



La Poste Purchasing Compliance Policy

January 2021

Introduction

“As a leading public entity, La Poste has to set an example with regard to not only regulatory but also societal, environmental, and ethical compliance. Citizens expect the law to compel them to behave in a certain way, but the law alone cannot encourage good practice. It has to come from all of us.

This social, societal and environmental responsibility is implemented by the Purchasing Department and all of our suppliers, service providers, and subcontractors.

Every day, our buyers and partners act according to shared values to ensure continuous improvement of practices and behaviors.

The aim of this policy is to outline the shared foundation of values, commitments and rules governing their everyday work. It is by no means exhaustive, but lays down principles of behavior to which everyone can refer in any situation. By carefully complying with these principles our intra- and inter-company relationships can create lasting value for society, the environment, and the future.”

Purchasing department at La Poste Groupe

Values and Commitments

La Poste is committed to serving the public interest and creating social interaction by positioning itself as an actor for regional development, as expressed in the Group's strategic plan.

The Corporate Social Responsibility report sets out these principles and values, and coordinates the Group's commitments to ethical and responsible development that promotes social cohesion and the environmental transition.

Shared by all cross-functional departments and subsidiaries, these values and commitments reflect the Group's determination to fulfill and modernize its public service missions in order to develop new activities by combining performance, a sustainable economy, and the continuous pursuit of quality in its relationships with its stakeholders.

SIX VALUES

The six values of the Group (openness, consideration, fairness, accessibility, proximity, and customer service) relate to the basic principles that guide individual and collective action within the Group, and the behavior of everyone who is part of it. They are the basis for the trust that has always driven the Group and postal workers, and on which their relationship with stakeholders is based. These La Poste values are interdependent. They are consistent with each other.

Employees of La Poste translate these six Group values into principles of action and ethical behavior. They reflect the way in which postal workers exercise their responsibility.

The Group's commitments build on these values.

THREE AREAS OF COMMITMENT

To shape the society of the future, postal workers are naturally committed to addressing three key challenges:

- Social and regional cohesion (bringing regions together, support for the demographic transition);
- Introduction of ethical and responsible digital services (fight against digital exclusion, respect for the privacy of individuals);
- Acceleration of the environmental transition (environmentally friendly modes of transport, conservation of resources).

Relationships with the Group's suppliers, service providers and subcontractors reflect its ethical values, and social and environmental commitments, as well as the principles of behavior set out below.

Principles of behavior

In the course of its activities, particularly purchasing, La Poste is firmly committed to respect:



Principles shared by La Poste and its suppliers, subcontractors, and service providers

La Poste works with suppliers, subcontractors and service providers who must meet quality, cost, time and reliability requirements, and undertakes to act in accordance with the Group's principles of behavior, which are set out in the La Poste Groupe Responsible Purchasing and Ethics Charter.

La Poste asks its suppliers to make similar commitments by adhering to all of its principles with the signing of this charter.

Societal practices

Comply with the ILO fundamental conventions and labor law, and ensure the health and safety of persons.



Environmental practices

Adhere and contribute to the principles of environmental protection through measures that limit the negative impacts generated by its products and services throughout the life cycle.



Ethics

Prohibit any form of unlawful or unfair business practice; avoid any situation that could lead to a conflict of interest; and respect intellectual property.



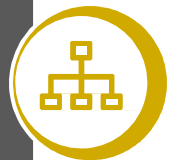
Anti-corruption

Comply with all laws related to the fight against corruption; prohibit the offering or soliciting of benefits in order to obtain an unfair advantage (a deal, contract, etc.).



Subcontracting

Declare its subcontractors, regardless of their place in the value chain; give itself the means to ensure compliance with commitments made to La Poste Groupe; report any issues that could tarnish the reputation of La Poste Groupe.



Commitments made by La Poste to manage the risk of non-compliance

One of the tasks of the Purchasing Department is to ensure the compliance of purchasing processes with the Group's principles and commitments while building a relationship of trust with all suppliers and service providers.

To ensure respect for these values and principles, La Poste and its suppliers, subcontractors and service providers (hereinafter referred to as 'the Supplier' or 'the Suppliers') must comply with the legislative and regulatory obligations in force.

In this regard, La Poste Groupe is subject to a number of regulations governing its relationship with its Suppliers, including the following laws:

1. [General Data Protection Regulation \(GDPR\)](#)

The General Data Protection Regulation (GDPR) regulates the processing of data throughout the European Union. It entered into force on 25 May 2018.

The GDPR affects all private and public organizations that collect and/or process data, regardless of their business segment and size. The regulation applies to all organizations established in the European Union, but also any organization based outside the EU but whose activity directly targets European residents.

Data relating to Suppliers falls under the scope of the GDPR, as well as data that Suppliers may have concerning the Group or its customers.

2. [Duty of care law](#)

Act No. 2017-399 on the duty of care of parent companies and ordering companies was enacted on 27 March 2017. It requires joint-stock companies employing, directly or through their subsidiaries, at least 5,000 employees in France or at least 10,000 employees worldwide, to draw up, implement, and publish a vigilance plan.

This plan includes "reasonable due diligence measures to identify and prevent serious breaches of human rights, fundamental freedoms, or human or environmental health and safety." It covers the activities of the company, its direct or indirect subsidiaries, its subcontractors, and Suppliers with whom it has an established business relationship, insofar as these activities pertain to the relationship. It includes the following measures with regard to Suppliers:

- Risk mapping;
- Implementation of procedures for the regular assessment of the situation of subcontractors or suppliers with which there is an established business relationship, with regard to the risk mapping;
- Implementation of appropriate actions to mitigate risks or prevent serious harm;
- Creation of an alert mechanism for receiving reports related to the existence or materialization of risks;
- Implementation of a system for monitoring and assessing the measures implemented and their effectiveness.

3. [Spain II law](#)

Article 17 of Act No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption, and economic modernization (known as the Sapin II law) introduces a duty of care on matters related to corruption on public and private industrial and commercial establishments with over 500 employees and a turnover of more than €100 million euros.

This obligation includes eight measures and procedures to be implemented under the duty of care:

- Risk mapping and implementation of appropriate actions to mitigate risks or prevent serious harm;
- Preparation of a code of conduct;
- Establishment of a disciplinary system to punish employees for breaches of the code of conduct;
- Implementation of an internal whistle-blowing procedure for receiving reports relating to conduct or situations that contravene the code of conduct;
- Implementation of a training framework for staff most at risk of corruption and influence peddling;
- Procedures to assess the situation of customers, leading suppliers and intermediaries in accordance with the risk mapping;
- Implementation of accounting control procedures;
- Management, oversight and assessment of the measures implemented and their effectiveness.

4. [Duty of care](#)

Under Article D. 8222-5 of the French Labor Code, which came into force on 1 January 2012 and aims to combat undeclared work, the duty of care requires all ordering parties paying invoices of €5,000 or more excluding tax to its suppliers to provide the following documents:

- A document proving the company's registration (Kbis extract or equivalent);
- A certificate of vigilance issued by URSSAF, certifying that they are up to date with their social obligations at the time of conclusion of the contract.

The ordering party must also ensure the authenticity of each of these documents using the identification number and their validity, bearing in mind that the Kbis and URSSAF certificate are only valid for six months. In addition to these two documents, the French Labor Code also requires collection of the list of names of non-European Community foreign workers employed by the company or, failing this, proof that no non-European Community foreign workers are employed.

5. [French Commercial Code - Payment deadlines](#)

Article L. 441-10 of the French Commercial Code regulates the applicable payment deadlines (which, unless otherwise agreed, may not exceed 60 days from the date of issue of the invoice) and the new Article L. 441-9, as amended by the Order of 24 April 2019, adds two new pieces of information that must be included on invoices (billing addresses and purchase order number).

6. [French Public Procurement Code](#)

The French Public Procurement Code (published for the first time on 5 December 2018) brings together and organizes rules relating to various contracts within the area of public procurement.

In particular, for operations carried out by the Group that fall under public procurement, this code specifies competitive tendering and publicity rules, and rules on procurement procedures, project management, subcontracting, payment deadlines, invoicing, etc.

7. [Embargo laws and international sanctions](#)

A number of laws and standards with extraterritorial application have been enacted since the 90s, establishing embargo and/or international sanctions regimes, mainly in the USA (FCPA, Patriot Act, FATCA, Cloud Act, etc.), Britain (UKBA), and Europe. Compliance with these laws and standards requires special vigilance on the part of La Poste and Suppliers with regard to the issues involved.

In addition to these specific laws, the relationship between La Poste Groupe and its suppliers, service providers and subcontractors is also, of course, governed by all other applicable laws and regulations.

PURCHASING DEPARTMENT COMPLIANCE MANAGEMENT SYSTEM

The Responsible Purchasing Policy followed by the Purchasing Department aims to ensure the compliance of purchasing processes with the Group's commitments and the applicable regulatory framework.

This purchasing compliance process is dependent on the involvement of internal and external stakeholders throughout the contractual relationship, in particular through the enforcement of internal purchasing rules, contractual arrangements, and the third-party assessment system.

Throughout the relationship between La Poste Groupe and its Suppliers, various actions and tools should be implemented to ensure the compliance of this relationship.

1. [Sourcing phase](#)

Listing of the Supplier:

- Any Supplier wishing to join the Group's Supplier panel must provide, on the sourcing platform, regulatory information and documents that can be used to verify its identity and compliance, in particular with regard to the duty of care under the French Labor Code.
- The Supplier must also read the documents made available by the Group on the platform. The Supplier must indicate that it has read these documents.
- Once the documents have been saved, the platform shall check their authenticity.

2. [Definition of the purchasing strategy](#)

Identification of risks

- Purchasing CSR/Compliance risk mapping allows us to understand and monitor risks by product category according to the corresponding business segments. It is updated regularly and is one of the assessment criteria used to determine the level of compliance due diligence to be carried out.

Criteria and requirements

- In determining the purchasing strategy, criteria and requirements related to social and environmental issues may be included provided they are directly related to the subject of the consultation.

3. [Competitive tendering process](#)

Application

- The application must include relevant information for assessing:
 - whether the compliance required to qualify has been achieved, through due diligence and checks carried out on the sourcing platform;
 - the applicant's financial health;
 - the necessary information on the company's governance, shareholding, and capital links;
 - the Supplier's ability to perform the services that are the subject of the call for tenders/contract at the required level of quality.

Negotiation

- As part of the negotiation, the Purchasing Department shall propose a draft contract that includes:
 - Compliance clauses or annexes (including the obligation to complete the self-assessment);
 - The Responsible Purchasing and Ethics Charter;
 - Invoicing terms and information to be included on the invoice;
 - The possibility of having audits carried out by a third-party provider;
 - The obligations of the Service Provider (for information not included in the "Compliance" clauses) and penalties.

- If applicants are identified as "high risk", the Purchasing Department must include improvement plans (and related management arrangements) in the contract.

4. [Life of the contract](#)

Assessment of Suppliers

- Self-assessment
 - Contracted Suppliers must carry out a self-assessment (CSR, Compliance, Occupational Health and Safety, etc.) at regular intervals.
 - The Purchasing Department shall review the assessments and regularly report the results to relevant stakeholders. This information shall also be included in the Supplier file on the sourcing platform. In the event of an alert or risk, information shall be disclosed to relevant stakeholders.
 - According to sector risk, Group risks and information from the self-assessment, the Supplier may be subject to a document audit.

- Document audit
 - The service provider responsible for the document audit and the Purchasing Department shall inform the Supplier that a document audit is to be carried out. The service provider may ask the Supplier for additional information or documents.
 - The document audit rating shall be included in the Supplier file on the sourcing platform.
 - According to sector risk, Group risks and information from the document audit, the Supplier may be subject to a site audit.

- Site audit
 - The site audit shall be triggered following a document audit or at the request of La Poste;
 - The Purchasing Department shall arrange the site audit;
 - Based on the audit report, the Purchasing Department must
 - Contact the relevant Suppliers;
 - Organize a meeting to discuss the audit and draw up the improvement plan;
 - Monitor the improvement plan;
 - If applicable, decide to enforce contractual clauses.

Updating of information

- The Purchasing Department shall regularly request updated self-assessments, according to Group, sector, and supplier risk levels.
- The regulatory documents included on the platform must be updated following regular reminders, according to the validity periods of the documents.
- The Purchasing Department shall regularly check that financial and capital information is up to date.

Whistle-blowing procedure



ASK A QUESTION, SEEK ADVICE, MAKE A REPORT

Under Article 6 of the Sapin II law of 9 December 2016, a whistle-blowing procedure was set up for employees of the Group. Since 2018, this procedure has covered duty of care issues.

Alerts relating to conduct or situations that contravene the Group's code of conduct, laws or regulations are treated in strict confidence, subject to applicable legal obligations and proceedings.

A vigilance whistle-blowing procedure for employees of leading suppliers with an established business relationship with La Poste was also set up in 2019.



CONTACT

For employees of the Group, the whistle-blowing procedure can be found at <https://www.alerte-ethique.laposte.fr>

For employees of leading suppliers with an established business relationship with La Poste, the whistle-blowing procedure can be found at <https://www.alerte-vigilance.laposte.fr>



PENALTIES FOR BREACHES OF THE COMPLIANCE POLICY

Any employee who breaches the principles of the purchasing compliance policy shall be subject to the disciplinary action provided for in the La Poste Groupe Internal Rules of Procedure and criminal penalties if applicable.

At the same time, suppliers, subcontractors or service providers who breach the purchasing compliance policy may be subject to penalties including termination of the contract and, if applicable, legal proceedings.



KEY DOCUMENTS

- o <https://www.groupelaposte.com/fr/publications>
- o CSR Report
- o Internal Rules of Procedure
- o Ethics and Anti-Corruption Code
- o Gifts and Entertainment Policy
- o Conflicts of Interest Policy
- o Responsible Purchasing and Ethics Charter