

Human rights policy

Sustainability Department
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1 Regulatory and legal context

Human rights remain inaccessible to a large part of the world's population. Despite the various scandals, the exploitation of workers and vulnerable people in value chains persists. Some companies continue to be implicated in serious human rights abuses. Local communities, workers or trade unionists are often put at risk when defending their land, trade union rights or working conditions. Human rights therefore remain a social responsibility issue and a risk area that concerns companies. However, the relationships between actors are often obscured by the complex and opaque web of global supply chains, making management and vigilance more challenging.

Law on the duty of care of parent companies and ordering companies (Law No. 2017-399 of 27 March 2017)

Since 2017 there is a legal obligation of prudent and diligent behaviour incumbent on parent companies of groups registered in France, employing directly or indirectly in their direct or indirect subsidiaries at least 5,000 employees in France or 10,000 employees worldwide.

This duty of care aims to establish, effectively implement and publish "reasonable vigilance measures to identify risks and prevent serious violations of human rights and fundamental freedoms, the health and safety of people and the environment" (fundamental rights) relating to the company's activities as well as those of its subsidiaries, subcontractors and suppliers with which an established business relationship is maintained.

Minimum social safeguards of the European green taxonomy

To determine whether a company's activity can be aligned with the objectives of the green taxonomy, the company must contribute substantially to one of its six objectives, without harming another objective. Lastly, it is necessary to check that the company complies with the minimum social safeguards. These safeguards relate to respect for human rights and the fight against corruption. They refer primarily to the [United Nations Guiding Principles](#), the [guidelines of the Organisation for Economic Co-operation and Development](#) (OECD) and the [conventions of the International Labour Organization](#) (ILO). Companies will therefore have to ensure that they have processes in place in accordance with these "soft law" frameworks, at the risk of not meeting the conditions of the taxonomy. SMEs are also concerned.

Corporate Sustainability Reporting Directive (CSRD)

The [CSRD](#) on corporate sustainability reporting is used to detail the processes implemented by the company in terms of, among other things, respect for human rights, the fight against corruption and tax evasion.

Applicable since January 2024, this European directive includes the principle of double materiality. The companies concerned must therefore add the

measurement of the impact of their activities on society and the environment, in addition to assessing the environmental and social risks to which they are exposed.

Corporate Sustainability Due Diligence Directive (CS3D)

The [CS3D](#) is a European directive aimed at regulating the social responsibility obligations of companies across their value chain. This directive introduces the “duty of care” already existing in French law on a European scale (see 1.1). It is based on several guiding principles, including accountability and transparency. The directive is therefore essential for the respect of human rights by companies.

Companies subject to the CS3D are thus obliged to, among other things, publish information on their due diligence policies and measures, but also to measure the impact of their activities, in particular on human rights, across their direct value chain.¹

2 Policy objectives

To ensure respect for internationally recognised human rights in its business activities, the provisions of this policy apply to La Banque Postale SA’s financing and investments.

The policy also includes certain elements of the existing frameworks (policies, charters, procedures, agreements) that define the Bank’s commitments to respect the human rights of employees and the requirements placed on suppliers, managed by the Human Resources Department and the Purchasing Department.

3 Main definitions

Rights of communities

The world’s indigenous peoples number almost 500 million people. They have specific² rights because of their particular historical, cultural and social characteristics. However, they often have weak legal protection at the national level and their land rights are not sufficiently documented or recognised. Corporate business activities can lead to human rights violations with devastating impacts on indigenous peoples and local communities. Their traditional livelihoods may be destroyed when their land is seized or land is contaminated and water polluted, as their way of life and identity are often closely linked to their environment.

¹ At the date of validation of this policy, the CS3D had not yet been adopted. Adoption is scheduled for early 2026.

² United Nations Declaration on the Rights of Indigenous Peoples.

Community resistance can lead to acts of violence against them, including forced evictions, threats, arbitrary arrests, physical attacks and even murders of community leaders and human rights defenders.

Workers' rights

3.1.1 Child labour

Child labour includes all activities that deprive children of their childhood and harm their schooling, health, physical and mental development. An estimated 160 million children worldwide are involved in labour. 79 million of them are even exposed to hazardous activities such as the use of chemicals, pesticides or dangerous machinery. The vast majority of children work in the agricultural sector, followed by services and industry. More than 50% of child labourers are between 5 and 11 years old. The most affected region is sub-Saharan Africa.³

Dealing with child labour responsibly is complex, given the social and economic context in which it takes place. Removing children (or causing them to be removed) from the economy or supply chains without considering the implications for them could potentially worsen their situation. For example, removing children from the workplace without offering them safer and more suitable alternatives can make them vulnerable to more exploited work elsewhere, and lead to negative consequences on their health and well-being due to increased poverty within their families.

3.1.2 Forced labour

Victims of forced labour are made to work through the use of violence or intimidation, or through more subtle means such as debt manipulation, withholding of identity documents, or threatening to report them to the migration authorities. The definition covers practices similar to slavery or various forms of debt bondage, as well as new forms of forced labour such as human trafficking. One can call this modern slavery. 25 million people are victims of forced labour worldwide, including 16 million in the private economy (individuals or companies). It exists in all types of economic activities such as construction, manufacturing industry, and agriculture. Various systems prevail in the different regions: debt bondage persists in South Asia (and accounts for half of the forced labour), coercive recruitment exists in many Latin American countries, traditional slavery persists in some parts of Africa, and in Europe and North America, a considerable number of people are sold to sweatshops.⁴ Subcontractors (especially those hired by employment agencies) and employees of service

³ ILO and UNICEF, *Child Labour: Global Estimates 2020, Trends and the Way Forward*.

⁴ ILO, *Global Estimates of Modern Slavery*, 2017.

providers (cleaning, logistics, construction, etc.) are exposed to the risk of exploitation even in OECD countries.

3.1.3 Freedom of association and collective bargaining

Freedom of association and collective bargaining are the basis for constructive labour relations. They make it possible to deal with issues such as fair wages, working hours, training, health and safety at work, and equal treatment. Nevertheless, companies restrict the rights of workers to form or join a trade union or workers' organisation. Management may punish, threaten, intimidate or harass workers or their representatives because of their membership in a trade union or their participation in trade union activities. In some cases, workers are subjected to brutal attacks when they try to join a union or form their own association. Even where collective agreements exist, they are not always applied by management. In countries where these rights are restricted by law and/or practice, respecting the right to freedom of association can be a challenge for companies.

3.1.4 Discrimination

Discrimination covers any distinction, exclusion or preference based on ethnic origin, skin colour, gender, religion, political opinion, national or social origin, disability, health (including HIV/AIDS), age or sexual orientation. Hundreds of millions of people face discrimination in the world of work. Gender discrimination is by far the most common. Women are the most affected, and are often the lowest paid and the most abused. Sexual abuse is not uncommon.⁵ In France, gender-based discrimination persists. According to the High Council for Equality, nearly one in two women has already felt discrimination at work.⁶

Some aspects of discrimination may be culturally accepted or incorporated into the national laws of countries with different cultural norms. But more often, discrimination is indirect or the result of implicit or unconscious bias. In this case, discrimination can be much more difficult to detect.

4 Guiding principles

As a member of the United Nations Global Compact and a subsidiary of La Poste Groupe, La Banque Postale is committed to respecting and promoting principles relating to human rights and labour law in its activities and sphere of influence.

La Banque Postale complies with internationally recognised human rights standards as defined in the United Nations Guiding Principles, the International Bill of Human Rights (Universal Declaration of the United Nations, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights), the Fundamental Conventions at Work of the

⁵ ILO, *Time for Equality at Work*, 2003.

⁶ 2023 inventory of sexism.

International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises.

La Banque Postale avoids any direct contribution to situations that have a negative impact on human rights. It also aims to prevent or reduce the indirect impacts related to its products, services and business activities. In doing so, La Banque Postale endeavours not to be complicit, directly or indirectly, in human rights violations.

4.1 General principles applicable at the operational level

4.1.1 Employees

To ensure and promote respect for the human rights of its employees, La Banque Postale applies a responsible human resources policy.

La Banque Postale guarantees equal opportunities for all and prohibits all forms of discrimination, in accordance with the principles of the fundamental conventions of the ILO. Awareness-raising sessions and a whistleblower system are available to employees.

La Banque Postale is also committed to social dialogue, trade union rights and employee representation. It respects freedom of association and collective bargaining as defined by the fundamental conventions of the ILO.

Collective agreements and amendments are negotiated and concluded, for example on training, disability, professional diversity and equality, and fair remuneration.

4.1.2 Suppliers and subcontractors

In compliance with the Potier Law of March 2017 on the duty of care of parent companies and ordering companies and the European Directive on the duty of care (CS3D), La Banque Postale is attentive to its obligations, particularly in terms of preventing risks related to the human rights of individuals in connection with its own activities, those of its suppliers and those of its subcontractors.

The Responsible Purchasing and Ethics Charter between La Banque Postale and its suppliers formalises the commitments expected of suppliers and the social criteria applied in the selection and monitoring of suppliers. In addition, La Banque Postale is committed to working with its suppliers to make progress in terms of protecting human rights.

All suppliers are required to accept the charter, which commits them to respecting the principles of the Global Compact and the fundamental conventions of the ILO and to developing respectful working conditions for their employees.

4.1.3 Populations/communities

La Banque Postale is firmly rooted in France and is committed to contributing to regional economic development. This commitment is based on the belief that sustainable economic development and an inclusive society can help ensure respect for human rights for all. La Banque Postale is working to transform its bancassurance model through an impact-oriented culture, incorporating this concept into the design of its products. Through its banking accessibility mission, La Banque Postale contributes to strengthening the financial inclusion of the most economically vulnerable populations and pays constant attention to vulnerable populations. By supporting its customers in financial difficulty, La Banque Postale contributes to the emancipation and social integration of all, regardless of their economic status.

4.2 General principles applicable to financing and investment activities

La Banque Postale recognises that the financial sector can play a central role in promoting respect for human rights. By signing the Principles for Responsible Banking (PRB) and the Equator Principles, human rights issues are fully integrated into its practices. It expects its counterparties to manage their activities in accordance with international human rights conventions, and includes respect for human rights in its Responsible Financing and Investment Charter. This charter and the sectoral policies put in place by the Bank define exclusions relating to certain sectors of activity, controversial practices, and serious and repeated violations of the principles of the United Nations Global Compact or international human rights conventions.

The following provisions apply to existing clients/issuers as well as prospects/potential investment objects.

Summary of the commitments made

Through its human rights policy, La Banque Postale is committed to:

- **Assess large corporate counterparts** with regard to their ability to respect human rights, develop a healthy, safe and sustainable working environment, and sustainably manage relations with external stakeholders (communities, customers and consumers, suppliers);
- **Take into account the results of these human rights assessments in its financing and investment decisions:**
 - **Engage with companies** with very little human rights management to better understand their approach and encourage and support them in implementing human rights due diligence and better managing their impacts on people,

- **Exclude, in certain cases, such companies if the outcome of the commitment is not satisfactory** (companies most exposed to human rights risks that do not manage their exposure to such risks).

In addition, La Banque Postale has commitments set out in the Responsible Financing and Investment Charter:

- **Exclusion of companies of any size involved in cases of** serious and/or repeated **human rights violations**, unless they convincingly demonstrate that they have changed their practices;
- **Sovereign bonds: exclusion of countries with a weak performance in terms of respect for human rights.**

Breakdown of the commitments

Expectations on companies

La Banque Postale will examine whether the companies it finances or in which it invests have the following elements in place:

- Definition and identification of risks in relation to sectors and countries of activity, such as child labour, forced labour, inequality and discrimination, human trafficking or land grabbing;⁷
- Formalised commitment to respect human rights relevant to the company;
- Measures to prevent, mitigate and remedy negative impacts;
- Application of due diligence to the value chain.

In particular, La Banque Postale will ensure that companies take into account the following issues:

- Fundamental rights, which include freedom of association, freedom to unionise, non-discrimination and diversity, the rights of communities including indigenous peoples, the prohibition of forced labour, the prohibition of child labour, and social standards in supply chains.
- Human resources: in particular health and safety, promotion of social dialogue, remuneration, working hours and restructuring.

La Banque Postale uses data from recognised ESG rating agencies for this assessment and uses performance scores to identify companies that require increased vigilance.

⁷ Forced eviction, without free, prior and informed consent, without adequate remediation.

La Banque Postale also relies on external data for its analysis of controversies and its process for handling these cases, including for its internal Controversy and Exclusion Committee.

5 Operational implementation for the financing and investment activities

La Banque Postale applies this policy in the course of its business activities. Operational tools and awareness-raising programmes have been put in place to help employees implement this policy.

Information relating to the requirements and assessment criteria described above are obtained from public information sources, data providers, customers and potential customers.

Before entering into a relationship with a counterparty or before entering into a financing or investment agreement, La Banque Postale undertakes to apply this policy. The policy applies to new and existing clients and investments.