

PUBLIC SERVICE AGREEMENT

2023-2027

BETWEEN

THE FRENCH STATE AND LA POSTE

**ON THE PUBLIC SERVICE MISSIONS ENTRUSTED TO
LA POSTE GROUPE**

Foreword

Under the amended Act of 2 July 1990, on the organisation of the public postal service, the French State is required to enter into a public service agreement with La Poste, as referred to in Article 140 of Act no. 2001-420 of 15 May 2001, on new economic regulations.

In particular, this agreement defines the objectives of the four public service and general interest missions entrusted to La Poste.

Pursuant to this provision, this 2023-2027 public service agreement expresses the shared intention of the French State and La Poste to consolidate the four public service missions carried out by La Poste, to establish the main priorities to be pursued within this framework and to express, in addition, the contributions that La Poste is in a position to make to certain public policies.

This agreement is entered into following the transformation of La Poste's operating environment in recent years.

La Poste's public shareholding was modified following the decision of the Minister of the Economy and Finance in August 2018 and authorisation by the Pacte law¹ in May 2019. On 4 March 2020, Caisse des Dépôts became La Poste's majority shareholder with 66% of the capital, with the French State holding a 34% stake.

In February 2021, after extensive consultation with its stakeholders, La Poste Groupe adopted its new strategic plan: "*La Poste 2030, committed for you*".

This new strategic plan builds on the success of the previous plan: "*La Poste 2020: conquering the future*". Faced with rapid attrition in its historic mail business due to reduced volumes, La Poste Groupe has succeeded in its ambition to develop and diversify its activities. Its sales have risen from €22 billion in 2014 to €35.4 billion in 2022, and the share of mail has fallen from 36% in 2014 to less than 17% in 2022. The results recorded in 2022 demonstrated the company's resilience and performance in the face of stiff competition in most of its markets.

The framework for the exercise of public service missions has been consolidated. In 2020, a specialised Public Service Missions Committee was set up within La Poste Groupe's Board of Directors, chaired by an independent director appointed by the French State. On 22 July 2021, at the Senior Monitoring Committee meeting, the French Prime Minister reaffirmed the French State's commitment to ensuring that La Poste fulfils the four public service missions entrusted to it. He also confirmed his commitment to fair compensation for these missions, which was reflected in the amendment to the 2018-2022 public service agreement signed on 18 May 2022.

In June 2021, La Poste opted to become a mission-led company as provided for in the aforementioned Pacte law, and its governance has been adapted accordingly. It has adopted a corporate purpose, social and environmental objectives and a stakeholder committee dedicated to this mission.

¹Law no. 2019-486 of 22 May 2019, on the growth and transformation of businesses.

In the coming years, La Poste Groupe will continue its transformation, as set out in its new strategic plan.

The strategic plan provides for the transformation required in order to “*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.*” Within this framework, La Poste Groupe will consolidate its multi-business model, develop customer satisfaction through a high level of commitment, and innovate to remain competitive in increasingly competitive markets. For its employees, it will maintain an ambitious and attractive social model. For society, it will be a player in the ecological, regional, demographic and digital transitions.

It will set out its purpose: “*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 projected economic trajectory, the resources generated by the company's profitable growth will enable it to modernize its offerings, finance organic and external growth in France and abroad, reduce debt and remunerate shareholders.

It is within this strategic and economic framework that La Poste will carry out the public service missions entrusted to it, to the highest quality standards.

Pursuant to the law of 9 February 2010 on the La Poste public sector company and postal activities, the legislator entrusted La Poste Groupe with these four missions: universal postal service, contribution to regional development, press transport and delivery, and accessible banking.

By means of this agreement, the French State reaffirms the importance of these missions for the community, and the need to continue to adapt them to local needs and improve their economic efficiency. It intends to provide the company with the long-term financial compensation essential to the financial sustainability and modernisation of these missions, taking into account the cost they represent for La Poste.

La Poste will provide these services throughout France, using quality and satisfaction metrics to ensure that they meet user expectations. It will report on these results within the framework of the consolidated governance structure that has been introduced. It will make proposals to the French Government and Parliament concerning any changes to these missions that it deems appropriate.

In executing this agreement, the French State and La Poste will take account of any exceptional circumstances, as was the case from 2020 onwards with the Covid-19 pandemic.

This public service agreement will give rise to regular monitoring and appointment clauses.

La Poste will draw up an annual report on the implementation of the public service agreement, which will be sent to the Minister responsible for postal services and to the Chairman of the High Commission for Digital and Postal Services.

A Senior Monitoring Committee meeting will be held each year to examine this report. Chaired by the Minister responsible for postal services, it will bring together representatives of the various stakeholders: national and local elected representatives, trade unions and consumer associations. It may be preceded by a technical committee meeting to prepare the plenary session and review one or more specific issues.

Appointment clauses in the agreement provide for a review to take account of any significant changes in the framework governing the performance of each of our public service missions, where such changes might jeopardise the financial equilibrium of each mission.

The Board of Directors' Public Service Missions Committee may, on its own initiative, examine the achievements under this agreement and the outlook for its implementation.

In addition, this document includes the contributions that La Poste Groupe intends to make, as part of its strategy, to four major public policies: independent living at home for the elderly, sustainable mobility, digital trust and regional cohesion.

As part of its strategic plan "*La Poste 2030, committed for you*", La Poste Groupe has expressed its ambition to contribute to demographic, ecological, digital and regional transitions. These transitions represent considerable challenges for France and give rise to ambitious public policies.

La Poste and its subsidiaries are in a position to participate, alongside other public and private players, in the deployment of some of these public policies across the country, by offering the innovative, high-performance solutions expected by citizens, in line with and in support of the measures that the French State is already deploying or is planning to put in place.

It is in this spirit, and without any commitment on the part of the parties, that the contributions and actions envisaged by La Poste Groupe are also included in this document.

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Universal postal service

The law of 9 February 2010 relating to the La Poste public sector company and to postal activities designated La Poste as the universal postal service provider for a period of 15 years from 1 January 2011.

The provisions of this public service agreement relating to the provision of a universal postal service by La Poste therefore cover the period from 1 January 2023 to 31 December 2025.

Between now and 31 December 2025, the French Government and Parliament will have to decide how the universal postal service will be provided from 1 January 2026. A plan has been agreed between the French State and La Poste that will enable both parties to prepare for this deadline as effectively as possible.

1 Background and challenges

1.1 The continuing decline in mail volumes means that the universal postal service is now loss-making, despite La Poste's efforts to improve performance and the price increases authorized by the French regulatory authority for electronic communications, post and press distribution (Arcep)

The law of 9 February 2010 set out the framework for implementing and providing the universal postal service, which includes nationwide collection and delivery 6 days a week, postal shipment for parcels weighing up to 20 kilograms, partial uniform pricing for single-piece items, and accessibility criteria for contact points. Lastly, the service must offer affordable, cost-oriented pricing. These obligations guarantee the maintenance of a high-quality universal service.

In just over a decade, the mail and parcel markets have undergone profound transformation, and with them the conditions under which the universal postal service is provided.

With the spread of new information and communication technologies, the number of letters sent has fallen sharply. This structural trend was exacerbated by the Covid-19 epidemic. The number of letters transported and delivered by La Poste has fallen from 18.4 billion in 2008 to 6.7 billion in 2022. The universal postal service business accounted for 15% of La Poste Groupe's revenue in 2022, compared with 47% in 2008.

The growth of e-commerce has boosted the parcel delivery business. Whereas in 2013, La Poste handled 33 million parcels as part of its universal service, it handled 41 million in 2019 and 49 million in 2022. Within the scope of the universal postal service, the decline in mail volumes is far from being offset by the increase in parcel volumes².

Despite La Poste's efforts to improve performance and the price increases authorized by Arcep, the overall and continuing decline in universal service volumes has meant that this public service mission became loss-making with effect from 2018. This deficit is likely to persist in the future, due to the high fixed costs involved in this mission.

² Most of the growth in the parcels business is concentrated on BtoC and BtoB flows that do not fall within the scope of the universal postal service. The total volume of parcels delivered by La Poste Groupe amounted to 2.6 billion in 2022, compared with 1 billion in 2013 and 1.7 billion in 2019.

FULL-COST UNIVERSAL POSTAL SERVICE ACCOUNT (IN € MILLIONS)³

2015	2016	2017	2018	2019	2020	2021
290	175	146	(365)	(526)	(782)	(617)

1.2 The universal postal service mission remains essential and must adapt to the profound transformation of communication and consumer patterns

The universal postal service mission remains necessary.

The consultation process conducted by La Poste between 27 February and 1 December 2020, to prepare its new strategic plan, confirms this need. The universal postal and parcel service mission is considered indispensable by 86% of La Poste's individual customers and 80% of its business customers, by 89% of associations (including 100% of consumer associations) and by 85% of elected representatives who took part in the consultation.

The mission entrusted by the French State in February 2021 to Jean Launay, a former Member of Parliament, to analyse changing expectations with regard to the universal postal service, notes, after consultation with numerous stakeholders, strong support for mail delivery six days a week, the presence of a large network of contact points and the maintenance of an affordable and controlled pricing policy. The rapporteur also establishes the need to strengthen and perpetuate the financial sustainability of the universal postal service, through changes to the terms and conditions of the service, particularly in delivery times, and through the payment of annual financial compensation by the French State.

The Senate report of 31 March 2021, on "*The future of La Poste's public services: compensation, control, improvement, detection*", drawn up under the responsibility of Senator Patrick Chaize, reached similar conclusions.

The public consultation conducted by the European Commission on the evaluation of the Postal Directive between 13 July and 9 November 2020, also shows that the universal postal service remains essential for a large part of the population, both individuals and businesses.

1.3 The French State and La Poste have agreed to strengthen the long-term viability of the universal postal service mission by means of a public contribution and modernisation of the product range

On 22 July 2021, after taking into account this finding and the proposals made by Jean Launay (referred to above), the French Prime Minister announced that the French State would pay La Poste an annual budget allocation intended to offset part of the additional costs of the universal postal service over the 2021-2025 period.

The French Postal and Electronic Communications Code⁴ was amended by the 2022 Finance Act to give Arcep the authority and task of conducting an annual assessment of the net cost of this service. This assessment is a prerequisite for the implementation of budgetary compensation by the French State for La Poste. Carried out on an annual basis, this assessment will make it possible to review the true cost of the universal service mission, making it possible to certify for the purposes of State aid regulations that this mission has not received excess compensation, as required by the European regulations on State aid in the form of public service compensation⁵.

³ For 2020 and 2021: before public compensation and excluding provisions and reversals of accounting provisions for depreciation of mail assets.

⁴ Articles L. 2-2 and L. 5-2.

⁵ Framework 2012/C 8/03 of 20 December 2011.

To this end, a *Conseil d'Etat* decree, issued after consultation with Arcep and the High Commission for Digital and Postal Services (CSNP), will specify the assessment method used to calculate the net cost of the universal postal service mission.

At the same time, the Prime Minister announced his support for La Poste's preparation, by 2023, of a new range of services reflecting the changes to the universal postal service recommended by Jean Launay, whose work, based on extensive consultation with stakeholders and La Poste, has resulted in practical proposals for adapting the universal postal service to address the revolution in communications and exchanges.

1.4 The European Commission has been asked to rule on the compatibility of the mission's financing with the State aid rules

In November 2021, the French State initiated the notification procedure for public compensation for universal postal service for the years 2021-2025. This procedure is ongoing in accordance with the relevant European provisions.

2 The parties' commitments

2.1 La Poste is implementing a new universal postal service range, delivering quality and affordability and contributing to the ecological transition

La Poste has prepared a new mail range for the universal postal service, in line with the Prime Minister's aforementioned announcements.

This new range is centred on a three-day delivery offering⁶ to meet customer needs more effectively, to maintain a high level of quality and reduce the carbon impact of this activity.

This range makes it possible to address the diversity of customer needs more effectively, by offering a very affordable and more reliable solution for the most common three-day mail deliveries, as part of a range of next-day, two-day, three-day and four-day solutions covering the variety of specific customer requirements (next-day urgent document deliveries, tracked two-day document or small goods deliveries, registered three-day document or small goods deliveries, two-day, three-day and four-day corporate communication and customer relations deliveries). The main features of this new mail range are described in Appendix 1 to this chapter.

The prices for these services take into account their frequency of use, their relative share of the customer basket, and the value of the services provided.

Postal carriers continue to deliver urgent and time-sensitive letters 6 days a week throughout the country to all private individuals, professionals and businesses.

The entire mail range is designed to meet the highest standards of quality and reliability. It contributes to reducing the carbon impact of this activity while improving the economic situation of the mission.

2.2 La Poste is improving the reliability of its main universal postal service offerings

The service quality targets are set by order of the Minister responsible for postal services.

The 2023, 2024 and 2025 objectives are set out in Appendix 2 to this chapter. They reflect an improvement in the reliability of the universal service, with a quality-of-service target raised to 95% by 2023 for the main services offered as part of this mission.

⁶ All delivery times mentioned are indicative.

As soon as the increase in volumes is economically justified, La Poste will study the possibility of expanding the printing network for the e-Lettre Rouge, by increasing the number of sites across the country. In such circumstances, the quality of service target associated with this product could be reviewed to determine whether the delivery target or excessive lead time target could be increased.

In addition to the regulatory targets, the French State and La Poste will monitor a list of service quality and customer satisfaction indicators on an annual basis, which will be made public. The list of metrics and their measurement methods are specified in the ministerial order. Appendix 3 defines the metrics that are monitored within this framework and which are reported. Following Arcep's decision no. 2022-0680 of 29 March 2022, this list has been extended to include metrics whose quality-of-service results are already published as part of the universal postal service reporting dashboard.

La Poste will continue to publish its universal postal service reporting dashboard annually, as it has since 2006. This reporting dashboard, which is posted on the La Poste Groupe website, includes quality-of-service and customer satisfaction metrics.

2.3 Each year, the French State pays La Poste a financial contribution to offset the costs of its universal service mission

In order to support the transformation of the universal postal service and guarantee its continuity and affordability, Article L2-2 of the French Postal and Electronic Communications Code stipulates that La Poste receives compensation from the French State for its universal postal service mission.

The maximum annual amounts paid to La Poste to finance the universal postal service are as follows for the years 2023 to 2025:

MAXIMUM ANNUAL PUBLIC CONTRIBUTION
PAID TO LA POSTE FOR THE UNIVERSAL POSTAL SERVICE
(IN € MILLIONS)

2023	2024	2025
520	520	520

The evolution of this compensation for the following period will be discussed as part of the discussions provided for in part 3 "Governance" of this section.

2.3.1 Compensation adjusted depending on service quality results

The amount of the annual compensation varies depending on service quality results as measured by the proportion of Lettre Verte mail actually delivered within the three-day delivery timeframe as published in the universal postal service reporting dashboard in application of Article R. 1-1-8 of the French Postal and Electronic Communications Code. The adjustment of annual compensation for the years 2023 to 2025 is based on the following scale.

ADJUSTMENT OF THE ANNUAL PUBLIC COMPENSATION PAID TO LA POSTE
FOR THE UNIVERSAL POSTAL SERVICE (IN € MILLIONS)

Indicator: percentage of Lettre Verte mail delivered within three days	≥ 95.5%	520
	From ≥94.5% to <95.5%	510
	<94.5%	500

The impact of exceptional circumstances, as referred to in Article R.1-1-12 of the French Postal and Electronic Communications Code, which interrupt or disrupt the universal service and which therefore adversely affect La Poste's ability to achieve the service quality targets, may be taken into account by the French State in determining the amount of compensation. The French State will make its decision following discussions with La Poste, at the end of which it will inform La Poste of its decision and the reasons for it.

The application of this mechanism to the public compensation constitutes an incentive for service quality. It is without prejudice to Arcep's statutory power to impose sanctions in the event of failure to meet targets set by ministerial decree.

2.3.2 Compensation caps

The amount of compensation paid to La Poste may not exceed:

- i. the net cost of the universal postal service, as assessed by Arcep

In accordance with point 49 of the European Union framework for State aid in the form of public service compensation, the French State ensures every two years that the compensation paid to La Poste does not exceed the net costs incurred over that period.

If the compensation paid over the two-year period in respect of the universal postal service exceeds the net costs actually incurred by La Poste over the same period for that mission, the French State will inform La Poste of the amount it has to reimburse and the terms of reimbursement, in accordance with the provisions of the aforementioned framework and the case law of the Court of Justice of the European Union.

- ii. the regulatory accounting deficit related to its universal postal service mission

To this end, as in the case of net cost, a comparison will be made each year (Y) between the regulatory deficits evaluated at full cost over the two previous years (Y-1 and Y-2) and the compensation paid for those two years. For the application of this rule, and in order to guarantee the economic purpose of this system, the deficits in question will be assessed after excluding the effect of any provisions and reversals of accounting provisions for depreciation of mail or parcel assets.

If, in respect of the previous two years, the total compensation actually paid exceeds the total deficits calculated in this way, the surplus compensation would be refunded by La Poste to the French State in year Y.

The terms and conditions for applying this cap are described in Appendix 4 to this section.

At the time of the final compensation payment, and no later than 2026, the French State will conduct a check to ensure that there has been no overcompensation over the entire period, as described above.

2.4 The universal postal service is performed in such a way as to improve its environmental footprint and inform customers so that they can choose the most environmentally-friendly ways of sending and receiving mail and parcels

The universal postal service is based on the shared collection and delivery of parcels and mail. This mode of organisation is beneficial for the environment, as it limits the means of transport implemented to process items from the point of departure to the point of arrival, while ensuring the highest quality of service for as many people as possible.

From 2013 to 2021, by adapting its means of transport, optimising transport loading and increasingly using low- or zero-emission vehicles, the Services-Mail-Parcels business line reduced its CO₂ emissions by almost 118,000 tonnes, i.e., by more than 16%. The new universal service mail range, by allowing new adaptations, will improve this contribution to environmental protection by enabling a further reduction in emissions estimated at 60,000 tonnes of CO₂ per year, i.e., 25% compared with 2022.

In addition, La Poste will continue to inform consumers so that they can make informed choices about the most environmentally-friendly products and services. La Poste already offers an environmental delivery score, designed with the support of Ademe, Eco-act and WWF France. It models each stage of the mail and parcel journey and calculates the environmental impact of sending and receiving postal items, taking into account each of the consumer's possible choices: types of items sent, packaging, deposit methods, delivery methods and any travel involved for the consumer at the time of deposit or collection etc. It enables customers to make informed decisions by explaining the impact of the various possible choices and taking into account their environmental impact (climate change, air quality, use of natural resources, etc.). Since its launch on laposte.fr in early 2022, it has been used more than 560,000 times.

2.5 Free postal services

Over the period of this agreement, the costs incurred by La Poste as a result of the following two services, which are offered to customers free of charge, are deemed to be offset by the compensation that will be paid to La Poste as part of the universal postal service:

- mail from private individuals addressed to the President of the French Republic, as defined by the second paragraph of Article R.1-1-26 of the French Postal and Electronic Communications Code;
- cecograms (items for the blind), as defined in the Universal Postal Convention and in Article R.1 of the French Postal and Electronic Communications Code.

The French State and La Poste will prepare, for implementation on or before 1 January 2024, an adaptation of the procedure set out in Article 4 of the amended decree of 2 January 2009. This adaptation should make it possible to simplify the approval procedure while continuing to guarantee access to cecograms and the associated franking allowance.

3 Governance

Without prejudice to the provisions of the section of this agreement entitled "Changes in the public service missions entrusted to La Poste", the French State and La Poste plan to meet in 2024 to review the universal service mission (implementation of the new mail range, economic situation of the mission, level of net cost compensation, etc.) and agree, if necessary, on an adaptation to this agreement.

At the same time, the French State will inform La Poste of the timetable and method by which it will designate the universal service provider(s) with effect from 1 January 2026, to give La Poste the visibility it requires to meet this deadline.

This agreement will be amended accordingly by means of a rider for the 2026-2027 period.

Appendix 1 – New universal service mail range
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Features of the main offerings
of the new Mail range for individuals and business customers (with effect from 1 January 2023)

Name	Lettre Verte	Tracked Lettre Verte	Lettre "Services Plus"	Lettre Recommandée (registered letter)	e-Lettre Rouge
Frequency of use	Regular		Ad hoc		Occasional
Customer needs	Economical	Tracking	Quick tracking	Proof of receipt	Urgent
Delivery lead times ⁽¹⁾	3 days		2 days	3 days	1 day
Contents	Documents Small goods			Documents	Digitized and reprinted documents
Shipment from a personal letterbox			Integrated into the offer		
Proof of deposit				Integrated into the offer	
Tracking	Optional	Integrated into the offer	Integrated into the offer	Integrated into the offer	Optional
Acknowledgement of receipt				Optional	
Compensation for excessive delays			Integrated into the offer		
Postage options	Stamps Online Pre-paid envelopes	Stamps Online Pre-paid envelopes	Stamps Online Pre-paid envelopes	Stamps (pack) Online stamp Pre-paid envelopes	On automated teller machine or SMARTEO in post office On laposte.fr

(1) Delivery times for information purposes

Appendix 2 -- Regulatory service quality target metrics
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Target per metric	2023	2024	2025
Lettre Verte (three-day delivery)	≥ 95%	≥ 95%	≥ 95%
Registered letter (three-day delivery)	≥ 95%	≥ 95%	≥ 95%
Lettre Verte and registered letter delivery times in excess of five days	<1%	<1%	<1%
Colissimo (two-day delivery)	≥ 92%	≥ 92%	≥ 92%
Colissimo delivery times in excess of four days	<1.5%	<1.5%	<1.5%
On-time implementation of mail forwarding contracts	≥ 95%	≥ 95%	≥ 95%

Appendix 3 – Third-party service quality metrics listed by decree and published in the universal service reporting dashboard

	Comments
e-Lettre Rouge next-day delivery rate	
Lettre Verte three-day delivery rate	Regulatory target
“Services Plus” Letter two-day delivery rate	
“Services Plus” Letter delivery rate in over seven days	
Registered letter three-day delivery rate	Regulatory target
Lettre Verte and Registered Letter delivery times in excess of five days	Regulatory target
Registered Letter delivery rate in over seven days	
Notice confirming delivery for registered letters between private individuals within three days	
Business mail (G2) two-day delivery rate	
Business mail (G3) three-day delivery rate	
Business mail (G4) four-day delivery rate	
Advertising (direct marketing) mail (MD7) seven-day delivery rate	
On-time implementation of mail forwarding contracts	Regulatory target
48-hour mail forwarding contract recovery rate	
Export cross-border mail three-day delivery rate	EU target
Export cross-border mail five-day delivery rate	EU target
Colissimo (two-day delivery)	Regulatory target
Colissimo delivery times in excess of four days	Regulatory target
Number of complaints concerning Mail, especially for registered letters	
Number of appeals concerning Mail complaints	
Compensation rate concerning Mail complaints	
21-day Mail complaints response rate	
Number of complaints concerning Parcels	
21-day Parcel complaints response rate	
Compensation rate concerning Parcel complaints	
Daily press and similar same-day/next-day	Regulatory target
Urgent press next-day	Regulatory target
Press (two-day delivery)	Regulatory target
Non-urgent press (four-day delivery)	Regulatory target
Economical press (seven-day delivery)	Regulatory target

Appendix 4 – Application of the cap on compensation for the universal postal service deficit at full cost – Calculation methods
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This system will be applied for each of the fiscal years 2021 to 2025.

The principle adopted is to compare recorded deficits and compensation paid over a rolling two-year period.

In practice, in year Y, the accumulated compensation for years Y-1 and Y-2 is compared with the accumulated deficit booked for years Y-1 and Y-2. In year Y, La Poste reimburses to the French State the share of the compensation received in this way that exceeds the sum of the deficit booked in this way.

This system operates *a posteriori*, since the final result for year Y-1 is known in July of year Y. Any adjustment for the years 2024 and 2025 will therefore take place in 2026.

Capping system over a rolling two-year period (applied in Y to Y-1 and Y-2)		
Cumulative economic deficit calculated over two years (for fiscal years Y-1 and Y-2)	A	Total deficit booked
Compensation paid in year Y (in respect of deficit for fiscal year Y-1)	B	Value of compensation paid
Cumulative compensation over two years paid in years Y-1 and Y (in respect of deficit for fiscal years Y-2 and Y-1)	C	Total compensation paid
Two-year surplus of compensation paid in years Y-1 and Y (for fiscal years Y-2 and Y-1)	D	Value of A+C
Overpayments to be refunded by La Poste to the French State in year Y (in respect of fiscal years Y-2 and Y-1)	E	Equal to D if D > 0
Amount received by La Poste in year Y net of refund by La Poste to the French State in year Y	F	Equal to B-E
Amount paid by the French State in year Y, net of refund by La Poste to the French State in year Y	G	Equal to B-E

Press transport and delivery

La Poste Groupe's public service mission of press transport and delivery was confirmed in the French Postal Services Act of 9 February 2010. Pursuant to Articles L.4 and R.1-1-17 of the French Postal and Electronic Communications Code, its purpose is to “*promote pluralism, particularly that of political and general information*” through preferential rates (i.e., lower than the usual postal rates for equivalent services).

The public service of press postal transport is provided nationwide 6 days a week, under conditions that guarantee equal treatment for users and the highest service quality.

1 Background and challenges

1.1 *The structural decline in printed newspaper volumes has led to a reform of the system of subsidies for the public service of delivering subscription press by post*

The decline in printed newspaper and magazine volumes, which has continued over the last few years, is a structural phenomenon, the economic effects of which have not yet been offset, for the majority of publications, by digital subscriptions.

For La Poste, the reduction in the volume of press items delivered to subscribers comes on top of a more general decline in mail volumes. The economic results of this mission remained particularly unbalanced, despite La Poste's performance gains, the price increases approved by the Minister and a declining but still significant amount of State compensation.

PRESS TRANSPORT AND DELIVERY MISSION ACCOUNT
FULL-COST (IN € MILLIONS)

	2015	2016	2017	2018	2019	2020*	2021*
Full costs	(898)	(888)	(736)	(609)	(586)	(611)	(612)
Revenue (paid by publishers)	399	376	340	399	274	244	248
State compensation paid to La Poste	130	119	121	112	104	96	88
Deficit in La Poste's financial statements taking into account both revenue and public compensation	(368)	(393)	(275)	(198)	(208)	(271)	(276)

* Excluding depreciation and reversal of asset impairment in accordance with Arcep decision no. 2022-0919.

In its opinion on La Poste's proposed tariffs for press items for 2022, excluding implementation of the reform, Arcep concluded that in the context of declining postal volumes, particularly for the press, the price changes proposed for 2022 did not reflect the underlying costs, which will in turn exacerbate the deficit on the subsidised press account⁷.

Adjustments to the postal press transport model were therefore necessary.

⁷ Opinion No. 2021-2706 of 15 December 2021.

The government therefore entrusted Emmanuel Giannesini, senior advisor to the French Court of Auditors, with the task of proposing the adjustments to be made. After extensive consultation with all industry stakeholders, Emmanuel Giannesini drew up an innovative and ambitious plan with four objectives in mind: to promote a more even spread of traffic between courier delivery via dedicated paper routes and postal delivery via the standard mail circuit; to guarantee a public service for the postal transport and delivery of press at preferential rates throughout France; to stabilize the cost of delivery to subscribers, while improving the final financial equilibrium of the public service; to simplify the general framework of the public service, and to improve the predictability, transparency, clarity and management of State support for the press sector.

1.2 The French State has promoted a reform of public funding for press delivered by post, which reinforces the public service mission of postal delivery of press subscriptions

The French Government has decided to implement the reform proposed by Emmanuel Giannesini for the 2022-2026 period. A memorandum of understanding was signed on 14 February 2022 by the French State, the organisations representing the press families, La Poste and ARCEP. The reform came into force on 1 January 2023, following approval by the European Commission, which was notified of the reform.

This memorandum of understanding defines the new framework for the mission of postal delivery of the press up until 2026, based on five major measures:

- the introduction of a single price list based on the standard public service rate, the “CPPAP” rate;
- moderation of price increases to the value of inflation plus 1%, subject to an annual limit of a floor of 1% and a cap of 2%;
- the abolition of the current courier delivery subsidy and the creation of a subsidy per copy restricted to political and general information publications (IPG) and news dailies for all sports disciplines, consisting of a subsidy per copy delivered by post and a subsidy per courier copy;
- regulation of the press courier delivery activity; creation of an Subscription Press Distribution Quality Watchdog, covering both delivery by post and by courier.

2 The parties' commitments

2.1 La Poste offers a wide range of high-quality services that contribute to the environmental transition

2.1.1 An enhanced range of services for publishers

The press sector and La Poste, in their respective fields, have undertaken the necessary transformations to reduce the environmental footprint of printed press transport.

The increasing automation and mechanisation of postal operations, from collection to the postal carrier's delivery round, are industrial, economic and environmental levers. In this respect, the challenges linked to the environmental transition of press transport converge, particularly for publications with a modest volume of print copies, with access to the most efficient postal services. The aforementioned memorandum of understanding provides for two measures in this respect.

In consultation with publishers, La Poste has prepared a new service offer which came into force on 1 January 2023. Aimed primarily at small-scale publishing, this offer is based on a single level of preparation, with containers distributed by mail hubs (PIC).

Reserved for non-urgent press delivered in four or seven days⁸, with a single level of preparation at “industrial mail hubs” and a single homogeneous container for each of the mail hubs in France, this offer does not require a sorting stage at one of the sites specialised in the handling of press items. It is therefore offered at a rate up to 5% lower than that applied to the preparation level for “industrial mail hub sorting.”

To help publishers implementing the anti-waste and circular economy law⁹, a transitional exemption scheme was set up for two years (2022 and 2023). The amended Environment Code stipulates that with effect from 1 January 2022, press publications must be sent without plastic packaging. When the characteristics of the publications or the choices made by the publishers make it essential to package the copies intended for subscribers, this adaptation may, in some cases, represent an additional weight, and therefore a slightly higher postal price.

2.1.2 High quality targets

In accordance with the provisions of the French Postal and Electronic Communications Code, universal service quality targets are set by the Minister responsible for postal services, generally in three-year sequences, while the more demanding specific targets for the press delivery public service are defined in the public service agreement signed between the French State and the postal operator.

The choice has been made to select a small number of demanding performance targets that reflect the success rates for delivery within the timeframe that corresponds to the price range.

These targets have been renewed for the period 2022-2026.

QUALITY TARGETS FOR PRESS TRANSPORT AND DELIVERY FOR THE 2023-2026 PERIOD

Daily press and similar same-day/next-day	97%
Urgent press next-day	92%
Press (two-day delivery)	95%
Non-urgent press (four-day delivery)	95%
Economical press (seven-day delivery)	95%

Measuring the quality of delivery on two-day deliveries requires a sufficiently representative sample and, therefore, sufficient volumes supplied by publishers.

The memorandum of understanding also stipulates that the monthly monitoring system for the quality of delivery, which will continue to be entrusted to an independent service provider, will be enhanced in the following two ways:

- same-day delivery targets will include a Saturday delivery metric;
- the same metrics will be applied on a regional scale, with at the very least a differentiation between dense and sparsely populated areas as defined by the memorandum of understanding, and as far as possible a breakdown by region.

⁸ Indicative delivery times.

⁹ Law no. 2020-105 of 10 February 2020, on anti-waste and the circular economy.

La Poste has drawn up a proposal including the list and definition of the metrics to be used, as well as a presentation of how they are measured and their conditions of validity. This proposal will be submitted for consultation to a working group comprising representatives of the operator, press organisations and public authorities.

The annual results of these metrics will be published in the above-mentioned universal postal service reporting dashboard.

2.2 The mission's pricing framework is defined to give operators visibility and to guarantee the preferential nature of press pricing

The trajectory agreed between the parties for the entire 2022-2026 period provides for a standard price increase corresponding to the following formula:

$$\text{Prices (Y+1)} = \text{Prices (Y)} \times (1 + (1\% + \text{inflation}))$$

where inflation, in line with the practice followed for several years, is measured by the difference between the June consumer price indices (excluding tobacco) for years Y and Y-1.

In favour of stability and predictability, this standard has a floor set at +1% and a cap set at +2%.

This standard will apply every year until 2026, uniformly to all components of the public service price list. It is therefore identical for all degrees of urgency and levels of preparation required.

This price moderation system represents a clear advantage for the press.

Prices are approved each year by the Minister responsible for postal services under the conditions set out in the French Postal and Electronic Communications Code.

2.3 Each year, the French State pays La Poste a financial contribution to offset the cost of press transport and delivery

The public service mission of postal transport is changing significantly as part of the reform. The introduction of a single price will help reduce La Poste's press account deficit. Nevertheless, the single price paid by publishers remains largely preferential and lower than the cost-oriented universal service price. In addition, the rate of increase in prices will remain below that of costs attributable to press transport.

La Poste will continue to receive compensation for its press transport public service mission for the 2023-2026 period. This compensation will follow a trajectory designed to reach the level of compensation for the net avoided cost of delivering press copies in rural communities¹⁰, while limiting for the first few years the increase in the cost of subsidising postal press transport incurred by the French State, understood as the sum of the aid per posted copy and the compensation paid to La Poste.

The compensation trajectory is set out below.

¹⁰ According to the criteria defined by Insee: "rural communities", corresponding to segments 5 to 7 of the community typologies.

COMPENSATION PAID BY THE FRENCH STATE TO LA POSTE
FOR THE PRESS TRANSPORT AND DELIVERY MISSION (IN € MILLIONS)

2023	2024	2025	2026
40	42.8	38.5	32.2

On 5 December 2022, the European Commission declared that the funding paid by the French State to La Poste in connection with the press transport and delivery mission was compatible with the internal market¹¹.

Its amount must not exceed the cost of the mission as calculated according to the net avoided cost method. An evaluation of the net cost of this mission will be conducted by Arcep at the beginning and end of the period. If this assessment shows that the compensation paid by the French State exceeds the net cost generated by the fulfilment of its public service mission, a mechanism will be implemented the following year to repay to the French State the amount unduly received.

At the time of the last compensation payment, and in any event no later than 2027, the French State will conduct a check to ensure that there has been no overcompensation over the entire period.

The amount of compensation for 2027 will be determined within the framework of the appointment clauses provided for in this agreement.

2.4 The French State mandates La Poste to provide the mechanism for funding for posted press items

The memorandum of understanding signed on 14 February 2022, between the French State, La Poste, the organisations representing the press sector and Arcep establishes a new system of "per-copy" funding for press publications delivered by post. It aims to promote pluralism of information and equal access for publications and readers to postal subscriptions throughout France.

Given the press transport and delivery public service mission entrusted to La Poste, and the information systems it implements to perform this mission, the French State has mandated La Poste to manage, disburse and pay the funding to the publishers who benefit from it, in its name and on its behalf.

Under the terms of the agreement between the French State and La Poste, La Poste is responsible for managing this funding mechanism for "posted" copies, within the limits of the sums made available to it by the French State.

3 Governance

The memorandum of understanding of 14 February 2022 stipulates that the Ministries in charge of communications and the economy will draw up an interim report in mid-2024 on the first years of implementation of the reform.

On the basis of the initial results observed, and after consultation with the organisations representing the press families and La Poste, further discussions will be held from 2024 to consider any adjustments to be made to the memorandum of understanding, which would come into force on 1 January 2025, particularly with regard to the reduction in funding for copies delivered by post in the most densely populated areas.

¹¹ State aid SA.102817 (2022/N).

Without prejudice to this dedicated governance and to the provisions set out in the section of this agreement entitled “Changes in the public service missions entrusted to La Poste”, the French State and La Poste plan to meet in 2024 to draw up an assessment of the press transport and delivery mission (implementation of new offerings, financial position of the mission, level of net cost compensation, etc.) and to agree, if necessary, on an adjustment to this agreement.

This meeting will also make it possible to anticipate the consequences that the French State’s decisions concerning the choice of universal postal service operator(s) as from 1 January 2026 might have on this mission.

Following the discussions provided for in the section of this agreement entitled “Changes in the public service missions entrusted to La Poste”, this agreement will be amended accordingly by means of a rider for the 2026-2027 period.

Regional development

The law of 2 July 1990, established the principle of La Poste's participation in regional development through its network of contact points, in addition to its universal postal service obligations.

The aim of this mission is to provide a postal service to the entire population throughout the country, under the conditions of accessibility laid down by the law of 20 May 2005. Accordingly, La Poste is required to maintain at least 17,000 contact points throughout the country, and to ensure that *“save in exceptional circumstances, no more than 10% of the population of a département may be more than five kilometres or twenty minutes away by car, under usual traffic conditions for the area in question, from La Poste's nearest contact points”*.

The law also stipulates that, in order to fulfil this mission, La Poste must adapt its network, notably by entering into local public or private partnerships, while seeking the best economic and social efficiency and respecting the principle of consultation with the partners concerned, in particular local elected representatives.

One of La Poste's roles in regional development, pursuant to this public service agreement, will be to increase the accessibility of postal services throughout the country, in conjunction with local authorities and decentralised government services.

Moreover, as this mission is defined by law as complementary to that of the universal postal service, the conditions under which this mission is carried out will have to be reviewed in light of the decision that will be taken concerning the terms of performance of the universal postal service after 31 December 2025.

1 Background and challenges

1.1 La Poste's presence in the regions meets citizens' expectations and makes an essential contribution to public policy on regional development

France's regions are facing profound changes: the vitality of large cities, an ageing population and new consumer patterns linked to digital technology.

Like other retail networks, the number of visits to La Poste's contact points continues to fall (down 10% on average per year over the 2018-2021 period). However, before the pandemic, 77% of French people had visited a La Poste network contact point, demonstrating the role the postal network plays in maintaining social bonds and local services.

Against this backdrop and in response to these challenges, La Poste is maintaining a dense network of contact points, in full compliance with the regional development requirements laid down by law. At 31 December 2022, La Poste's network comprised 17,013 contact points, including 7,001 post offices, 6,915 local postal agencies and 3,097 partner retail outlets. 80% of the network's contact points are located in communities with less than 10,000 inhabitants, of which 52% are communities with less than 2,000 inhabitants.

La Poste is continuing to modernise and adapt its presence, in line with the changes taking place in the regions.

It continues to diversify its post office formats. For example, it has developed a new form of partnership with 35 contact points operated by social and solidarity economy players. These complement other types of contact point, such as local postal agencies and partner retail outlets.

La Poste offers specific, targeted services in some post offices, such as for tourists at Paris and Lyon airports, or dedicated to young people in Nancy and Rennes, and offers tertiary spaces such as shared workspaces.

With more than 371 La Poste Relais Urbains outlets created since 2018, the range of postal services over a wide range of hours has been expanded.

The French National Observatory of Postal Coverage ensures compliance with the rules laid down by law for regional development. Each year, the Observatory analyses and issues an opinion on the departmental reports on accessibility to the postal network, as well as on the annual reports on actions carried out with the help of the national postal territorial compensation fund).

The local postal coverage agreement provides for a satisfaction survey to be completed by elected representatives, users and staff. The most recent results available (2021) confirm that satisfaction remains high, in line with the results of previous years:

- surveys of all Departmental Commissions on Local Postal Coverage (CDPPTs) show that 79% of mayors have a positive opinion of the quality of regional dialogue;
- 80% of mayors whose post offices have been transformed or are in the process of being transformed are satisfied with the quality of regional dialogue;
- the overall image of La Poste's network among all customers is considered to be good or very good by 81% of respondents (up 4 points on 2020).

1.2 The method for assessing the cost of the regional development mission has been updated

The size of La Poste's network of contact points is subject to two obligations, one stemming from the accessibility of the universal postal service, and the other, which is complementary and more demanding, stemming from its mission to contribute to regional development. Calculation of the cost of the regional development mission is based on an assessment of the cost of maintaining a network of contact points that satisfies the requirement to contribute to regional development, over and above the network of contact points that satisfies the sole requirement of accessibility to the universal postal service. Arcep is responsible for assessing the cost of this mission. Each year, Arcep submits a report on this assessment to the Government and Parliament, after consulting the French High Commission for Digital and Postal Services.

Arcep has updated the parameters used to determine the scope of the network it uses for this assessment, to take account of demographic, logistical and technological developments in recent years. This update leads to a more precise and slightly different allocation of the contact points allocated to each mission. The number of contact points allocated to the universal postal service accessibility obligation has therefore been reduced by around 900 points, and the number of contact points allocated to the complementary contribution to the regional development mission has been increased by the same amount, with the total number of contact points remaining equal to the total number of contact points in La Poste's actual network (over 17,000 contact points).

Following public consultation by Arcep¹² and consultation with the French High Commission for Digital and Postal Services, this change has been applied to the assessment of the cost of the mission for 2020¹³.

Over the period of the previous public service agreement, annual net costs as assessed by Arcep were as follows:

¹² Public consultation from 7 December 2020, to 7 January 2021, "Updating the modelling of La Poste's accessible network" https://www.arcep.fr/uploads/tx_gspublication/consult-modelisation-La-Poste_dec2020.pdf (in French only).

¹³ Decision no. 2021-2069 of 7 October 2021.

NET COST OF THE REGIONAL DEVELOPMENT MISSION (MEASURED BY ARCEP, IN € MILLIONS)

2018	2019	2020	2021
231	231	325	348

Over the same period, the compensation paid to La Poste for this mission was as follows:

AMOUNT OF COMPENSATION RECEIVED BY LA POSTE (IN € MILLIONS)

2018	2019	2020	2021
171	171	161	174

1.3 Funding for the regional development mission has been consolidated

The gradual reduction in the CVAE corporate value-added tax rate paid by companies, including La Poste SA, set out in the 2021 and 2023 Finance Acts, has resulted in a significant reduction in the resources of the national postal territorial compensation fund derived from the CVAE allowance provided for in Article 1635 *sexies* of the French General Tax Code. Until now, this allowance has contributed around 80% of the fund's resources. From 2021, the fund lost around 40% of its resources.

As a result, in 2021 and 2022, the French State set up a subsidy aimed at maintaining its contribution at the forecasted level of €174 million set out in the local postal coverage agreement. This level of funding was renewed for 2023. The French State also indicated its intention to continue its support for 2024 by means of a budgetary allocation, the amount of which will be determined within the framework of the draft 2024 Finance Act.

On 10 August 2022, the European Commission declared that the changes made to the mechanism for compensating La Poste's regional development mission for the period 2018 to 2022 were compatible with EU state aid rules¹⁴.

1.4 The French State, La Poste and the AMF have signed a local postal coverage agreement for the 2023-2025 period, which sets out a number of shared ambitions

The implementation of this mission is set out in a local postal coverage agreement, signed by the French State, the most representative national association of mayors and La Poste. This agreement defines the development and governance rules of the local postal services, as well as the terms of financing. As such, it sets the projected amount of the national postal territorial compensation fund and the guidelines for its management.

The regional development mission benefits from a two-tier governance system: the French National Observatory of Postal Coverage (ONPP) at national level, and the Departmental Commissions on Local Postal Coverage (CDPPTs) at departmental level. This organization facilitates in-depth dialogue and consultation with local elected representatives.

A wide-ranging consultation process has been launched to prepare the sixth local postal coverage agreement covering the 2023-2025 period. The preparatory meetings organized by the ONPP, supplemented and enriched by the discussions held by the CDPPTs, confirmed the validity and relevance of the major aspects of the 2020-2022 agreement. This work has demonstrated the need to continue adapting the postal presence to the diverse needs of the regions and populations, and to changing behaviours and technology, by providing appropriate operational solutions.

¹⁴ State aid SA.100960 (2022/NN).

2 The parties' commitments

2.1 La Poste is strengthening and adapting its network's regional footprint with the help of the French State and in consultation with local elected representatives.

The sixth local postal coverage agreement benefits from feedback from previous agreements. It aims to consolidate their strengths and achievements, in particular:

- the mayor's role in regional dialogue;
- the role of the CDPPTs in local governance of the regional development mission;
- a resource allocation system that takes into account the various needs of different regions, with priority given to rural areas, mountainous regions, disadvantaged urban neighbourhoods and French overseas regions;
- summer opening times;
- a strong commitment to digital inclusion;
- innovation and support for experimentation.
- specific support for the most vulnerable groups, notably through social outreach.

As provided for by law, this agreement will ensure that the postal presence continues to adapt to the diverse needs of the regions and population, and to changing behaviours and technology, by providing appropriate operational solutions. In particular, it is intended to support a regional postal presence in sparsely populated areas.

Against this backdrop, this sixth local postal coverage agreement sets four priorities: pooling, preserving the level of funding for the postal territorial compensation fund, service quality and more agile local governance with increased responsibilities.

In this respect, in order to reconcile the decline in footfall at postal contact points with the need to strengthen La Poste's presence in the regions and ensure equal access to public services for all users, the agreement recognizes and encourages initiatives to pool services. The French State will continue to support La Poste and local elected representatives in their regional dialogue, by helping to adapt La Poste's network to the needs of the population.

The financing of the postal territorial compensation fund has been strengthened and its level maintained compared with the previous period. The agreement specifies the conditions for the allocation and commitment of this fund, as well as the corresponding governance.

As the various consultations conducted have shown that improving the service quality of the network of contact points is a priority for elected representatives and users, strong commitments have been made by all signatories. These include, in particular, a plan to increase the number of post offices open on Saturdays, a minimum opening time of 12 hours per week for La Poste's local postal agencies and intercommunal postal agencies under the new agreements, a plan to manage untimely closures, and a plan for summer opening times.

These priorities and commitments will be underpinned by operating rules that give the CDPPTs greater responsibility and room to manoeuvre, enabling greater responsiveness and optimized use of the departmental allocations of the national postal territorial compensation fund.

2.2 The French State provides permanent funding for La Poste's contribution to regional development

The cost incurred by La Poste of maintaining a regional network in addition to that required under the universal service mission is assessed each year by Arcep, using a method defined by Decree no. 2011-849 of 18 July 2011: "the net cost of this additional coverage is equal to the avoided cost in its absence less the revenue lost in its absence".

In return for carrying out this mission, the cost of which is incurred by maintaining an additional regional network, La Poste receives financial compensation from the French State.

The French State has undertaken to continue its contribution to the financing of the regional development mission, subject to authorisation by the European Commission. For the period 2023 to 2025, this compensation is provisionally set at €522 million.

This contribution will be made up to a maximum of €174 million a year, through statutory tax deductions, a budget allocation and, if-necessary, by any other means.

This amount may be supplemented by a deduction on property taxes payable by La Poste subsidiaries on buildings they own, and which are used primarily or exclusively for La Poste activities, up to a maximum of €3 million per year, i.e., a maximum of €9 million over the agreement period. The conditions for mobilising this additional funding are specified in the local postal coverage agreement.

As a result, the maximum compensation received by La Poste for its contribution to regional development will be as follows for the years 2023 to 2025.

MAXIMUM COMPENSATION RECEIVED BY LA POSTE
IN RESPECT OF THE REGIONAL DEVELOPMENT MISSION (IN € MILLIONS)

2023	2024	2025
177	177	177

This financial compensation will be notified in advance to the European Commission. In order to take account of the Commission's authorisation decision, the parties undertake to amend this agreement if necessary.

The amount of compensation paid to La Poste may not exceed the net cost of the regional development mission, as assessed by Arcep.

At the time of the last compensation payment, and in any event no later than 2026, the French State will conduct a check to ensure that there has been no overcompensation over the entire period.

For the years 2026 and 2027, the provisional amount of compensation will be determined in line with the next local postal coverage agreement.

2.3 La Poste looks to pool its services at postal service points.

At a time when La Poste's network, like most local physical networks, is experiencing a decline in customer footfall, maintaining a dense network of contact points throughout the country at reasonable cost represents a considerable challenge for all stakeholders.

Against this backdrop, it is important to consolidate customer footfall, ensure that opening hours are more in line with customer expectations, and enhance the service offering in postal contact points, notably by pooling activities.

Thanks to the density of its physical and human presence, it is in a position to welcome a large number of citizens, and to provide a range of services and administrative procedures to the public, to complement decentralised government services and other public and private operators, and to support beneficiaries as they use these services.

This is why La Poste will remain committed as the operator of the local France Services network and thus contribute to the French government's policy of bringing public services closer to users and simplifying administrative procedures, with a comprehensive range of services, positioned in a single location that is as local as possible.

The national postal territorial compensation fund notably enables the financing of Espaces France Services supported by La Poste, of up to €26,000 per office per year, as provided for in the Prime Minister's circular of 1 July 2019. In addition, the national France Services fund (FNFS), to which La Poste contributes, finances the approved Espaces France Services counters up to €4,000 per structure per year, in accordance with the same circular.

Ways to support the deployment of public service packages and administrative procedures will also be examined.

Furthermore, the trials carried out by the CDPPTs, which are designed to bring innovative projects to the fore and identify best practices, can make a useful contribution to proposing, testing and classifying the most relevant approaches.

Finally, the French State and La Poste will ensure that postal services are consistent and complementary with those offered by local stakeholders (in particular local authorities and associations), notably within the framework of departmental plans to improve access to public services, in which La Poste is involved as a stakeholder.

2.4 La Poste undertakes to respond to requests for the use of post offices by third-party postal service providers

In order to ensure that the development of trade is not affected to an extent that is contrary to the interests of the European Union, if a third-party postal service provider demonstrates that it is impossible to develop, under reasonable economic conditions and for the catchment area served by a given post office within the regional development network, a solution enabling a recipient to take possession of their parcels, La Poste will propose a technical and financial offer enabling it to use the post office that serves the catchment area in question as a pick-up point.

2.5 The regional development mission will be regularly assessed

As part of the governance provided for in the local postal coverage agreement, the mission will be assessed on a regular basis. The ONPP is responsible for implementing and monitoring the terms and conditions for using the resources of the compensation fund, in accordance with the provisions of the agreement. To this end, it examines in particular the annual reports on the management of the compensation fund and the postal presence, and monitors the development of the postal network, in particular contact points managed within the framework of public or private partnerships, as well as postal carrier/counter clerk offices and Espaces France Services counters in post offices.

The agreement also provides for an annual satisfaction survey on postal presence among elected representatives, users and staff. This survey is conducted by an independent institute. The results are presented and discussed by the ONPP each year.

3 Governance

Without prejudice to the provisions set out in the section of this agreement entitled "Changes in the public service missions entrusted to La Poste", the French State and La Poste plan to meet in 2024 to draw up an assessment of the contribution to the regional development mission and to agree, if necessary, on an adaptation of this agreement.

This meeting will also make it possible to anticipate the consequences that the French State's decisions concerning the way in which the universal postal service will be provided with effect from 1 January 2026 might have on this mission.

This agreement will be amended accordingly by means of a rider for the 2026-2027 period.

Accessible banking

In France, traditional banking services meet the needs of the majority of the population. However, they are unsuitable or unusable for some members of our society who experience difficulties of various kinds (administrative, economic, cognitive). Not being able to use the usual banking products and services makes it difficult, if not impossible, to participate in economic and social life.

This is why several banking inclusion schemes are offered, each of which is tailored to specific situations. As a result, in France, 99% of the population has access to banking services in one form or another.

Among these banking inclusion measures, the public service mission of accessible banking helps to ensure that the most vulnerable people have access to banking services, by giving them free access to an easy-to-use account, equipped with essential functions for cash deposits, withdrawals, transfers and direct debits. This mission is universal – the opening of a Livret A is available to every customer who requests one, subject to anti-money laundering and anti-terrorist financing provisions – so that it is accessible on an unconditional basis to all those who need it, especially the most disadvantaged.

The legislator has entrusted this mission to La Banque Postale, as a subsidiary of La Poste Groupe that has the status of a credit institution.

1 Background and challenges

1.1 Accessible banking contributes to banking inclusion and, more generally, to the social inclusion of all citizens

There are three complementary banking inclusion schemes.

The Right to an Account scheme, introduced by the French Banking Act of 24 January 1984, is aimed at people who have been refused an account by a banking institution, whatever their situation, and irrespective of whether or not they are in financial difficulty.

France was a pioneer in implementing this scheme, which was subsequently harmonized within the European Union, through the transposition of the 23 July 2014 payment accounts directive (known as the “PAD”). The Right to an Account scheme has also been the subject of recent regulatory reform, with the decree of 13 March 2022 making targeted changes to the procedure, in order to speed up the process and enhance its effectiveness for the benefit of claimants.

The offer dedicated to financially vulnerable customers is a simple, low-cost banking offer designed to meet the needs of customers in financial difficulty, identified by banks on the basis of regulatory or flexible criteria left to the discretion of credit institutions. By the end of 2021, according to the Observatoire de l’Inclusion Bancaire (OIB), banking institutions had identified 4.1 million customers in financial difficulty, 1.6 million of whom are La Banque Postale customers.

The accessible banking mission is aimed at people who are unable to use the conventional banking system. Based on the Livret A and human support, it offers a solution to people who are unable to use a traditional bank current account. In 2021, almost 1.4 million people benefited from the accessible banking mission.

As part of the accessible banking mission, the French law on the modernisation of the economy of 4 August 2008, sets out a number of specific obligations concerning the opening and functioning of Livret A. La Banque Postale is required to:

- open a Livret A for anyone who requests it (other banks have the commercial freedom to accept or refuse customer requests to open a bank account)¹⁵;
- allow cash withdrawals or deposits starting at €1.50 (compared to €10 in other networks) free of charge¹⁶;
- allow holders of Livret A accounts to make payment and withdrawal transactions in all post offices where it offers these same transactions to holders of postal current accounts;
- accept, free of charge, direct debits for certain transactions (minimum social benefits, gas, electricity and telephone bills, etc.)¹⁷;
- offer the following additional services free of charge¹⁸:
 - 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.

Over and above these obligations, studies conducted among the mission's beneficiaries have shown that they need easy physical access to contact points, a simple cash delivery service and human support in using the basic services offered to them.

In this respect, La Banque Postale's accessible banking mission meets the need for an offer that is easy to obtain, totally free of charge, non-discriminatory and non-stigmatizing. It is the first step on the road to holding a traditional bank account.

1.2 The accessible banking mission represents an economic burden for La Banque Postale

Up until 2022, in return for carrying out this public service mission, La Banque Postale received compensation from the French State, coming from the Savings Fund of Livret A deposits centralised by Caisse des Dépôts. The payment of this compensation must be authorised by the European Commission, which verifies its compatibility with State aid rules.

The mission results in an economic expense in La Banque Postale's accounts, as shown in the table below.

However, in order to comply with State aid rules, the amount of compensation allocated must systematically be lower than the actual cost of the operator's mission and remains on a downward trajectory throughout the funding period in question.

¹⁵ Article L. 221-2 of the French Monetary and Financial Code.

¹⁶ Article R. 221-3 of the French Monetary and Financial Code.

¹⁷ Orders of 4 December 2008, 14 May 2010, and 18 January 2022, implementing Article R.221-5 of the French Monetary and Financial Code.

¹⁸ See agreement of 23 November 2021, between the French State and La Banque Postale on the opening and functioning of Livret A accounts.

NET COST AFTER COMPENSATION PAID TO LA BANQUE POSTALE
IN RESPECT OF THE ACCESSIBLE BANKING MISSION (IN € MILLIONS)

2018	2019	2020	2021
18	56	56	41

1.3 The French State has confirmed the accessible banking mission for the 2021-2026 period

The French authorities have notified the European Commission of the accessible banking mission for the 2021-2026 period.

Further to an in-depth review, on 26 July 2021, the European Commission declared that the funding paid by the French State to La Banque Postale as part of the accessible banking mission for the 2021-2026 period was compatible with EU state aid rules¹⁹.

This decision, like that of 2017, reiterates that the distribution of Livret A as provided for in the accessible banking mission *“is only possible thanks to the use of La Banque Postale’s infrastructure”*. It also confirms the need for the mission: *“the beneficiaries of the accessible banking mission are those who find themselves excluded from the banking system for various reasons (personal, administrative or economic). As a pre-banking tool, the Livret A of the accessible banking mission is designed to facilitate access to other existing schemes and thus promote standard banking services”*.

The European Commission has confirmed that *“the aim of these obligations is to ensure easy, non-stigmatizing access to a basic bank account for disadvantaged people who would otherwise be at risk of exclusion from banking because of their social and/or financial situation”*.

It has therefore authorised the extension of La Banque Postale’s compensation scheme by an amount of €1.77 billion to carry out this mission.

In order to provide a framework for the implementation of this mission, an agreement was signed on 23 November 2021 between the French State and La Banque Postale, pursuant to part II of Article L. 518-25-1 of the French Monetary and Financial Code. It serves as the agreement provided for in Article L. 221-1 of the French Monetary and Financial Code, which stipulates that *“the Livret A may be offered by any credit institution authorised to receive sight funds from the public and which undertakes to do so by agreement with the French State”*.

It came into effect on 1 January 2021, for a period of six years. It sets out La Banque Postale’s obligations in respect of its public service mission to ensure accessible banking and specifies the rules of compensation for this mission. An amendment to this agreement was documented at the end of 2022, adapting the contractual framework to changes in the method of financing the accessible banking mission, which will, as from 2023, form part of the general government budget.

¹⁹ State aid decision SA.57570 (2021/N).

2 The parties' commitments

2.1 *The French State and La Poste take care to adapt the mission to the expectations and behaviours of beneficiaries*

The accessible banking mission, supported by the Livret A has proved its worth. However, France's Financial Sector Advisory Committee (CCSF), in its decision of 10 December 2019, also noted that, in order to limit the risks of exclusion, *“La Banque Postale must remain vigilant, when performing its mission, to ensure that digital payment methods are well adapted, if they are to become widespread for the payment of everyday expenses, for people benefiting from the accessible banking mission. In the light of developments in digital payment methods, the [CCSF] would like to see a review of the restrictive list of direct debits, to enable beneficiaries to pay essential expenses, such as non-social housing, by direct debit when it is not possible to pay them in cash”*.

In this context, the French State and La Poste, in conjunction with associations and Members of Parliament²⁰, have studied the possibilities and requests from users to extend the list of direct debits permitted for the beneficiaries of this mission. As a result, the decree of 18 January 2022 extended the list of authorised direct debits to include electronic communications operators (authorised by Arcep) in order to adapt to changes in digital payment methods.

The French State and La Poste will continue to monitor changes in expectations and usage to examine ways of adapting the mission.

In addition, as required by law, La Poste and La Banque Postale are working to ensure that as many people as possible have access to banking products and services tailored to their needs. La Banque Postale offers human support and a wide range of financial services, particularly for people in difficult situations, and has set up the following initiatives.

- As the leading bank for financially vulnerable customers, La Banque Postale has changed its definition of these customers (pursuant to the decree of 20 July 2020), accelerated the detection and capping of fees related to banking incidents, and promotes the Simplicité account formula (+43% in 2021), which benefits from an attractive price of €1 per month.
- L'Appui, a banking and budgeting advice and guidance platform set up in 2013, supports customers who are experiencing occasional or recurring financial difficulties, and helps to improve the prevention of financial vulnerability. After studying the customer's budget, account managers assess the customer's "disposable income", in order to detect the existence of unpaid entitlements or to identify cases of "bad debt" or over-indebtedness. They are then in a position to suggest, where appropriate, that the customer be put in touch with partners, associations or social actors, to promote access to benefits or solidarity-based prices.
- In September 2021, the Atout Simplicité customer relationship program was launched to support customers in the event of a "significant setback" and cover four areas of need (budget control, compulsory insurance, telephone and internet subscription offers, adapted financing solutions).
- Since 2019, a digital inclusive banking plan, backed by the social start-up WeTechCare, has been deployed with the national PIMMS outreach network, the FACE foundation, and Konexio. This program aims to identify customers who don't have access to digital banking and steer them towards the most suitable digital advisor for their situation via a specific training workshop.

²⁰ Information report, published on 31 March 2021, by Patrick Chaize, Pierre Louault and Rémi Cardon, on behalf of the French Senate's Economic Affairs Committee working group on the future of La Poste.

- In 2018, La Banque Postale took part in the launch of an educational budget management app, Pilote Budget, which enables users or carers to visualise all expenses and income and, in particular, “disposable income”. In 2020, a second application, Pilote Dépense, was launched to improve budget monitoring and control according to the individual's disposable income.
- In 2012, the Club de l’Initiative was created, a think-tank and action club with 23 members (including some of the world’s leading charities) whose ambition is to:
 - promote mutual understanding between populations in financial difficulties and the other parties who interact with them, who may or may not be part of the banking sector;
 - learn together in order to create and test products, services and practices that take into account the real expectations of these customers;
 - promote and defend, especially vis-à-vis public authorities, the most appropriate mutually-defined solutions.
- In 2019, a digital bank, Ma French Bank, was created to be accessible to as many people as possible, without any income requirements, thanks to its ease of use, its prices, and the fact it can be signed up to remotely or from anywhere in France. It can now be accessed from any La Poste post office.

2.2 La Banque Postale receives annual compensation for performing its accessible banking mission

The compensation paid to La Banque Postale for its accessible banking mission was set for the 2021-2026 period by the decree of 9 August 2021²¹.

For the 2023-2026 period, the amounts planned or envisaged are as follows.

ADDITIONAL COMPENSATION FOR LA BANQUE POSTALE
IN RESPECT OF THE ACCESSIBLE BANKING MISSION (IN € MILLIONS)

2023	2024	2025	2026
303	287	269	252

The 2023 Finance Act provides for a change in the way the accessible banking mission is financed by the French State’s general fund, thereby amending Article L.221-6 of the French Monetary and Financial Code. This new financing method has no impact on the compensation trajectory set out in the aforementioned decree.

At the time of the last compensation payment, and in any event no later than 2026, the French State will conduct a check to ensure that there has been no overcompensation over the entire period.

The amount allocated for the 2027-2032 period will be determined during discussions to be undertaken in 2025, with a view to renewing the notification of compensation to the European Commission.

²¹ Order of 9 August 2021 setting the additional compensation for La Banque Postale with respect to its obligations in terms of distributing and operating the Livret A passbook savings account.

2.3 La Poste and La Banque Postale commit to a sensible use of banking services

La Banque Postale applies prudent risk management and pays particular attention to preventing over-indebtedness, which is reflected by the very low rate of non-performing mortgages (0.8% at 31 December 2021). Similarly, criteria for consumer credit are prudent and based on rigorous risk management, not only when credit is granted (identification of signs of financial difficulty) but also during the term of the agreement (annual budget review and possible changes to the repayment schedule). Preventing over-indebtedness has also been at the heart of the development of the renewable credit offer, based on the principle of knowing the customer, and which allows for different repayment schedules or for total or partial early repayment, without fees.

Since 2007, La Banque Postale has offered personal micro-loans throughout France via partnerships with associations or specialised public structures. Since 1 January 2018, La Banque Postale has been supporting the micro-finance institution Créa-Sol through financial and skills sponsorship – which has designed a 100% digital solution for micro-credit assessment, financing and management that significantly reduces the lead time to grant micro-loans.

3 Governance

The agreement signed on 23 November 2021, between the French State and La Banque Postale pursuant to part II of Article L.518-25-1 of the French Monetary and Financial Code provides for a monitoring committee to be set up, which meets at the request of one of the parties and at least once a year on the anniversary date of the Livret A agreement.

This committee monitors the three indicators provided for in the agreement referred to above:

- the number of customers benefiting from the mission and their use of Livret A;
- the number of customers entering and leaving the mission's scope;
- the number of communication campaigns set up by La Banque Postale to promote traditional banking offers and thus encourage accessible banking customers to open a traditional bank account (this metric was introduced in 2021).

Without prejudice to this dedicated governance and to the provisions set out in the section of this agreement entitled “Changes in the public service missions entrusted to La Poste”, the French State, La Poste and La Banque Postale plan to meet in 2024 to draw up an assessment of the accessible banking mission (implementation, financial position of the mission, level of compensation of the net cost, etc.) and to agree, if necessary, on an adaptation of this agreement and of the other provisions governing this mission.

The French State, La Poste and La Banque Postale have also agreed to take this opportunity to examine the conditions for renewing the mission beyond 2026, so as to be able to anticipate, each for its own part, the resulting deadlines.

This agreement will be amended accordingly by means of a rider for the 2026-2027 period.

Developments in the public service missions entrusted to La Poste

1 Background and challenges

The public service missions allocated to La Poste have been progressively established and described by national standards (mainly the Postal Acts of 1990, 2005 and 2010), European texts (Postal Directive) and the three successive public service agreements between the French State and La Poste.

Yet, in the space of three decades, there have been numerous demographic, technological and social transformations. The conditions that prevail today for carrying out these missions differ from those that governed at the time of their creation at the end of the twentieth century. In addition, carrying out these missions now represents a growing economic burden for La Poste and the public authorities, particularly since the universal postal service has become loss-making.

The French State and La Poste are committed to preserving a demanding French model of public service, and to maintaining the local links that La Poste provides in the regions.

While the definition of the public service missions entrusted to La Poste is the responsibility of the French State and Parliament, changes in these missions have an impact on La Poste, both as an operator, which bears part of the economic burden, and as a public company, for which these missions are inextricably linked to its identity.

Against this backdrop, the French State and La Poste have agreed on a method and a timetable for considering the necessary changes to the public service missions entrusted to La Poste.

2 The parties' commitments

The French State and La Poste undertake to carry out an evaluation of public service missions in the light of their social utility, their costs, the way in which they are performed and the instruments used to assess them.

This approach will help to provide input on State decisions on the future of the Universal Postal Service after 1 January 2026, and on the current architecture of public service missions in general.

In particular, this assessment will make use of all the information produced by the governance of public service missions, such as the reports presented to the French National Observatory of Postal Coverage and the opinions of the French High Commission for Digital and Postal Services. It will involve the Public Service Missions Committee of La Poste's Board of Directors, created in 2020.

Any other approach may be considered to inform these reflections and make proposals, notably in the form of studies and ad hoc missions.

3 Governance

The parties to this public service agreement plan to meet in 2024 to present the first results of this assessment, examine the conditions for the development of public service missions and the resulting timelines for their own particular obligations.

La Poste's contribution to public policies as support for the population and the regions

[Additional section]

In its strategic plan “La Poste 2030, committed for you”, La Poste Groupe has chosen to commit to the success of four major transitions for our country, because they represent considerable challenges, fields of innovation and opportunities for growth:

- environmental transition;
- regional transition;
- demographic transition;
- digital transition.

To contribute to each of these transitions, La Poste Groupe offers and will develop innovative, distinctive and high-performance solutions for its customers.

These transitions are also the subject of ambitious national public policies on the part of the French State, as they represent considerable challenges for society as a whole.

As a public-sector company with strong local roots, and a guarantor of the values of trust and responsibility, La Poste Groupe is committed to making tangible contributions to the success of these major public policies, alongside other public and private-sector players.

These contributions complement the public service agreement signed between the French State and La Poste.

1 Independent living: La Poste Groupe, a key player in the “outreach” approach to support public policies to fight isolation and prevent dependency

As the population ages, preserving independent living is a major challenge. In 2022, there will be 20 million people aged over 65, of whom 9 million will be over 75. By 2030, there will be 23 million people aged over 65, 12 million of whom will be over 75.

With its presence throughout France, La Poste Groupe can take action to promote independent living:

- by contributing to the prevention of vulnerabilities that lead to loss of autonomy among seniors;
- by working alongside other players to maintain social bonds and combat isolation;
- by offering meal delivery solutions that are available to as many people as possible.

1.1 Contribute to the prevention of vulnerabilities that lead to loss of autonomy among seniors

In 2020, the French government created an “Autonomy” division²². This division manages expenditure linked to the autonomy of the elderly and disabled (financing of establishments, support services and individual assistance). In particular, it carries out actions to prevent loss of autonomy. It informs the elderly, the disabled and their families about their rights and the financial assistance available to meet their needs for independence. It keeps expenditure under control, while helping to support people.

²² Created by French Law no. 2020-992 of 7 August 2020 on social debt and autonomy.

The Autonomy division is managed by the *Caisse nationale de solidarité pour l'autonomie* (CNSA) (national solidarity fund for autonomy), in conjunction with its networks: departmental councils, local government agencies for people with disabilities and regional health agencies.

The French President has expressed his desire to set up a home care service, with a single point of contact for caregivers and the elderly to organise all services. A regional autonomy service is to be structured and made operational²³.

La Poste is able to contribute to initiatives designed to “reach out” to people in vulnerable situations. In particular, through the intermediary of its postal carriers, who have the appropriate tools at their disposal, La Poste can help public bodies and associations to get in touch with the most isolated people in order to better identify their situation and needs.

It can act, notably at the request of the CNSA and the relevant local players (departmental councils, CCAS, etc.), wherever its intervention can improve the effectiveness of public policy, according to methods adapted to each region and in close cooperation with the associations already involved in this approach.

1.2 Working alongside other players to maintain social bonds and fight isolation

The Covid-19 pandemic highlighted the vulnerability of the most isolated people, when they found themselves unable to carry out the most essential daily tasks (shopping, going to the doctor, etc.). It revealed the need for a social link that keeps these people in touch with society and protects them from the consequences of isolation.

This need was recognized when the Autonomy division was created, as the CNSA also has a mission to carry out initiatives and support local players in the policy of fighting isolation²⁴.

Since 2017, La Poste has been offering a regular presence provided by the postal carrier. This regular presence of a trusted person helps combat solitude. Thanks to these services provided in each region, 200,000 visits are made every year.

With its network of postal carriers, La Poste can complement the role played by social services and associations in helping to maintain social links, particularly for the most isolated elderly people throughout the country. It can intervene at the request of individuals, but also as part of an initiative undertaken by public institutions.

1.3 Offer meal delivery solutions that are available to as many people as possible

Human services meet a pressing need for human contact and assistance to isolated and vulnerable people. The French State has put in place several strong measures to promote these services and ensure the development of high-quality offerings²⁵.

It is within this context, and alongside all the other players in this sector (private companies, associations, public institutions, etc.), that La Poste Group will be able to continue to contribute to the development of these services, for the benefit of the entire community, in particular because it is able to offer meal delivery services to the most isolated people.

²³ Commitment no. 12 of the 2022-2026 agreement on objectives and resources (COG) between the French State and the CNSA.

²⁴ Commitment no. 11 of the 2022-2026 agreement on objectives and resources (COG) between the French State and the CNSA.

²⁵ The circulars of 26 April 2012, and 11 April 2019, concerning the declaration and approval of human services organisations have consolidated the requirements governing the use of subcontracting. They also confirmed that the obligation of equivalence does not apply to services involving simple home visits or the performance of elementary tasks when they are performed by a public group in the performance of public service and general interest missions, as is the case for La Poste Groupe.

2 Sustainable mobility: La Poste Groupe, a committed player in low-carbon logistics and responsible urban delivery

In France, the transport sector is the largest emitter of greenhouse gases (GHG) and one of the main sources of air pollution. The challenge of improving air quality by reducing emissions from freight transport has been identified by the French State, which has made mobility one of the levers of its environmental transition policy. At the same time, Parliament has passed legislation to promote the creation of low-emission zones²⁶.

La Poste Groupe is determined to play its part in reducing polluting emissions, by adapting its equipment and delivery methods. By 2025, it has set itself the target of ensuring 100% green delivery (very low or low emissions) in 350 European towns, including the 22 French cities.

In addition to these transformations, La Poste Groupe proposes to contribute to the success of the environmental transition:

- by participating in the definition and application of demanding standards for labelling transport and delivery GHG emissions;
- by sharing its experience or a better understanding of optimal urban logistics solutions;
- by supporting the French government in its aim to reduce the environmental impact of transport and delivery of public-sector supplies;
- by supporting the use of pooled delivery solutions by players that manage their own flows.

2.1 Participate in defining and applying demanding standards for labelling GHG emissions of deliveries

In addition to the anti-waste and circular economy law, the Climate and Resilience Act²⁷ introduces a requirement for clarity on the carbon impact of environmental labelling, as well as the possibility of making such labelling compulsory for specific categories of goods or services after experimentation. The ultimate aim is to ensure that consumers are better informed about the environmental impact of products and services over their entire life cycle, and to steer their purchasing decisions towards the most environmentally-friendly products and services. The Climate and Resilience Act also plans to use environmental labelling to define a product whose climate impact could be deemed excessive.

Drawing on its experience in developing and deploying an environmental delivery score, La Poste Groupe is ready to take part in the trials provided for in the French Climate and Resilience Act, which will be launched to assess different methodologies for calculating environmental impacts and for labelling them in relation to the categories of goods and services associated with its delivery activities.

La Poste Groupe is also available to contribute its experience to the departments responsible for drafting the decree which, for each category of goods and services concerned, will define the methodology to be used for environmental labelling, as well as the labelling methods adopted²⁸.

²⁶ Law no. 2019-1428 of 26 December 2019, on the orientation of mobility.

²⁷ Law no. 2021-1104 of 22 August 2021, to combat climate change and strengthen resilience to combat its effects.

²⁸ Implementing decree provided for in Article 2 of the aforementioned Climate and Resilience Act.

2.2 Contributing its experience to a better understanding of optimal urban logistics solutions

The French Climate and Resilience Act has set a national target of net zero land take by 2050, a target which consequently includes the real estate infrastructure of logistics networks²⁹. The France Logistique association believes that the rationalization of warehouse locations needs to be improved through better regional planning for the largest warehouses and, for local logistics, through the deployment of urban distribution warehouses close to centres to facilitate the optimisation of delivery rounds. In particular, this should favour warehouses with a lower environmental impact, in line with government objectives to limit land take, preserve biodiversity and achieve carbon neutrality³⁰.

La Poste is therefore proposing to share its experience and logistics expertise, alongside other interested parties, by contributing to the study of optimal urban logistics solutions.

2.3 Contributing to containing the environmental impact of the transport and delivery of public-sector supply purchases

To support the environmental transition, the French Climate and Resilience Act³¹ provides that environmental clauses should be included in public procurement contracts by default. The French Public Sector Procurement Code has been amended to ensure that public procurement contributes to achieving sustainable development goals, in their economic, social and environmental dimensions. To this end, purchasers may use one or more non-discriminatory criteria, including delivery conditions³². However, while the law lays down new obligations for the French State and its public establishments and operators in terms of purchasing, none of these obligations so far covers the upstream and downstream transportation of goods involved in purchases made by legal entities governed by public law³³.

La Poste Groupe offers to share its experience on how to reduce the environmental impact of the transport and delivery of goods with government departments, and expresses its willingness to contribute, along with other stakeholders, to discussions aimed at making this concern an integral part of the list of criteria available for public procurement.

2.4 Supporting the use of shared delivery solutions by players operating their own flows

According to the French Environment and Energy Management Agency (ADEME), freight transport accounts for around 20% of vehicle-kilometres travelled in cities, and 20% of greenhouse gas emissions³⁴, urban logistics therefore necessitates a reduction in the carbon footprint of light commercial vehicles. To this end, a number of measures are already in place to encourage the conversion of carbon-intensive vehicles, including a trial from 2023 onwards of a zero-interest loan for the purchase of a clean vehicle in Low-Emissions Zones³⁵.

²⁹ Title V, Chapter III of Law no. 2021-1104 of 22 August 2021, to combat climate change and improve resilience to its effects.

³⁰ France Logistique White Paper "Transport de marchandises et logistique au service d'une France performante", 8 February 2022 - Pillar 2 – Page 10.

³¹ Article 35 of the aforementioned French Climate and Resilience Act.

³² Decree no. 2022-767 of 2 May 2022, containing various amendments to the Public Sector Procurement Code.

³³ "Logistique urbaine durable" [Sustainable urban logistics] report commissioned by the government as part of the Comité Interministériel de la Logistique (CILOG); Jean-Jacques Bolzan, Anne-Marie Idrac, Anne-Marie Jean, 21 October 2021 - pages 15 and 49.

³⁴ Information report on behalf of the Regional and sustainable development commission on the outlook for regional development and regional cohesion in terms of "sustainable urban logistics", Martine Filleul and Christine Herzog, 24 May 2022.

³⁵ Article 107 of the aforementioned Climate and Resilience Act.

Another challenge is to reduce the proportion of these vehicles in urban road traffic. To this end, vehicle pooling is an additional way of meeting emission reduction targets³⁶ and also improving road congestion in cities³⁷.

La Poste Groupe has extensive experience in optimising the use of logistics vehicle fleets. It offers to contribute to discussions on the creation of pooled logistics services that would be accessible and attractive to players operating their own flows (tradespeople, mid-sized businesses), to enable them to reduce the number of individual vehicles by hiring vehicles.

3 Digital trust: La Poste Groupe is a key player in sovereign solutions for digital trust, citizenship and autonomy for all

Digital services are playing an increasingly important role in society, and in communication between citizens and public and private institutions. The health crisis accelerated this trend. It has led to an increase in the number of services accessible digitally, and to a sharp rise in their general usage. It has also increased the exposure of a growing number of people to the risk of digital exclusion, which is synonymous, in the long term, with social exclusion.

At the same time, the controlled development of digital uses means that the services offered must meet requirements for simplicity, trust and sovereignty.

These challenges call for innovative solutions to which La Poste Groupe intends to contribute:

- by helping to enhance France's digital sovereignty;
- by offering and promoting trusted digital services to as many people as possible;
- by helping to roll out the digital wallet service provided for in the revised eIDAS regulation;
- by contributing to the deployment of France's digital education strategy;
- by acting against the digital exclusion of small and mid-sized businesses.

3.1 Helping to enhance France's digital sovereignty

Digital sovereignty is a priority for the French government, which was enhanced by the health crisis. Several government initiatives have been deployed to meet this independence challenge, such as the Cloud acceleration strategy or the national blockchain strategy.

La Poste Groupe can contribute to this priority in particular by extending its partnership policy with major public players, following the example of the collaboration established in 2021 with the INRIA Foundation for Research and Development, which aims to develop responsible and trusted digital solutions that meet the challenges of the digitalisation of society, particularly in the fields of digital trust, artificial intelligence and e-health.

³⁶ In 2015, in Paris, for example, goods flows accounted for 15% to 20% of traffic and 25% of CO₂ emissions – ADEME 2015 quoted by the LUD report page 10.

³⁷ LUD report on the "sustainable urban logistics" mission, Jean-Jacques Bolzan, Anne-Marie Idrac, Anne-Marie Jean, 21 October 2021 – pages 35 to 37.

3.2 Offering and promoting trusted digital services to as many people as possible

One of the aims of the French ASAP Law³⁸ is to meet the expectations of the French population for easier access to public services, by transforming the way these services are made available. In this context, the digitalisation of services is a means of simplifying administrative procedures, for example by simplifying the verification of residence for identity documents³⁹ or by automatically opening a pharmaceutical file for each health insurance beneficiary⁴⁰. To accelerate this policy, trusted digital services must be developed, in particular to fight fraud and identity theft.

La Poste Groupe can support the French government in this policy, in order to develop simple, innovative, sovereign digital trust services aimed at the greatest number of people. It is already doing so with its certified services, such as digital identity (enabling access to personal training accounts or health insurance), electronic registered letters or electronic signatures, and as it plans to do in the future with the Numspot cloud offering.

3.3 Helping deploy the digital wallet service provided for in the revised eIDAS regulation

The development of trust services through the deployment of electronic identification is a key aspect of the European and French digital sovereignty policy. This ambition has been supported by the programme of the French Presidency of the Council of the European Union, which aims to develop a secure, coherent and balanced legal framework that strikes a balance between preservation of citizens' rights, protection of the interests of the Union and its Member States and development of innovative uses and services by businesses and public authorities⁴¹.

The ongoing revision of the eIDAS regulation reflects this desire, as it aims to harmonise digital identification within the European Union, in particular by enabling the deployment of digital wallets. In France, the government wanted to enable the industrial ecosystem to participate in the deployment of digital wallets⁴². Docaposte, a subsidiary of La Poste Groupe specialised in trusted digital services, has been selected by France as the lead company to contribute to the trials planned as part of the European Commission's "LSP EUDIW" call for projects, and will share its experience and know-how, particularly in the field of trusted identity verification services, Electronic Attestations of Attributes and electronic signatures.

3.4 Contributing to the deployment of France's digital education strategy

The French government is supporting the deployment of a digital education ecosystem from school to university, in order to make a success of the digital transition in education. The health crisis highlighted the importance of these discussions and the need to accelerate their deployment.

La Poste Groupe has extensive experience in this field, through Index Education, a joint subsidiary with Banque des Territoires, which is today the leading national and sovereign digital infrastructure for the educational sector, chosen by over 7,000 schools and participating in the educational digital transition.

Drawing on this expertise in particular, La Poste Groupe can contribute to the public and collective ambition to accelerate digital uses in education, in the fields of teaching tools, educational content and services for families.

³⁸ Law no. 2020-1525 of 7 December 2020, on the acceleration and simplification of public action.

³⁹ Article 67 of the ASAP Law.

⁴⁰ Articles 91 and 92 of the ASAP Law.

⁴¹ Programme of the French Presidency of the Council of the European Union – 1 January to 30 June 2022, p. 53 and 54.

⁴² Call for expressions of interest concerning the testing of cross-border use cases for electronic digital identity wallets "AMI_LSP EUDI".

3.5 Acting against the digital exclusion of small and mid-sized businesses

The French government, is committed to the dissemination and appropriation of digital services by small and mid-sized businesses through the creation and action of France Num in particular. This is a significant challenge for these economic players, who represent over 99% of businesses and almost 50% of jobs in France.

While an increasing number of managers see digital technology as a real benefit for their business, there are still fears about digital technology, and almost a quarter of retailers feel they need support for the digitalisation of their business⁴³.

La Poste Groupe already supports small and mid-sized businesses in all its areas of expertise (logistics, mail, parcels, local services, banking, insurance and telecommunications).

In terms of digital transformation, La Poste Groupe's contribution is well recognised, as illustrated by the training modules offered free of charge to small and mid-sized businesses by Docaposte as part of a call for projects supported by France Num and financed by France Relance, and by La Banque Postale's marketing of the digital transformation loan made possible by the France Num loan guarantee scheme.

La Poste Groupe is ready to continue and expand its contribution to small and mid-sized businesses throughout France.

4 Regional cohesion: La Poste Groupe offers an accessible network for the deployment of general interest and public services

People living on the outskirts of cities, in small towns or in rural areas represent 60% of the French population. It is in these areas that the challenge of equal access to essential services, including public services, is most acute.

Several public policies have been developed to address this issue in its various dimensions (support for rural areas, development of mountain regions, digital access for all, specific measures for overseas territories, attractiveness of medium-sized towns, etc.)⁴⁴.

La Poste and its subsidiaries are recognised as key players in regional development because they help to maintain territorial cohesion, in line with public policies and the priorities of Caisse des Dépôts, particularly among populations who need social and human links to access public services.

4.1 Supporting people with regard to digital inclusion

The fight against digital exclusion is a civic issue, as it affects a significant proportion of the population (13 million French people say they are digitally excluded) and all age groups⁴⁵. However, 76% of French people say they are ready to adopt new technologies. The French government's national strategy for digital inclusion aims to help French people become more independent in their daily use of digital technology. 4,000 France Services digital advisors have been trained and deployed in communities to help achieve digital inclusion.

La Poste Groupe has taken part in this ambition by deploying, with La Poste's resources, around 100 digital advisors and 100 Etapes Numériques spaces, thus contributing to the goal of attaining homogeneous coverage of the whole country.

⁴³ France Num 2021 Survey: *le numérique dans les TPE/PME*; *Baromètre de l'Acsef 2022: les TPE/PME du commerce et des services accélèrent leur numérisation avec profit* [Digital technology in small and mid-sized businesses; Acsef 2022 Survey: small and mid-sized retail and service businesses are benefiting from faster digitalisation.

⁴⁴ Flagship programs include: Action Cœur de Ville, Fabrique de Territoires, Petites Villes de Demain, France Services, Services Publics +, Nouveaux Lieux-Nouveaux Liens, etc.

⁴⁵ Digital Society Mission, 2021.

La Poste Groupe is offering to expand its contribution to the digital advisor programme throughout France⁴⁶.

4.2 Offering services based on massive data acquisition

The French law for a Digital Republic⁴⁷ aims to encourage the opening up access to and the transmission of data. Data relating to geography, the environment, housing, urban planning etc. offer a better understanding of areas and help to improve public policies by making them meet citizens' needs as closely as possible.

With its nationwide presence and secure processing resources, La Poste is in a position to contribute to the collection and processing of useful information for the French State or local authorities (descriptive data on regions, public consultations, etc.), thus helping to better calibrate public action to the reality of each region.

4.3 Helping to design and deploy multi-channel electoral campaign solutions

The delivery of election campaign documents meets the requirement of equality in voting, which is a prerequisite for citizens to be able to exercise their democratic rights.

More specifically, the challenge is to ensure that as many voters as possible actually take part in elections.

La Poste and its subsidiaries can contribute to the debate on the various methods of delivering electoral prospectuses (home delivery of paper prospectuses, paperless digital delivery and hybrid methods) by making their experience in these fields available to the French State.

⁴⁶ See French High Commission for Digital and Postal Services opinion no. 2022-08 of 14 December 2022.

⁴⁷ Law no. 2016-1321 of 7 October 2016, for a Digital Republic.

Signed in Paris,

In 6 originals,

Minister for the Economy, Finance and
Industrial and Digital Sovereignty,

Minister of Ecological Transition and
Territorial Cohesion,

Bruno Le Maire

Christophe Béchu

The Minister attached to the Minister of the
Economy, Finance and Industrial and Digital
Sovereignty, responsible for Public
Accounts,

The Minister of Culture,

Gabriel Attal

Rima Abdul Malak

The Minister attached to the Ministry of the
Economy, Finance and Industrial and Digital
Sovereignty, responsible for Digital
Transition and Telecommunications,

Chairman and Chief Executive Officer of
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