppliers involved in purchasing.

In addition to the purchasing compliance policy, the supplier compliance assessment procedure and the three commitment charters for suppliers, buyers and specifiers, in 2022, the group's Purchasing Department set out and published a formal responsible and ethical purchasing policy that provides the group with a framework to strengthen and manage its responsible purchaser practices. It is based on the following four pillars:

- **Pillar 1:** enforce and promote human rights throughout supply chains;
- **Pillar 2:** reduce the negative environmental impact of purchases and suppliers, and encourage positive impacts;
- **Pillar 3:** promote social inclusion and contribute, through purchases, to the development of the regional economic and social fabric;
- **Pillar 4:** build more responsible and ethical relationships with suppliers.

These pillars are each structured around three priorities (compliance, exemplary nature, transformation) in the short, medium and long term with quantified objectives.

This new policy and the related documentation are in line with the principles laid down in the group's "duty of care" policy and thus put the strategy into operation.

#### Contracting mechanism

As a responsible purchaser, La Poste insists that the activities it carries out itself, or delegates to third parties, comply with the regulatory framework and are duty of care compliant. As such, its contracts formalise these obligations and commit the stakeholders to upholding them. Under its contracts, La Poste may also verify the proper implementation of these commitments through operational controls, or audits if necessary.

The general purchasing conditions include clauses relating to the duty of care, containing:

- a reminder to service providers of their obligation to comply with the law on the duty of care;
- a requirement for them to inform their employees of the La Poste whistleblowing system available to them;
- since December 2020, the obligation for La Poste Groupe's service providers to carry out a self-assessment focusing in particular on the following CSR topics: human resources, health & safety and working conditions, supply chain management and environmental management;
- the obligation for service providers to accept an audit, relating in particular to the themes of the duty of care.

The group's subsidiaries have included comparable requirements in their own contractual policies. Geopost's subsidiaries therefore include social compliance clauses in their contracts with transport providers.

Geopost updated its responsible purchasing charter in September 2022. In particular, it asks transport and handling providers to respect and promote human rights and as such to "comply with social legislation, in particular legislation relating to working hours, and fair remuneration".

#### Supplier assessment system

##### The system in force since 2019

In 2019, the Purchasing Department set up an assessment procedure applicable to its suppliers in several areas of compliance, based on the following tools:

- Altares, to assess the supplier's financial and administrative health;
- Provigis, a documentary compliance tool, particularly for the duty of care obligation. Suppliers also post the "La Poste Responsible and Ethical Purchasing Charter" signed by them via the access link;
- Approcheck, an enhanced and integrated document compliance tool for last mile parcel delivery contracts;
- Acesia, a conformity assessment and CSR platform, into which suppliers are integrated after signing their contract. Depending on their level of risk and their maturity, suppliers are first subject to a self-assessment, then a documentary check, and finally, if necessary, an on-site audit.

##### A new supplier assessment system is currently being deployed: the e-conformity project

La Poste launched a major project in mid-2021 to equip itself with a more comprehensive and efficient third-party supplier assessment tool compared with the current system. The year 2022 was marked by the selection of a consortium of partners and then by the design and configuration of a new automated compliance platform.

Suppliers are assessed through an initial risk-based approach according to the country of operation and the sector of activity. A first score classifies the suppliers by country/sector risk. This is followed by one of three possible assessments (the satisfaction levels of the score will be established at the pilot stage of the project):

- a simplified assessment in the case of a satisfactory score: in this case the assessment is carried out involving the automated collection of information from external databases;
- an in-depth assessment in the case of an insufficient score through a questionnaire including duty of care compliance in addition to the automated collection of information;
- a stepped-up assessment if the score is very insufficient through an audit (desk/on site).

In the last two cases, the implementation of a progress plan defined with the supplier may be requested. The contractual relationship may be terminated in the case of serious non-compliance or of lack of progress.



The frequency of the update of the assessment will depend on score. After a pilot phase planned in the first quarter of 2023, the roll out is scheduled to take place during the year, first at La Poste SA (Services-Mail-Parcels, Retail Customers & Digital Services) and La Poste Immobilier and then at other subsidiaries wishing to join the system.

At the international level, the supplier assessment system is integrated into both the compliance programmes and the strategic Partner of Choice programme.



## 2023 OUTLOOK: MONITORING OF SUPPLIERS AND SUBCONTRACTORS

The deployment of La Poste’s Duty of Care Plan and “responsible purchasing” policy will continue in 2023 with:

- the deployment of the enhanced supplier e-conformity system;
- the continuation of workshops on the other priority purchasing categories to define bespoke action plans;
- training and awareness-raising of operational staff;
- internal control of purchasing files to assess compliance with the duty of care/CSR requirements.

These actions will enable the group to strengthen its strategy, based on a continuous improvement approach.

Internationally, each Geopost subsidiary will continue to roll out the Responsible Purchasing Charter and to enhance the third-party assessment process.

### 8.1.4 Whistleblowing system

The duty of care law requires companies to implement a procedure for reporting and collecting information on the existence of risks or facts relating to serious harm to any of the three duty of care topics.

Two whistleblowing systems exist: one for employees<sup>(1)</sup>, in place since 2011 (<https://www.alerte-ethique.laposte.fr>); and one to handle duty of care whistleblowing reports from external stakeholders (to date, employees of suppliers and subcontractors), implemented in 2019 (<https://www.alerte-vigilance.laposte.fr>).

	Risk	Indicator	2022	2021	2020
Whistleblowing system	Internal and external	Number of internal whistleblowing reports	657 <sup>(a)</sup>	388 <sup>(a)</sup>	208
		Number of external whistleblowing reports	0	1	0

(a) Of which 1 for duty of care.

In 2022, the internal whistleblowing system for employees was used 657 times, up by 69%. This increase is largely due to a scope effect, with an increased number of entities joining the reporting scope (29 Geopost subsidiaries, Asendia JV, La Poste Mobile and Véhiposte) in 2022. Among the 657 items submitted, 60% were requests for advice and 40% were reports, including one relating to the duty of care. The external whistleblowing system was not used in 2022.

has been launched on La Poste Groupe’s forum to inform employees of the importance of using it when necessary. A direct link was added to the homepage at the end of 2022 to facilitate direct access to the whistleblowing website.

In addition, the arrival of the group’s new ethics officer and the related communication was an opportunity to remind employees how the internal whistleblowing system works. Lastly, information on the whistleblowing system is accessible via the smartphone application dedicated to compliance available to postal workers. It provides access to the whistleblowing system via a link.

Ethics officers and senior experts are responsible for handling the whistleblowing reports. To be authorised to do so, they must participate in a training course that describes the principles governing the handling of whistleblowing (such as whistleblower confidentiality and protection), in compliance with law no. 2022-401 of 21 March 2022 aimed at improving the protection of whistleblowers (known as the “Waserman Law”) and sign a commitment letter to abide by the Code of Ethics.

They participate in the Ethics Officers’ Committee, in which they share regulatory developments, tools and guidelines, related reporting and best practices. The committee met five times in 2022.

#### 8.1.4.1 Internal whistleblowing system

This system is based on a platform managed by an external service provider, WhistleB, which is accessible 24/7 via computer, tablet or smartphone, whether professional or personal, guaranteeing the confidentiality of the employees’ reporting with a high level of security. The data is encrypted and the provider has no access to the decryption keys or to the content of the whistleblowing. It allows employees to report problems, but also to seek advice.

The website [www.alerte-ethique@laposte.fr](mailto:www.alerte-ethique@laposte.fr) has been updated to comply with the requirements of the Whistleblower Protection Directive. A new internal communication campaign

(1) The whistleblowing reports filed go beyond French law on duty of care. The deployment of this whistleblowing system also enables La Poste to comply with the French Act on Transparency, Anti-Corruption and Economic Modernisation (Sapin II Act).

## 8 ■ ADDITIONAL INFORMATION

### Duty of care plan



The internal whistleblowing system covers La Poste SA, its business lines and most of its French and foreign subsidiaries, i.e., 71 entities in total. Some group subsidiaries have their own whistleblowing system, such as Geopost, Asendia and CNP Assurances.

In 2022, Geopost launched the deployment of a common whistleblowing platform for 29 of its subsidiaries.

La Poste Groupe's professional internal whistleblowing system described here is complementary to the other reporting channels: trade unions, management, human resources, etc.

### 8.1.4.2 External whistleblowing system

The whistleblowing system for employees of suppliers, service providers and subcontractors has been in place since 2019.

In 2020, La Poste Groupe informed all of its contracted suppliers about this whistleblowing system and required them to share the information with their employees. This obligation was incorporated into La Poste Groupe's general purchasing conditions. Information is also available on the group's corporate website. In 2021, it was included in the Responsible and Ethical Purchasing Charter, annexed to the service providers' contracts.

For non-French speakers, the whistleblowing website is also available in English. Geopost is also involved in the process of strengthening whistleblowing systems for third parties.

Whistleblowing reports are handled by an officer of the group's Purchasing Department, who can call on experts within the business lines and the subsidiaries.

### 8.1.5 Training and awareness-raising

La Poste provides training and awareness-raising activities for its employees on duty of care-related topics. These actions form one of the key risk prevention measures in the areas of health and safety, human rights and fundamental freedoms as well as the environment. The rules and policies defined by the Compliance, Human Resources, Social Commitment and group Purchasing Departments are implemented in the entities as a result.

In December 2021, La Poste rolled out an e-learning module on the duty of care for all employees. This module, available on the group's "self-service" training platform, presents La Poste's obligations related to the duty of care, the principles to be respected, and concrete illustrations of implementation in the daily life of postal workers. In 2022, 1,704 employees completed this module. In 2023, an internal publicity campaign and an English translation of this module will be launched to increase its coverage among the international entities.

La Poste Groupe also raises awareness among its employees through specific modules related to the three duty of care topics, such as: recruiting without discrimination, preventing and managing rude customer behaviour, committing to workplace gender equality and combatting sexism, and training on climate issues and eco-design.

La Poste Groupe has decided to inform and train its employees by providing Climate Fresk training to operational managers up to top management level. The Climate Fresk is an educational reference tool to understand climate change. La Poste has added a set of cards dedicated to the actions of the group and the business lines, designed and validated by the Climate Fresk, which present our different businesses that emit CO<sub>2</sub> (logistics, building, banking and digital), the impacts of global

warming on our activities and the solutions or actions currently deployed. The Climate Fresk is a learning tool for employees on climate change and on the challenges and solutions deployed within the group and its business lines. A total of 4,474 postal workers were trained in 2022.

New employees are made aware of safety at work from the very first weeks through mandatory face-to-face training.

At the same time, the company's Compliance, Human Resources, Social Commitment and Purchasing intranets also contain information on the duty of care and its issues, as well as on the actions carried out in this area.

In 2023, additional awareness-raising modules will be deployed by La Poste Groupe to the Duty of Care, Human Resources and Social Commitment divisions on human rights issues.

## 8.1.6 Implementation review

### Summary of social indicators <sup>(1)</sup>

	2022	2021
<b>Number of employees</b>		
Total headcount at 31 December (individuals)	238,033	244,980
Percentage of women	52.7%	52.7%
Gender equality index	94/100	94/100
<b>Health and safety conditions</b>		
Frequency of workplace accidents with time off	19.12%	21.44%
Severity of workplace accidents with time off	1.64%	1.65%

### Summary of environmental indicators

<b>Energy consumption and carbon footprint</b>	2022	2021
Energy consumption (in GWh)	8,783	9,137
Carbon footprint (in tCO <sub>2</sub> eq)	2,392,988	2,681,992
Intensity (greenhouse gases/consolidated operating revenue)(in tCO <sub>2</sub> /€m operating revenue)	68.6	80.5
Fleet of electric vehicles <sup>(2)</sup>	19,402	17,058

<b>Emission of air pollutants</b>	2022	2021
Indicators		
Nitrogen oxide (NO <sub>x</sub> ) emissions (in tonnes)	65.4	72.9
Particulate emissions (PM)(in tonnes)	3.5	3.5
Carbon monoxide (CO) emissions (in tonnes)	403.7	394.9
Emissions (NO <sub>x</sub> + HC)(in tonnes)	60.3	57.8
Percentage of kilometres travelled by the fleet managed by Véhiposte	71	74

Scope: vehicle fleet managed by Véhiposte

(1) Scope of figures: La Poste Groupe in France, i.e., La Poste SA and its French subsidiaries.

(2) Including light commercial vehicles, Stabys; excluding electric bicycles, trolleys and handling vehicles.

### Summary of supplier and subcontractor indicators

The group monitors indicators for certain risks related to the activities of suppliers and subcontractors.

Categories of risk		Indicators	2022	2021
Harm in connection with supplier and subcontractor relations	First-tier suppliers' and subcontractors' failure to comply with requirements on human rights and fundamental freedoms, health and safety or the environment.	Coverage rate of duty of care clauses (contracts of the group's Purchasing Department)	100%	100%
		Rate of signature of responsible and ethical purchasing commitments of the purchasing division	100%	100%
		Number of hours of responsible purchasing training provided <sup>(a)</sup>	394	-
		Number of suppliers informed of the assessment system	2,108	1,773
		Of which delivery and logistics suppliers	480	
		Number of self-assessments carried out	462	270
		Of which delivery and logistics suppliers	83	29
		Percentage of audited suppliers and subcontractors (documentary audits)	146	73
		Of which delivery and logistics suppliers	78	
		Percentage of audited suppliers and subcontractors (on-site audits)	8	2
		Of which delivery and logistics suppliers	5	N/A

(a) Excluding the Climate Fresk training provided to 230 employees of the purchasing division in 2022. Indicator not monitored in 2022 and 2021.

In total, at the end of 2022, 2,235 suppliers were asked to respond to a self-assessment:

- 462 suppliers responded to the self-assessment, including 83 via the questionnaire specific to the transport, delivery and logistics sector (campaign launched in October 2021);

- 146 suppliers were subject to a documentary check;
- 8 audits were carried out.

## NON-FINANCIAL PERFORMANCE

 <b>No.1</b> worldwide, across all sectors Score: 77/100 in October 2021	 <b>Leadership – A List</b> Intermodal transport and logistics Score: A in December 2022	 <b>Platinum</b> Top 1% of suppliers Score: 78/100 in October 2022
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### Assessment of overall CSR performance

For several years, La Poste Groupe has been committed to a proactive approach to assessing its non-financial performance and is regularly assessed by six organisations<sup>(1)</sup>. It was also assessed by Standard & Poor's (Corporate Sustainability Assessment) in 2022. This enables it to ensure the quality of its overall corporate social responsibility approach and to remain vigilant about all ESG requirements and issues. In 2022, the ESG rating agencies once again praised La Poste Groupe's momentum in terms of progress. This recognition is even more

important to the group since the composite index compiling ratings from CDP, EcoVadis and Moody's ESG Solutions (and formerly Vigeo, which ranked us number one for the third consecutive year) has become one of the indicators for tracking progress in the new strategic plan since 2021. As a component of the management roadmap, business ethics, climate change, responsible customer relations, human capital and social commitment are part of the group's performance measurement.

(1) La Poste Groupe's non-financial ratings can be consulted on [www.lapostegroupe.com](http://www.lapostegroupe.com).

## 8.2 REVIEW OF THE PARENT COMPANY FINANCIAL STATEMENTS

La Poste's parent company financial statements are prepared in accordance with French generally accepted accounting principles (GAAP) and the provisions of the French General Chart of Accounts.

### 8.2.1 Operating loss

(in € millions)	2022	2021	Change	
			(in €m)	(as a %)
Operating revenue	13,479	14,046	-568	-4.0
Operating expenses	(13,948)	(14,153)	+205	-1.4
Operating loss	(469)	(107)	-363	n.m.
Net financial income	1,758	345	+1,412	n.m.
Non-recurring items	(548)	310	-858	n.m.
Income tax	230	205	+25	+12.2
<b>NET PROFIT</b>	<b>971</b>	<b>753</b>	<b>+217</b>	<b>+28.8</b>

La Poste's operating revenue primarily consists of:

- revenue from the Services-Mail-Parcels business line's Mail and Parcels business;
- Retail Customers & Digital Services revenue;
- revenue from the Retail Network activity, corresponding mainly to invoices to La Banque Postale, as well as commission received on third-party sales (excluding mail and parcels) at post office counters;
- invoicing of shared resources (personnel expenses for the financial centres and the banking advisory hotline) to La Banque Postale.

Operating revenue amounted to €13.5 billion in 2022, down by 4% compared to 2021.

Operating expenses amounted to €13.9 billion in 2022, down by €205 million or 1.4%, mainly due to the decrease in personnel expenses.

Non-recurring items, which represented an expense of €548 million, deteriorated by €858 million, mainly due to impairment charged against the Mail business' intangible assets and property, plant and equipment in 2022 for an amount of €447 million, after the reversal of impairment in 2021 for €454 million (impact of €435 million on profit).

### 8.2.2 Net financial income

(in € millions)	2022	2021	Change	
			(in €m)	(as a %)
Net loss on foreign currency	1	(4)	+4	n.m.
Net loss on loans and borrowings	4	(46)	+50	n.m.
Income from equity investments	1,867	419	+1,448	n.m.
Other financial income and expenses	(114)	(24)	-90	n.m.
<b>NET FINANCIAL INCOME</b>	<b>1,758</b>	<b>345</b>	<b>+1,412</b>	<b>N.M.</b>

Dividends (income from equity investments) received from subsidiaries amounted to €1,867 million, including €30 million from Poste Immo and €288 million from Geopost (compared to €27 million and €208 million, respectively, in 2021). La Banque Postale paid out €1,542 million in dividends, compared to €171 million in 2021.

Net income on loans and borrowings totalled €4 million in 2022, compared with a loss of €46 million in 2021, i.e., an improvement of €50 million.

Net financial income, which amounted to €1,758 million in 2022, increased by €1,412 million year on year.

### 8.2.3 Net profit

Profit before tax amounted to €741 million, an increase of €192 million compared to 2021.

Tax income increased by €25 million to €230 million.

La Poste's net profit amounted to €971 million, an increase of €217 million.

## 8.2.4 Five-year financial summary

	2022	2021	2020	2019	2018
<b>Financial position at 31/12</b>					
Share capital (in €m)	5,620	5,365	5,365	3,800	3,800
Number of shares (in millions)	2,810	2,682	2,682	950	950
<b>Earnings for the year (in €m)</b>					
Revenue before tax	10,585	11,134	10,663	11,317	11,462
Profit before income tax, depreciation, amortisation and provisions	1,457	364	(751)	9	1
Income tax	230	205	225	325	225
Profit after income tax, depreciation, amortisation and provisions	971	753	(1,546)	(83)	70
Dividend	724	0	0	200	171
<b>Earnings per share (in €/share)</b>					
Earnings per share before income tax, depreciation, amortisation and provisions	0.52	0.14	(0.28)	0.01	0.00
Earnings per share after income tax, depreciation, amortisation and provisions	0.35	0.28	(0.58)	(0.09)	0.07
Dividend	0.26	0.00	0.00	0.21	0.18
<b>Employee data</b>					
Number of employees (full-time equivalent/year)	148,091	158,389	169,585	182,183	186,184
Wages and salaries	5,484	5,742	5,938	6,247	6,357
Payroll taxes	1,306	1,353	1,347	1,427	1,536

## 8.2.5 Balance sheet

<b>Assets</b> (in € millions)	31 Dec. 2022	31 Dec. 2021
Non-current assets	17,960	17,899
Current assets	3,071	3,165
Cash and cash equivalents	4,608	2,909
<b>TOTAL</b>	<b>25,639</b>	<b>23,973</b>

<b>Equity and liabilities</b> (in € millions)	31 Dec. 2022	31 Dec. 2021
Equity	7,901	7,339
Other equity	750	750
Provisions	1,670	1,855
Debt	11,401	9,970
Current liabilities	3,917	4,059
<b>TOTAL</b>	<b>25,639</b>	<b>23,973</b>

## Assets

The main change in assets was in cash and cash equivalents (cash and marketable securities), which amounted to €4,608 million at 31 December 2022, an increase of €1,698 million.

## Equity and liabilities

Equity amounted to €8,651 million at 31 December 2022, a net increase of €562 million compared to end-2021, reflecting the increase in profit for the year and the €315 million increase in capital, offset by dividend payments of €724 million.

Provisions for contingencies and losses amounted to €1,670 million, and debt stood at €11,401 million. Current liabilities amounted to €3,917 million.

The change in debt was mainly due to repayments and new issues during the year (€1,550 million in new borrowings).

## 8.2.6 Other information

### Payment term indicators

Under Article L. 441-6-1, paragraph 1 of the French Commercial Code (*Code de commerce*), La Poste SA has been required since 2017 to disclose information on its supplier and customer payment terms in accordance with Article D. 441-4 of the French Commercial Code. La Poste SA has opted to present unpaid invoices received and issued at the end of the reporting period and in arrears according to the summary table provided in Article D. 441-4, paragraph 1 of the French Commercial Code.

The following principles are used:

- no invoice is excluded from the calculation of the indicators. Consequently, disputed or doubtful invoices are included – mainly within “91 days or more” – as well as invoices with group companies;

- credit notes received are considered as means of payment and as such are recorded in the same overdue category as the invoices to which they refer. Otherwise, credit notes are recorded within “0 days”;
- as the French service provider responsible for the universal postal service, La Poste SA is partially subject to VAT. Consequently, the amount of invoices is presented including tax, the amount of purchase is presented excluding non-deductible tax and the amount of sales is presented excluding tax;
- non-current asset suppliers are not included in the percentage of total purchases over the period.

**Article D. 441 I.-1°: Invoices received and past due at the end of the period**      **Article D. 441 I.-2°: Invoices issued and past due at the end of the period**

Year ended 31 Dec. 2022	Article D. 441 I.-1°: Invoices received and past due at the end of the period					Total (1 day or more)	Article D. 441 I.-2°: Invoices issued and past due at the end of the period					Total (1 day or more)
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days		0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	
<b>(A) BREAKDOWN OF PAST DUE PAYMENTS</b>												
Number of invoices (in thousands)	89					4	474					244
Total amount of invoices (in € millions, incl. taxes)	316	3	2	1	5	11	523	33	4	3	53	93
Percentage of total purchases for the period (excl. non-deductible taxes)	5.2%	0.1%	0.0%	0.0%	0.1%	0.2%						
Percentage of revenue for the period (excl. taxes)							4.2%	0.3%	0.0%	0.0%	0.4%	0.7%
<b>(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNIZED PAYABLES AND RECEIVABLES</b>												
Number of invoices excluded (in thousands)	0						0					
Total amount of invoices excluded (in € millions, incl. taxes)	0						0					
<b>(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR STATUTORY PURSUANT TO ARTICLE L. 441-6 OR L. 443-1 OF THE FRENCH COMMERCIAL CODE)</b>												
Payment terms used to calculate past due payments	<input checked="" type="checkbox"/> Contractual terms: La Poste shall apply the terms set out in the contracts with its suppliers. In most contracts: 60 days after the date of issue of the invoice. <input type="checkbox"/> Statutory terms:						<input checked="" type="checkbox"/> Contractual terms: La Poste shall apply the terms set out in the contracts with its customers or in its general terms and conditions of sale. At the latest: 60 days after the date of issue of the invoice. <input type="checkbox"/> Statutory terms:					

## Sumptuary expenses and add-back of overheads

In accordance with the provisions of Articles 223 *quater* and 223 *quinquies* of the French Tax Code (*Code général des impôts*), the financial statements for 2021 show a total of

€1,047,124 in expenses not deductible from taxable profit – so-called “sumptuary” expenses, as listed in Article 39-4 of the said Code – versus €958,533 in 2021, corresponding to non-deductible lease payments (depreciation of the portion of the purchase price of passenger vehicles exceeding a certain ceiling).



## 8.3 GLOSSARY

**ACP:** *Agence colis postaux* – postal parcels branch.

**Addressed mail:** Type of targeted mail that includes a specific recipient and address (as opposed to unaddressed mail).

**Advertising mail:** Mail that promotes a brand, its products or its services (may be addressed or unaddressed).

**Arcep:** French regulatory body for the electronic communications and postal sectors. This independent French administrative authority works to ensure that the postal market remains open and operational. It issues authorisations to operate postal activities, opinions on rates and universal service quality objectives, and approves universal service rates.

**BtoB:** Business to Business – Used to describe a business to business relationship.

**BtoC:** Business to Consumer – Used to describe a business to consumer relationship.

**Business mail:** Mail whose purpose is to manage and cultivate a brand or company relationship with customers.

**Career development counselling:** Personalised support system offered to any working person wishing to take stock of their career. This counselling, provided free of charge, helps to explore a more formal career development plan.

**Cecogram (items for the blind):** Mail or parcels containing documents sent or received by visually-impaired people or by organisations that assist them (non-profits, specialised educational institutions, etc.). In France, the universal postal service includes mailing items for the blind free of charge.

**CHSCT:** *Comité d'hygiène, de sécurité et des conditions de travail* – Health, Safety and Working Conditions Committee.

**Circular economy:** The purpose of the circular economy is to move from a model aimed at reducing impacts to a model aimed at creating value at a social, economic and environmental level (new design, production and consumption methods, prolonging duration of use, encouraging usership over ownership, reusing and recycling components).

**Cogas:** *Conseil d'orientation et de gestion des activités sociales* – French works council. It implements the group employment policy, allocates the budget and monitors its implementation in conjunction with trade unions.

**Collaborative economy:** Refers to a business model where usership takes precedence over ownership (sharing, exchange, barter, sale or rental). It is a practice strongly linked to the rise of online trading.

**Courier delivery:** Delivery of printed news media to a subscriber's home or workplace via a dedicated paper route, unlike postal delivery. Courier delivery also refers to the home delivery service for meals, shopping, and medicines.

**Co-working:** An increasingly popular working arrangement whereby a network of workers share a single workspace where they exchange ideas and learn from one another. It is one of the areas of the collaborative economy. By facilitating direct exchanges, networking, cooperation and creativity, it is often presented as an environment that supports innovation.

**CSNP:** *Commission supérieure du numérique et des postes* – The French High Commission for Digital and Postal Services. This body is responsible for monitoring postal and electronic communications (fixed lines, mobile telephone services and

internet). In this capacity, it assesses the impact of new technologies on La Poste's daily and future activities. It ensures there is a suitable balance between the postal and electronic communications sectors. It reports annually to Parliament and the Prime Minister and works with the government.

**CSR:** Corporate Social Responsibility – A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (European Commission definition).

**CtoC:** Consumer to Consumer – Used to describe mail or parcels sent from one consumer to another consumer.

**Delivery times:** The number of business days between when goods are received by the carrier and when they are delivered to the end-customer.

**E-bike:** Electric bicycle.

**EPIC:** *Établissement public à caractère industriel et commercial* – A French corporate structure for an entity governed by public law that manages a public service activity. EPICs produce and market goods and services. They are based on private law and their staff are subject to labour laws.

**ESG:** Environmental, Social and Governance. This international acronym is used by the financial community to designate the environmental, social and governance criteria that generally constitute the three pillars of non-financial analysis. These criteria can be used to assess companies' responsibility towards the environment and their stakeholders (employees, suppliers, customers, etc.).

**GDPR:** General Data Protection Regulation.

**Hackathon:** Combination of "hack" and "marathon". Event during which teams (composed of developers, but also sometimes designers and project managers) must develop an IT project, usually software or an application. They must do so over a limited period, and generally a short one (one day, one weekend).

**Hub:** Processing and distribution centre for a region. The hub network mimics a spider's web: all the express post collected during the day is consolidated at a hub, which is usually located close to an airport, train station or multimodal platform, before being redirected to local storage warehouses or destination centres, or to other hubs.

**IARD:** *Incendie, accidents et risques divers* – Fire, accident and miscellaneous risks. French abbreviation used to refer to property and casualty insurance, as opposed to personal insurance.

**Incubator:** Organisation that aids and supports business creation. Its primary function is to help individuals with an innovative project turn it into a company. Incubators mainly support projects associated with a technological innovation. They help project leaders draw up business plans, file patents, etc. They also provide premises, offices, and networking support.

**Integrated operator:** Global transport companies that operate along the entire shipping chain: airline company (cargo fleets), customs agent, cargo agent and road carrier.

**IoT:** Internet of Things – The interconnection between the internet and physical objects, places and environments. This term designates a growing number of devices that are connected to the internet and that therefore permit communication between physical property and the digital realm. These types of connections make it possible to gather new networks and, accordingly, new knowledge and types of expertise.

**IPC:** International Post Corporation – A cooperative association of national postal services from Europe, North America and Asia Pacific. Its mission is to improve international service levels, conduct studies and research in the area of postal services and encourage discussion forums on postal issues.

**La Poste Relais retail outlets (rural/urban):** A La Poste outlet managed by a retailer that offers most postal services during extended business hours. This type of outlet helps keep shops in rural areas open. In urban areas, they are located in high-traffic locations such as train stations and supermarkets. La Poste Relais outlets make the most used postal services accessible to a large number of citizens.

**Last mile:** Last link in the logistics chain for a delivery. This phase refers to shipping to companies as well as home delivery to individuals.

**Local La Poste Groupe outlets:** Retail outlets managed in partnership with a municipality or association of municipalities. Postal services are provided in exchange for compensation.

**MVNO:** Mobile Virtual Network Operator – a network operator that uses the network infrastructure of other operators to provide a range of services and technical solutions to customers under its own brand (because it lacks its own infrastructure).

**ONPP:** *Observatoire National de la Présence Postale* – French National Observatory of Postal Coverage. It monitors equalisation funds and implementation of local postal coverage agreements. It consists of representatives of the French State, the Association of French Mayors, the CSNP (formerly CSSPPCE) and La Poste Groupe.

**PDC:** *Plateforme de distribution du courrier* – mail delivery platform.

**Pending mail:** Postal items awaiting pick-up at contact points.

**Personal micro-credit:** Loans for consumers who wish to complete a project (excluding start-up), but who do not have access to traditional bank credit.

**PFC:** *Plateforme Colissimo* – Colissimo parcels centre.

**PIC:** *Plateforme industrielle courrier* – mail hub.

**Pickup point:** Automated locker service for parcel pick up and drop off (lockers located outside are accessible 24/7). As soon as a parcel is available, a text message and/or email is automatically sent to the recipient including a collection code. Recipients have three business days to pick up their parcel.

**Postal carrier-counter clerk:** A postal carrier who carries out all services related to their carrier duties (mail delivery, local services) in addition to providing services at post office counters. Postal carrier-counter clerks handle all La Poste service offerings (mail, parcels, Chronopost, La Banque Postale group and La Poste Mobile pre-paid mobile phone cards).

**Postal delivery:** Transport and delivery of printed news media through La Poste's traditional circuit.

**Postal workers:** Refers to all group employees.

**PPDC:** *Plateforme de préparation et distribution du courrier* – Mail processing and distribution centres.

**Printed advertising/unaddressed advertising:** Advertising delivered to letterboxes. Type of mail that does not include a specific recipient and address (as opposed to addressed mail).

**Public service agreement:** The public service agreement between La Poste Groupe and the French State sets out the framework and the methods applicable to the public service missions entrusted to La Poste Groupe (delivery of mail/parcels six days out of seven to all French homes, banking accessibility via the La Banque Postale group, contribution to regional planning through its postal coverage, transport and press delivery).

**Responsible purchasing:** "Responsible purchasing is the purchase of goods or services which, throughout the procurement process, integrates social, environmental and economic responsibility, based on the principles of sustainable development, promoting fair trade and ensuring optimum transparency" (source: Afnor).

**Retail outlet:** General term for all types of local postal outlets, ranging from post offices, *France Services* labelled post offices, public service outlets, local postal agencies, La Poste Relais outlets (in shops or at an SSE partner location in a rural or urban area), services provided by postal carrier-counter clerks, co-working spaces and any other forms of resource pooling that aim to share resources between La Poste and other public or private partners and approved by the ONPP.

**Reverse logistics:** Reverse logistics, or return logistics: refers to the management of flows from the consumer to the manufacturer (after-sale services, collection of recycling waste, unsold goods management, etc.).

**Rural area:** A municipality with fewer than 2,000 inhabitants.

**Scanning:** The process of scanning the tracking number of a parcel from its drop off at the post office to its delivery (a parcel is scanned an average of four times during handling and shipment). With the tracking number, customers can see where their package is at all times.

**Shipper:** Term used in the express sector to refer to the ordering customer who pays for the transport.

**Silver economy:** Economy that serves senior citizens. It is intended to support a population with a growing life expectancy and new needs – particularly in the leisure, transport, food, safety, healthcare, household, shared housing, insurance, telephone assistance, internet and sports sectors.

**Single-piece mail:** Items posted and handled individually, as opposed to bulk mail. Synonym of individual mail.

**Social economy:** A group of companies organised in the form of cooperatives, mutual companies, non-profit organisations or foundations whose internal functioning and business principles are based on solidarity and social benefits.

**SRI:** Socially responsible investment.

**TCFD:** Task Force on Climate-related Financial Disclosures, which was established at the request of the G20 leaders. Its aim is to encourage companies and organisations to provide transparent information about climate-related financial risks to enable investors to take it into account in their decisions.

**Tracking:** Service provided by express or rapid transportation carriers involving the computerised monitoring of an item's progress from collection to delivery. Transport companies try to offer as many tracking points as possible (usually at each reload). Electronic handsets are used by drivers and delivery people to communicate information on final delivery.

**ULA:** Urban logistics area – An area intended for the distribution and collection of parcels and express deliveries weighing up to 30 kilograms in urban areas.

**Urban logistics:** Method of optimising the flow of goods entering, leaving and circulating in a city while taking multiple elements into consideration (habitat, economic activity, urban management, transportation, pollution and traffic, etc.).

**Urby:** Network of local shared centres for storing goods set up by La Poste in cities to pool deliveries and avoid the circulation of poorly loaded trucks in cities. These shared centres offer

services to shopkeepers and retailers in city centres: home delivery for their customers, return-to-sender management, collection of recycling waste, etc. Urby is a subsidiary of Geopost.

**Value chain:** Complete sequence of activities or actors that provide or receive value in the form of products and services (ISO 26000).

## 8.4 CROSS-REFERENCE TABLES

### 8.4.1 Management report cross-reference table

This Universal Registration Document includes all of the items presented in the Board of Directors' management report on the 2022 financial year in accordance with Articles L. 225-100-1 *et seq.* of the French Commercial Code. The management report comprises the sections of the Universal Registration Document identified in the table below:

Required item	Reference text	Sections of the Universal Registration Document	Page
<b>I. Review of the financial position and results</b>			
Analysis of the change in business, results and financial position of the Company and the group over the year just ended	L. 225-100-1, L. 232-1 and L. 233-26 of the French Commercial Code	Chapter 3 Section 8.2	115 475
Results of the subsidiaries and controlled entities by business line	L. 233-6 of the French Commercial Code	Section 3.2.2	125
Research and development activities	L. 232-1 and L. 233-26 of the French Commercial Code	Note 9.2 to the parent company financial statements	422
Description of the main risks and uncertainties	L. 225-100-1 of the French Commercial Code	Section 2.1	94
Indications on the financial risks related to the effects of climate change and presentation of the measures taken by the Company to reduce them	L. 22-10-35 of the French Commercial Code	Section 2.1.3, Risk "Adaptation to environmental and societal challenges"	105
Group policy in terms of financial risk management and exposure to price, credit, liquidity and cash risk	L. 225-100-1 of the French Commercial Code	Note 34 to the consolidated financial statements	316
Reintegration of overhead expenses and sumptuary expenses	French General Tax Code Article 39.4 and 223 <i>quater</i> , Article 39.5 and 223 <i>quinquies</i>	Section 8.2.6, § "Sumptuary expenses and add-back of overheads"	478
Information on payment terms for customers and suppliers	L. 441-14 of the French Commercial Code	Section 8.2.6, § "Payment term indicators"	477
Five-year financial summary	R. 225-102 of the French Commercial Code	Section 8.2.4	476
Foreseeable Company and group trends and outlooks	L. 232-1 and L. 233-26 of the French Commercial Code	Section 3.5	143
Significant events after the end of the reporting period	L. 232-1 and L. 233-26 of the French Commercial Code	Section 3.5	143
		Note 42 to the consolidated financial statements	379
Main characteristics of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information	L. 22-10-35 of the French Commercial Code	Section 3.4	142

Required item	Reference text	Sections of the Universal Registration Document	Page
<b>II. Non-financial performance statement</b>		See non-financial performance statement cross-reference table	484
<b>III. Duty of care plan</b>	L. 225-102-4 of the French Commercial Code	Section 8.1	454
<b>IV. Legal and shareholding information</b>			
Employee shareholding at the last day of the financial year	L. 225-102 of the French Commercial Code	N/A	-
Identity of shareholders owning over 5%; shares held by the issuer	L. 233-13 of the French Commercial Code	Section 7.1.2	449
Information on share buybacks	L. 225-211 of the French Commercial Code	N/A	-
Amount of dividends distributed over the last three financial years	243 bis of the French General Tax Code	Section 7.1.3	449
Acquisition of equity stakes or controlling stakes in companies with registered headquarters in France	L. 233-6 of the French Commercial Code	Section 3.1.3 and Notes 16 and 17 to the consolidated financial statements	119 279
<b>V. Corporate governance report</b>		See corporate governance report cross-reference table	483
<b>VI. Miscellaneous</b>			
Information on loans granted to other companies	L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	N/A	-
List of branches	L. 232-1 of the French Commercial Code	Section 7.3	450

## 8.4.2 Corporate governance report cross-reference table

In accordance with the provisions of Articles L. 225-37 paragraph 6, L. 225-68 and L. 226-10-1 paragraph 1, the corporate governance report is included in the management report in application of the provisions of Article L. 225-37 paragraph 6 of the French Commercial Code.

The Statutory Auditors' report on the Board of Directors' corporate governance report is included in their report on the annual financial statements.

This report consists of the following items:

Required item	Reference text	Sections of the Universal Registration Document	Page
List of all terms of office and functions exercised in any company by each director during the financial year	L. 225-37-4, 1° of the French Commercial Code	Section 5.1.1	200
Agreements between an executive officer or a significant shareholder and a subsidiary	L. 225-37-4, 2° of the French Commercial Code	N/A	-
Summary table of delegations granted by the General Meeting that are still valid regarding capital increases	L. 225-37-4, 3 of the French Commercial Code	Section 5.2.1	220
Executive Management procedures	L. 225-37-4, 4 of the French Commercial Code	Section 5.1.2	215
Limitations placed on the powers of the Chief Executive Officer by the Board of Directors	L. 22-10-10,3° of the French Commercial Code	Section 5.1.2	215
Composition of the Board of Directors, preparation and organisation of its work	L. 22-10-10,1° of the French Commercial Code	Section 5.1.1 and 5.2	200 220
Application of the principle of balanced representation of women and men on the Board of Directors	L. 22-10-10,2° of the French Commercial Code	Section 5.1.1	200
Reference to a corporate governance code and application of the comply or explain principle	L. 22-10-10,4° of the French Commercial Code	Section 5.3	224
Specific procedures relating to shareholder participation in General Meetings	L. 22-10-10,5° of the French Commercial Code	Section 7.4	450
Procedure for evaluating current agreements - Implementation	L. 22-10-10,6 of the French Commercial Code	N/A	-
Information likely to have an impact in the event of a tender or exchange offer	L. 22-10-11 of the French Commercial Code	Section 7.1.2	449
Description of the diversity policy applied to members of the Board of Directors with regard to criteria such as age, gender or qualifications and professional experience, as well as a description of the aims of this policy, and its implementation and results obtained during the financial year just ended	R. 22-10-29, paragraphs 2 and 3 of the French Commercial Code	Section 5.1, § "Application of the principle of balanced representation of women and men on the Board of Directors" and section 4.2.1, § "Enhancing gender equality at all levels of the Company"	200 153

### 8.4.3 Non-financial performance statement cross-reference table

Required item	Reference text	Sections of the Universal Registration Document	Page
Business (or commercial) model	Articles L. 225-102-1 and R. 225-105, I of the French Commercial Code	Section 1.1.5	30
Description of the main risks related to the activity of the Company or group, including, where relevant and proportionate, the risks generated by business relations, products or services	Articles L. 225-102-1 and R. 225-105-I, 1° of the French Commercial Code	Chapter 4 § "Summary CNFS table"	146
Information on the way in which the Company or group takes into account the social and environmental consequences of its activity, and the effects of this activity with regard to respect for human rights and the fight against corruption (description of the policies applied and reasonable diligence procedures implemented to prevent, identify and mitigate the main risks related to the activity of the Company or group)	Articles L. 225-102-1-III, R. 225-104 and R. 225-105, I, 2° of the French Commercial Code	Section 4.1.1 § "A commitment based on prominent international initiatives"	148
		§ "Proven non-financial performance"	149
Results of the policies applied by the Company or the group, including key performance indicators	Articles L. 225-102-1 and R. 225-105, I, 3° of the French Commercial Code	Sections 4.2.2.3, 4.2.3.3, 4.2.4.3, 4.3.1.3, 4.3.2.3, 4.3.3.3, 4.3.4.3, 4.3.5.3	155, 158, 159, 162, 167, 168, 170, 174, 176, 177
Employee information (employment, work organisation, health and safety, labour relations, training, equal opportunities)	Articles L. 225-102-1 and R. 225-105, II.-A, 1° of the French Commercial Code	Section 4.2	152
Environmental information (general policy on the environment, pollution, circular economy, climate change)	Articles L. 225-102-1 and R. 225-105, II.-A, 2° of the French Commercial Code	Section 4.3.4	170
Societal information (societal commitments for sustainable development, subcontracting and suppliers, fair commercial practices)	Articles L. 225-102-1 and R. 225-105, II.-A, 3° of the French Commercial Code	Sections 4.3	164
		and 1.1.3	21
Information on the fight against corruption	Articles L. 225-102-1 and R. 225-105, II.-B, 1° of the French Commercial Code	Section 1.3.3	89
Information on measures to promote human rights	Articles L. 225-102-1 and R. 225-105, II.-B, 2 of the French Commercial Code	Sections 4.2.1, § "Ensuring respect for human rights and fundamental freedoms" and sections 8.1.1.3, 8.1.2, 8.1.3, 8.1.5, 8.1.6	155 455, 458, 462, 472, 473
Specific information for companies operating at least one site as set out in Article L. 515-36 of the French Environmental Code	L. 225-102-2 of the French Commercial Code	N/A	-
Statement by the independent third party on the information presented in the non-financial performance statement	Articles L. 225-102-1, III and R. 225-105-2 of the French Commercial Code	Section 4.4.3	188

## 8.4.4 Annual financial report cross-reference table

This Universal Registration Document includes all items from the financial report referred to under Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulations of the AMF:

	Sections of the Universal Registration Document	Page
Management report	See the cross-reference table below	481
<b>Financial statements</b>		
■ Parent company financial statements	Section 6.3	404
■ Statutory Auditors' report on the parent company financial statements	Section 6.4	441
■ Consolidated financial statements	Section 6.1	232
■ Statutory Auditors' report on the consolidated financial statements	Section 6.2	398

## 8.4.5 Universal Registration Document cross-reference table

This Universal Registration Document includes all of the items required under Annexes I and II of the Delegated Regulation (EU) No. 2019/980, as presented in the table below:

Sections of Regulation No. 2019/980	Sections of the Universal Registration Document	Page
<b>Section 1</b>	<b>Persons responsible, third party information, experts' reports and competent authority approval</b>	
	1.1 & 1.2 Identification and declaration of the persons responsible	Section 7.6 452
	1.3 & 1.4 Statement by experts and third party information	N/A -
	1.5 Competent authority approval	N/A -
<b>Section 2</b>	<b>Statutory Auditors</b>	<b>Section 7.5</b> 451
<b>Section 3</b>	<b>Risk factors</b>	<b>Section 2.1</b> 94
<b>Section 4</b>	<b>Information about the issuer</b>	<b>Section 7.3</b> 450
<b>Section 5</b>	<b>Business overview</b>	
	5.1 Principal activities	Chapter "Integrated overview" Sections 1.2 and 1.3 4 32
	5.2 Principal markets	Section 1.2 32
	5.3 The important events in the development of the issuer's business	Section 1.2 Section 3.1 32 116
	5.4 Strategy and objectives	Chapter "Integrated overview" Section 1.1.4 4 24
	5.5 Dependence on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	N/A -
	5.6 Competitive position	Section 1.2 32
	5.7 Investments	Sections 3.3.1, 4.3.6.1, 4.4.4.1 136, 179, 191
<b>Section 6</b>	<b>Organisational structure</b>	<b>Section 1.1.2</b> 20
<b>Section 7</b>	<b>Operating and financial review</b>	<b>Chapter 3</b> <b>Section 4.3.6</b> 115 178
<b>Section 8</b>	<b>Capital resources</b>	<b>Section 3.3.3</b> 139
<b>Section 9</b>	<b>Regulatory environment</b>	<b>Section 1.3</b> 77
<b>Section 10</b>	<b>Trend information</b>	<b>Section 3.5</b> 143

<b>Sections of Regulation No. 2019/980</b>		<b>Sections of the Universal Registration Document</b>	<b>Page</b>
<b>Section 11</b>	<b>Profit forecasts or estimates</b>	N/A	-
<b>Section 12</b>	<b>Administrative, management and supervisory bodies and senior management</b>		
	12.1 Members of the administrative, management or supervisory bodies	Chapter "Integrated overview" Section 5.1	4 200
	12.2 Administrative, management and supervisory bodies and senior management conflicts of interests	Section 5.1.4	219
<b>Section 13</b>	<b>Remuneration and benefits</b>		
	13.1 Remuneration paid	Section 5.4	226
	13.2 Total amounts set aside or accrued	Section 5.4	226
<b>Section 14</b>	<b>Board practices</b>		
	14.1 Date of expiration of the current term of office	Section 5.1	201
	14.2 Service contracts	Section 5.4.2	227
	14.3 Information about the issuer's audit committee and remuneration committee	Section 5.2.3	221
	14.4 Compliance with the corporate governance regime(s) applicable to the issuer	Section 5.3	224
	14.5 Potential material impacts on the corporate governance	Section 5.2	220
<b>Section 15</b>	<b>Employees</b>	<b>Section 4.2</b>	152
<b>Section 16</b>	<b>Major shareholders</b>	<b>Section 7.1.2</b>	449
<b>Section 17</b>	<b>Related party transactions</b>	Section 6.1 Note 36 to the consolidated financial statements	364
<b>Section 18</b>	<b>Financial information concerning the issuer's assets and liabilities, financial position and profits and losses</b>		
	18.1 Historical financial information	Section 6.1 and 6.3	232, 404
	18.2 Interim and other financial information	N/A	-
	18.3 Auditing of historical annual financial information	Sections 6.2 and 6.4	398, 441
	18.4 Pro forma financial information	N/A	-
	18.5 Dividend policy	Section 7.1.3	449
	18.6 Legal and arbitration proceedings	Section 3.4	142
<b>Section 19</b>	<b>Additional information</b>	<b>Section 7.3</b>	450
<b>Section 20</b>	<b>Material contracts (other than contracts entered into in the ordinary course of business)</b>	<b>Section 7.2</b>	449
<b>Section 21</b>	<b>Documents available</b>	<b>Section 7.3</b>	450

The following information is incorporated by reference in the Universal Registration Document, in accordance with Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017:

- for 2020: the consolidated financial statements for the year ending 31 December 2020 and the related Statutory Auditors' report, the parent company financial statements and the related Statutory Auditors' report, and the financial information from the management report available in the Universal Registration Document filed with the AMF on 18 March 2021 under no. D.21-0146 and accessible under the following link:

[AMF – Base des décisions et informations financières \(BDIF\) – La Poste Groupe – Document d'enregistrement universel 2020](#)

- for 2021: the consolidated financial statements for the year ending 31 December 2021 and the related Statutory Auditors' report, the parent company financial statements and the related Statutory Auditors' report, and the financial information from the management report available in the Universal Registration Document filed with the AMF on 21 March 2022 under no. D.22-0128 and accessible under the following link:

[AMF – Base des décisions et informations financières \(BDIF\) – La Poste Groupe – Document d'enregistrement universel 2021](#)



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