



# ANNUAL REPORT 2023 >



# REPORT ON OPERATIONS

AT 31 DECEMBER 2023

1.



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## 1. INTRODUCTION

### STATEMENT FROM THE CHAIRWOMAN AND THE CHIEF EXECUTIVE OFFICER

#### Shareholders,

on behalf of the entire Board of Directors, we are pleased to submit for your approval the Poste Italiane Group's sixth Integrated Report.

At the General Shareholders' Meeting held on 8 May 2023, the Board of Directors of Poste Italiane was renewed for the three-year period 2023-2025. Since taking office, the extremely high level of Group solidity achieved over the years was noted. There is a strong sense of responsibility to steering the Company correctly towards an even more prosperous, and at the same time, sustainable future for all people, customers, suppliers, the Public Administration and citizens, for the community and the country's economic system.

We are all aware that 2023 was also an extremely challenging year, characterised by converging crises. After the radical changes triggered by the health emergency about four years ago, together with the first obvious effects of climate change, we have witnessed heightened geopolitical instability and an increase in inflation on a global scale, with the continuing Russian-Ukrainian war on Europe's doorstep, compounded by growing tension in many parts of the Middle East, which has unfortunately culminated in the conflict between Israel and Hamas. The global economic system is faced with geopolitical, climatic, economic and social consequences in an increasingly complex and ever-changing scenario.

Our Company has proved itself capable of continuing on its path of sustainable growth, by sticking to all its business guidelines, in a scenario that has clarified the need to have a strategy capable of innovating regularly, anticipating and guiding changes, which are now happening constantly, in order to guarantee sustainable economic and social value in the long-term. Poste Italiane has had the foresight to identify the new needs of customers and citizens and to evolve to respond to them quickly and efficiently. In response to the natural decline of traditional mail delivery services, due to the changing habits of citizens, the Group has been able to strengthen its presence in the broader delivery and logistics services by offering solutions in line with global players in the sector, thanks to a major internal restructuring, numerous partnerships and acquisitions, especially in the last three years, in the logistics and digital innovation sector. Our undisputed leadership in the payments sector confirms the soundness of the choices we have made over the years, and the offering of new services, for home and all-round family and personal needs, through our extensive network of approximately 13,000 Post Offices that has enabled us to keep the entire infrastructure intact throughout the country.

2023 was also a year of extraordinary results that exceeded market expectations and were in line with the positive trend of recent years, which translated into generated value for all Group stakeholders, the fruits of long-term work. The path we have taken and the goals we have set internally have enabled us to capitalise on multiple opportunities capable of meeting the preferences of you stakeholders and shareholders. The Group has worked with foresight and vision on the digital transformation of assets and internal organisational processes, strengthening its position in the area of logistics and digital payments without hampering, in particular, the objectives of decarbonisation and workplace health and safety and training, and has been able to seize all the potential, anticipating the market context in which the Group operates, understanding that the factors of change are conditions for making a real impact. The Group has forged important international partnerships and completed a number of acquisitions, especially in the

last three years, without leaving behind any of the services for which the Company is traditionally recognised by its customers, i.e. postal savings and insurance/financial.

In 2023, the Poste Italiane Group had an impact on the country's economy, in terms of Gross Domestic Product (GDP), of €13.7 billion and, employed a total of roughly 197 thousand people, contributed around €2.7 billion to the income of the Public Administration in terms of tax revenue. Furthermore, it is estimated that Poste Italiane contributed directly and indirectly to the distribution of income to workers, totalling €7.3 billion. This means that every euro spent by Poste Italiane for the purchase of goods and services generates an economic value for the country system of €3 in terms of production value.

The results we achieved in the year 2023 are incorporated in a general context characterised by steady growth in our commitment to Environmental, Social & Governance issues. Through dozens of projects, the Group has committed significant efforts to all eight pillars of the Sustainable Development Strategy. Briefly, with regard to Integrity and Transparency, the new Fraud Management Centre was inaugurated, which monitors the security of transactions carried out in post offices and online 24 hours a day, and we have almost completed (80%) the Integrated Anti-Fraud Platform (PIAF). In terms of People Development, in 2023 alone, we provided 6.5 million hours of training and strengthened the Welfare platform; with respect to the areas of diversity and inclusion, the LGBTQ+ Inclusion Policy was rolled out in 2023 and formalised in early 2024, augmented by the Active Parenting Policy from 2022. In support of the local area, multiple initiatives have been launched as part of postal, financial and digital education programmes. The Customer Experience is the central focus of Poste Italiane's priorities. In this regard, Poste Italiane is the first among large Italian companies to achieve UNI ISO 22222 and UNI TS 11348 certifications for the Investment Advisory Service Model of financial advisors engaged in the role of personal financial planner. Poste Italiane has embarked on a digitalisation process that has involved both the Group's offerings and its business processes, transforming the distribution model to one based on an omnichannel approach; we have launched the first full digital post office. There are approximately 23 million daily interactions and over 6 million daily visitors on digital channels. In addition, in support of the Green Transition, the Company almost completed the overhaul of the company vehicle fleet (to be completed by 2024) with electric and low-emission vehicles and continued on the virtuous path towards the complete energy efficiency of its buildings. In particular, the first medium/large site was certified carbon neutral. In addition, Poste Italiane customers can make use of both the PuntoPoste network (consisting of more than 15,700 collection points) and the Post Office network for the delivery of parcels, as an alternative to home delivery. As part of Sustainable Finance, Group companies have launched funds that promote environmental and social features.

Having embarked on the path of substantial transformation, which is not yet complete, it is clear, however, that our Company is profoundly different. Poste Italiane is a reliable partner recognised nationally and internationally. Poste Italiane today is a Group that has a mapped out a clear path of strategic development, built on solid foundations. The direction it plans to take has been outlined and specified in the new "2024-2028 Strategic Plan" presented to the market on 20 March 2024.

The new Strategic Plan targets the continuation of the transformation of the logistics sector through the evolution of the model into one based on an omnichannel approach, through a service offer aimed at covering all stages of the customer's logistics chain. The focus will remain on offering products/services that keep pace with evolving market contexts and confirm the centrality of Postal Savings in the Poste Italiane Group's offering. In insurance, the Group aims to sustain net inflows in the Life segment and confirms its ambition to reduce under-insurance in the country by offering new products and expanding penetration in the Protection segment, including by placing policies on third-party networks through the integration of Net Insurance, acquired in 2023. In addition, benefiting from the

growth of e-commerce and cashless payments, PostePay's business will evolve towards digital and innovative payment solutions and, at the same time, will be the integration layer on which to pursue the development of the telephony and electricity and gas offerings, to meet customers' everyday needs within the PostePay ecosystem. The Group will continue to strengthen customer relations within the post office network, third-party networks and on digital properties by making omnichannel experiences easier. During the course of 2023, the first financial functions were released in the Ufficio Postale app, simultaneously renamed as the Poste Italiane app, which will be gradually enriched with all the functionalities of the BancoPosta and PostePay apps, with the aim of eventually replacing them and representing the single access point to the Group's "phygital" platform. Therefore, the objective of representing Poste Italiane as a platform company evolving towards a diversified, integrated and sustainable business model to offer Italians an increasingly wider range of products/services is confirmed.

The Strategic Plan hinges on the Environmental, Social & Governance (ESG) principles and responds to the challenges of sustainability by setting targets up to 2030, in terms of reducing the emissions of the Group and of the supply chain, augmented by socio-economic elements such as developing people's skills and enhancing resources to foster change, promoting the values of diversity, equal opportunities and inclusion, and catering for the expectations of all generations, including young workers.

The Poste Italiane Group's sustainable development strategy is embodied in the ESG Plan, which has been renewed by taking into account the results of the materiality analysis and in synergy with the new "2024-2028 Strategic Plan", and incorporates specific short-, medium- and long-term objectives, in order to make our path towards sustainable progress transparent and verifiable. The updating of the sustainability strategy was influenced by three main drivers: the definition of the new Business Plan; requests from rating agencies; and regulatory developments. The ESG Plan confirms its subdivision into eight pillars: Integrity and Transparency, People development, Diversity and Inclusion, Creating value for the country, Green transition, Customer experience, Innovation and Sustainable finance, whose objectives are updated annually according to a process of continuous alignment with strategic guidelines, results achieved and best practices, to increasingly integrate sustainability along the entire value chain.

The need to deliver sustainable, long-term benefits to all our stakeholders has never been more important than now, when the Company is called upon to support our economy throughout the country and address the increasingly evident impacts of climate change. At the heart of the strategy is the ambition to achieve carbon neutrality by 2030, in line with the goal of containing global warming to below 1.5 °C. To support this commitment, projects have been outlined in four macro-areas: logistics, real estate, culture of sustainability and sustainable finance, with initiatives concerning both the direct emissions generated by our facilities - a further 10 properties will be made carbon neutral by 2028 - and the indirect emissions produced upstream and downstream by our suppliers and customers. In fact, the "Green Index", a carbon footprint calculation model for each stage of the entire supply chain, will be issued and certified according to the best industry standards. In addition, we have set the goal of being within a maximum of 2.5 km from the customer throughout the country by 2028, thanks to the PuntoPoste network, with obvious savings in air emissions.

With regard to environmental sustainability, COP 28, held in December 2023 in Dubai, resonated greatly which recognised for the first time the need for a transition away from fossil fuels. On this occasion, the EU and its Member States pledged more than half of the initial funding for the previously established loss and damage fund. Overall, the EU and its member countries are the world's largest provider of climate finance. In addition, according to the 2023 World Economic Forum's Global Risk Report, weather-related events and disasters attributable to the effects of climate change are having a major social and economic impact. The Report highlights how climate change adaptation initiatives and projects must be up to the task of coping with the intensity and speed of the ongoing

transformation and the global risks they are generating. On the social and economic level, pressures on the cost of living reduce expectations and prospects because of major worries about inflation that are hard to quell, further increasing the sense of difficulty in dealing with even everyday issues. With this "emotional climate" comes what, in 2024, is considered the most significant risk for the next two years, namely that of misinformation. A risk that in an increasingly interconnected environment like the one we live in can amplify real risks or an inability to manage them properly. Top of the agenda are not only risks related to extreme weather events, greater intensity and the worsening of social and demographic polarisation, but the growing difficulty in governing the pace of technological progress, particularly with regard to cyber risks.

Poste Italiane aims to support the sustainable development of the country and to be a guide for responsible growth and digital evolution through the definition and achievement of financial, operational and sustainability objectives - understood in its broadest sense. Thanks to numerous initiatives and projects in line with an integrated vision, we can say that the Group is solid and sustainable, capable of providing the most innovative answers to seize the best opportunities even in a highly challenging and changing environment.

The Poste Italiane Group plays a central role in the country's economy. With a turnover of around €12 billion (up compared to 2022) and the highest number of employees among Italian companies, it is confirmed in 2023 as the leading employer and the largest company in the logistics sector in Italy, with a leading position also in the financial, insurance and payment services sectors. The Group's recent entry into the energy sector further strengthens our presence in the region and our ability to meet citizens' needs even during a crisis. In particular, the "Poste Energia" offer stands out for its focus on environmental sustainability, promoting responsible consumption practices and offering electricity from 100% renewable sources produced in Italy, with carbon dioxide emissions from gas released for consumption fully offset. The Group's commitment to digital transformation continues with its support for citizens, businesses and the Public Administration in the process of digitising the country. Poste Italiane confirms its role as a strategic pillar by effectively and efficiently connecting the country. The "Polis Project, Houses for Digital Citizenship Services", launched in 2022, is a practical example of how it is possible to promote the economic, social and territorial cohesion of the country and to overcome the digital divide in small towns and inland areas, around 7,000 municipalities with a population of less than 15,000 inhabitants, by becoming home to the digital services of the Public Administration. The ambitious project envisages total investments of around €1.2 billion to be implemented by 31 December 2026 and the allocation by the Ministry of Enterprise and Made in Italy of total contribution of €800 million. In more than one thousand post offices in municipalities with less than 15,000 inhabitants, work has been completed to ensure that citizens can access the main services of the Public Administration, INPS services, and civil registration and judicial certificates. Finally, work was completed on 31 co-working spaces.

Goals such as these are certainly the result of the effectiveness of the path taken towards the creation of shared value, with a view to achieving the Sustainable Development Goals (SDGs) as defined by the United Nations. The business model adopted by Poste Italiane is constantly evolving and adapting to the needs dictated by the economic and social context and the demands of the company's stakeholders, while maintaining its values and principles. The relationship with all stakeholders is increasingly central, and fostering dialogue with them allows us to maintain a solid relationship of trust, based on shared values such as transparency and inclusion, which are at the heart of our growth path towards a sustainable future. This means we can count on the support we need to successfully manage the risks and opportunities that arise and achieve long-term sustainability. Poste has always been keen to promote initiatives aimed at listening to all of the Group's stakeholders. A long-established formula, the Multistakeholder Forum, now in its seventh edition, represents a crucial opportunity for discussing and fully sharing



the key objectives of the Group's Sustainability Strategy, based on eight pillars. Also in 2023, the event was attended by around 1,400 people, together with whom we assessed the significance of the sustainability impacts related to our business and defined the material issues for Poste Italiane, in line with the regulatory developments of the GRI and CSRD standards. The priority issues for stakeholders and the Company so defined are analysed according to the dual materiality approach, which aims to identify the material issues that enable us to prioritise action aimed at creating value in the short, medium and long term. In line with the strategy outlined in the new Strategic Plan to support the customer and the community, the results of the engagement process with the Group's main stakeholders showed an increased relevance of impacts related to the following issues: Innovation and digitisation of products, services and processes, Protection of human rights in the Company, Support for the socio-economic development of the territory and Equal opportunities in career paths from an inside-out perspective; Innovation and digitisation of products, services and processes, Quality and Customer experience, Staff training and development and Financial inclusion based on an outside-in approach.

The Poste Italiane Group's business model confirmed its solidity in 2023 as well, despite a particularly complex and challenging scenario. The actions and results achieved, reported in the Integrated Report, describe the Group's concrete commitment and have been consistent with the process undertaken by the Company to generate valuable relationships with all its stakeholders.

As we continue our organic path of growth, which combines innovation and human capital development in an inseparable pairing, our sense of responsibility is embodied by actions and initiatives to protect the community and the environment in which the Group operates. In keeping with these values, we constantly maintain a focus on human advancement, through a social commitment aimed at realising practical projects. In particular, in line with one of the material themes identified, we have invested heavily in the training of our people, focusing on the development of the skills also required by new businesses, health and safety in the workplace and respect for human rights, essential tools for a competitive advantage in the market. But the strategy will be further developed, expanding the initiatives, including the creation of five campuses dedicated entirely to the training of our people.

Our stakeholders have already been able to appreciate and benefit from the value created starting with "Deliver 2022" and continued with "Sustain&InnovatePlus 2024", presented to the market in 2018 and 2022 respectively, thanks to which it has been possible to structure the new "2024-2028 Strategic Plan" with a solid foundation, that is increasingly sustainable and accessible to all our citizens. Thanks to our commitment to guaranteeing access to our services throughout the country, combining proximity and digital innovation, our distinctive identity, we are committed to reducing emissions, to promoting new business models to accelerate our customers' green transition, to respecting human rights at all stages of our activities, and to the human and professional growth of our people based on valuing everyone's contribution, inclusion, motivation and respect. Furthermore, the Group dedicates itself on a daily basis to the promotion of organic and widespread social inclusion initiatives, with the aim of creating a positive impact in the context in which it operates. In particular, corporate volunteering represents an ethical choice of the Company and a concrete commitment for the community sustainable development, in line with the values and principles incorporated in the Code of Ethics and the Sustainability Policies. We have set ourselves the goal of doing more and more in this context.

This awareness drives us to introduce increasingly more effective actions because we feel a responsibility to make a real difference.

Through a growing commitment to greater transparency to the market and to the solidity and concreteness of the business model built to create sustainable value in the long term, also in 2023, the Group confirmed or improved its ratings of excellence in the main ESG ratings used by the main market players. In December 2023, Poste Italiane was ranked as the world's "Sector Leader" for sustainability in the insurance sector according to the S&P Global

rating agency, subsequently being included in the 2024 edition of the S&P Global Sustainability Yearbook, falling within the Top 1% of the S&P Global ESG Score 2023, and confirming its presence for the fifth time in a row in the Dow Jones Sustainability Index World and the more selective Dow Jones Sustainability Index Europe. In addition, the Group was not only reconfirmed as a leader in the fight against climate change by CDP (formerly the Carbon Disclosure Project), placed for the third consecutive year in the "Leadership" bracket of the international rankings with an A- rating, but was also ranked by Sustainalytics as a top ESG performer from a panel of more than 15,000 companies assessed globally, maintaining a Low ESG Risk Rating. These prestigious recognitions are followed by further confirmations in equally important indices, such as the Bloomberg Gender-Equality Index (GEI), Integrated Governance Index (IGI), FTSE4GOOD, Euronext MIB ESG and Equileap Global Gender Equality in addition to several other indices of the Euronext Group. In addition, the Group also maintained its "AA" rating from MSCI, owing to the major progress it has made in the social sphere, improving its corporate sustainability performance and leadership in the sector.

The Group achieved numerous recognitions in 2023, which the whole Company is extremely proud of because they are the result of the work put in by all Poste Italiane's people. For the sake of brevity, I'll mention just a few.

Poste Italiane has been awarded the prestigious Platinum medal by EcoVadis, which assesses the sustainability of companies along the supply chain, further improving its position from last year's Gold medal by placing within the top 1% of companies assessed by the team of international experts. The Group is committed on a daily basis to finding innovative and sustainable solutions for our Italian and international partners, in line with our corporate objectives, and will continue to work to be an increasingly representative point of reference for the country in the ESG domain. Finally, Poste Italiane obtained the UNI/PdR 125:2022 certification (a certificate provided for in the National Recovery and Resilience Plan -NRRP), due to its ability to ensure gender equality in the workplace. Inclusive organisation and respect for gender equality create shared social value and foster a higher level of engagement with corporate objectives, generating a competitive advantage for the entire Group. The certification obtained actually represents another feather in the Company's cap, augmenting the other important recognitions already achieved by Poste Italiane in the area of inclusiveness, such as the Equal Salary certification, the Uni ISO 30415:2021 - Human resource management - Diversity and Inclusion certification, in addition to the Top Employers certification confirmed for the fifth consecutive year.

We are fully satisfied with the results we have achieved; the high level of professionalism, determination and ambition which are our hallmark, has helped us take important steps along the path of development. We will strive to ensure that our Company continues to be a reference point in the community in which we operate because trust and reputation are fundamental values on which to base a solid future for the benefit of all stakeholders.

A heartfelt thank you, therefore, goes to all the people of the Poste Italiane Group for their constant support in pursuing all the common goals dynamically and with bundles of energy.

Finally, we thank you Shareholders in advance for the attention given to this document, which is inspired by the principle of maximum transparency towards all our stakeholders.

## PRESENTATION OF THE INTEGRATED REPORT

The Integrated Report of the Poste Italiane Group this year has reached its sixth edition and aims to illustrate in an accurate, factual and transparent manner, all the activities, results achieved, their performance and services offered according to the systemic approach between financial and non-financial strategies in their respective overall vision.

The Integrated Report also illustrates how sustainability is increasingly integrated into the business model, providing a clear and comprehensive representation of the Company's financial, environmental, social and governance performance. In fact, the deep integration of sustainability into the business, encapsulated in Poste Italiane's purpose is also evidenced by a set of annual and multi-annual targets traceable to the eight pillars of the strategy designed to provide stakeholders with maximum transparency on the Group's commitment in these areas and to report transparently on the progress achieved.

Through this approach, the Group aims to tell the story of its ability to generate and maintain value over time, both financially and non-financially, in the context and market in which it operates.

With this in mind, the document is a useful tool for stakeholders to gain a comprehensive understanding of the processes the Group has put in place to support the country's growth and create shared value, describing what has been achieved while offering an overview of short-, medium- and long-term ambitions and goals.

The social and environmental impacts generated by the Group place the process of integrating sustainability into the business model at the centre of the value creation process for the Company and all its stakeholders, with the aim of contributing to the achievement of the United Nations Sustainable Development Goals. The path taken by the Group is underpinned by certain strategic and investment choices in the main forms of capital, such as financial, human, physical-structural, intellectual, social-relational and natural, i.e. assets which contribute to sustainable success of the Company, but which on the other hand are impacted by the activities of the Company itself. For this reason, in continuity with previous years, the document includes an overview of the correlation between the Company's performance and the types of capital listed above, and for each of them the results achieved are illustrated in Chapter 2 "Highlights".

Poste Italiane, through numerous ESG projects, aims to lead the country's sustainability path, build an inclusive society and offer a greener future. Through this document, the Group aims to represent its green strategy, aimed at continuing its path of entry into the energy market, accelerating the energy transition process of the business. In addition to proposing sustainable products and offers, entering the energy market gives Poste Italiane a further boost in engaging customers and guiding them towards environmentally aware behaviour.

The Integrated Report is prepared by taking into account a wide range of international standards and guidelines to which the Group also adheres on a voluntary basis. In continuity with the preparation of the previous Integrated Report and consistent with regulatory requirements, the 2023 Integrated Report contains the section dedicated to the European Environmental Taxonomy, found within Chapter 9 "Consolidated Non-Financial Statements". To this end, the Group undertook a careful analysis of its activities and the regulatory framework issued by European institutions and developed a specific methodological approach aimed at providing adequate disclosure. In line with the EU Regulation n.852/2020 (Taxonomy Regulation) and with the relevant regulatory evolutions that emerged during 2023, the Poste Italiane Group, taking into consideration its industrial and financial operations, has reported the percentages of Turnover, CapEx and OpEx and the share of investment/financing associated with eligible economic activities in relation to the six objectives provided by the EU Taxonomy, and aligned in relation to the first two environmental objectives. In addition, within Chapter 5 "Strategy" is described the methodology adopted by the

Group for the materiality analysis, aligned in view of compliance with the forecasts related to the 2021 update of the GRI standards for the inside-out perspective, taking into account the provisions of EFRAG, contained in the new sustainability standards and in the Guideline on double materiality, although still in draft, for the outside-in perspective. The adoption of the double materiality process to identify Poste Italiane's material issues allows the Group to conduct an analysis in anticipation of the Corporate Sustainability Reporting Directive, scheduled for FY 2024.

In continuity with previous years, the 2023 Integrated Report contain the Consolidated Non-Financial Statement, which is integrated into the Report on Operations in the Chapter 9 thereof. The NFS was drawn up in accordance with the requirements of Articles 3 and 4 of Legislative Decree no. 254/2016 and the "Global Reporting Initiative Sustainability Reporting Standards" defined by the GRI - Global Reporting Initiative (hereinafter "GRI Standards") according to "in accordance" option. Chapter 9 of the section "Reporting standards and criteria" includes a connecting table that indicates the information content required by the Decree and its positioning within the Integrated Report, with the aim of making it easier to find all non-financial information. In addition, such content is also noted, to make it easily identifiable, by this infographic:

**NFS**

The Group's sixth Integrated Report was prepared by applying the Integrated Reporting framework published by the International Integrated Reporting Council (IIRC). In addition, Poste Italiane has, as well, taken into account ESMA<sup>1</sup> priorities in giving disclosure in terms of reporting within the 2023 Annual Reports and Non-Financial Statements. ESMA identifies climate change issues as a priority in the non-financial report for 2023. As confirmation of Poste Italiane's commitment to combating climate change, it should be noted that as of 2021 the Group has officially joined the supporters of the Task Force on Climate-related Financial Disclosure (TCFD). In order to broaden the Group's disclosure on the management of risks and opportunities related to climate change, this document illustrates how the Group's activities are managed according to the recommendations of the TCFD, and also provides a table linking the Task Force on Climate-related Disclosure (TCFD) recommendations with the contents of the Integrated Report. In addition, Poste Italiane was among the 320 organisations to adhere as early adopters to the new set of recommendations published by the TNFD to support organisations in identifying, assessing, managing and disclosing relevant nature-related issues (biodiversity, waste and water management, climate change agents, etc.), consistent with global policy objectives and international sustainability reporting standards. Finally, with the aim of reflecting potential future developments regarding climate change, Poste Italiane once again this year carried out a review of climate scenarios using as a reference the documents drawn up by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) and the main literature on the subject.

In line with previous years, the indicators used for the preparation of the 2023 Integrated Report were reclassified according to SASB (Sustainability Accounting Standards Board) standards, with the aim of contributing to the development of a shared and universal framework for non-financial reporting. In this sense, the indicators relating to "material ESG metrics" found in the latest version, from September 2020, of the document "Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" presented to the World Economic Forum in January of the same year, have been reported again this year. By continuously updating its non-financial reporting methodology, the Poste Italiane Group demonstrates its commitment to the demands of the financial market, which is increasingly focused on assessing companies according to environmental, social and governance criteria.

<sup>1</sup> ESMA document on European common supervisory priorities for 2023 "European common enforcement priorities for 2023 annual financial reports", published on 25 October 2023.

The document also contains a table linking the objectives pursued by the Group, the GRI Standards indicators and the SDGs, which represents a useful tool to illustrate how the Company contributes to the achievement of the 17 United Nations Sustainable Development Goals and their 169 targets, also incorporating the latest guidelines of the most up-to-date version of the "SDG Compass" document drawn up by GRI, UN Global Compact and WBCSD (World Business Council for Sustainable Development).

In addition to the Integrated Report, the Annual Financial Report is composed of the following documents: the consolidated financial statements of the Poste Italiane Group, Poste Italiane's separate financial statements, including Bancoposta RFC's Separate Report, and the related attestations pursuant to art. 154 bis paragraph 5 of Legislative Decree no. 58/1998 and the reports of the Board of Statutory Auditors and the Independent Auditors, referring to the financial year ended 31 December 2023, and the Report on Corporate Governance and Ownership Structure published on the Company's website, in the Governance section, which is to be considered an integral part and to which reference should be made for further details on the Corporate Governance structure.

This Annual Report, which was approved by the Board of Directors of Poste Italiane SpA on 19 March 2024, is made available to the public within the terms provided for by the regulations in force (i.e., by 30 April 2024) on the following web page: <https://www.posteitaliane.it/en/reports.html#/>.

The following infographics are used in this document:



to indicate, by means of a hyperlink, that it is possible to consult the definition of the content in the glossary in Chapter 10;



to indicate, by means of a hyperlink, that it is possible to go deeper into the topic dealt with in the relevant paragraph;



to indicate, by means of a hyperlink, that it is possible to return to the beginning of the chapter and the general index.

## 2. HIGHLIGHTS

NFS

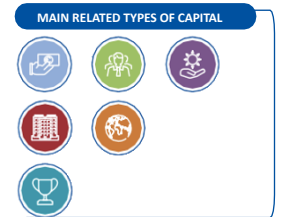
[2023 OUTCOMES OF THE VALUE CREATION PROCESS AT POSTE ITALIANE](#)

[IMPACTS GENERATED BY POSTE ITALIANE](#)

[CREATING SHARED VALUE TO ACHIEVE THE SDGs](#)

### 2.1 2023 OUTCOME OF THE VALUE CREATION PROCESS AT POSTE ITALIANE

During 2023, the path of shared value creation undertaken by the Poste Italiane Group generated excellent results at system level, through the significant investments in the six forms of capital which underpin the Company: financial, human, physical-structural, intellectual, social-relational and natural, and in line with the United Nations Sustainable Development Goals framework.





FINANCIAL



PHYSICAL-  
STRUCTURAL



INTELLECTUAL



Revenue: €11.99 bn (+5% y/y)

EBIT: €2.62 bn (+9% y/y)

Net profit: €1.93 bn (+22% y/y)

DPS €0.80 (+23% y/y)

Total financial assets: €581 bn

Postal Savings - Savings Books: around €8bn raised with Supersmart offers dedicated to new liquidity

Life insurance net inflows: €+3.4 bn

Lapse rate on Life business: 4.4% below the average market rate

Assets under management: inflows >€4 bn (approx. 3x vs 2022)

Controlling stake acquired in Net Insurance for the development of the protection segment in the insurance business

Strategic partnership between Poste Italiane and DHL for the development of the international parcels market

Establishment at the beginning of 2024 of MLK Fresh in partnership with Mazzocco Srl for the launch of the "fresh" express courier service for home delivery of fresh food products

12,755 Post Offices and approximately 119 thousand employees (zero offices closed in Small Municipalities during the year)

Omnichannel strategy: over 23 mln (+9% y/y) daily interactions and over 6 mln daily visitors on digital channels (+10% y/y)

Third-party networks: roughly 51,000 physical contact points strengthened by the acquisition of LIS in September 2022

Roughly 27 mln digital identities (SPID) issued (around 75% market share)

Brand Finance: Poste Italiane is ranked in the Brand Finance Global 500 among the brands with the highest financial value globally (+52 positions y/y)

Inauguration of Poste Italiane new Fraud Management Centre, which monitors security of transactions carried out in post offices and online round the clock

Poste Energia launch campaign wins the Best Engagement special award at the Key Award, the Italian award dedicated to marketing communication

Poste Italiane wins the "Premio Impatto" (Impact Award) promoted by the Corporate Social Responsibility and Social Innovation Show, for measures to reduce CO<sub>2</sub> emissions thanks to the fleet renewal plan

Poste Italiane receives Platinum Medal from Ecovadis and enters the top 1% of best companies for corporate social responsibility along the supply chain

Poste Italiane also consolidated its AA rating by Morgan Stanley Capital International (MSCI)

Oscar di Bilancio 2023 in the category Large Listed Companies



HUMAN



SOCIAL -  
RELATIONAL



NATURAL



Poste Italiane is Top Employer for the 5th consecutive year

New edition of the Code of Ethics approved, which reaffirms and amplifies the fundamental principles that inspire the Group

Presence on the Bloomberg Gender - Equality Index confirmed for 5th consecutive year

Roughly 6.5 mln hours of training provided in 2023

Trade union agreement to regulate Agile Work, extended until 31.12.2024

2023 performance bonus: +4% vs 2022 and extraordinary bonus for the year of €1,000 for Group employees

Record number of sign-ups for the Corporate Welfare programme with roughly 28 thousand sign-ups: X3 compared to 2022

Poste Italiane is among the winners in the AILA Foundation's Women's Project for its commitment to the prevention of osteoarthritis and osteoporosis, promoting the importance of women's health

January 2023: inaugural event of the Polis Project - House of Digital Services (PNRR) to foster social and territorial cohesion and overcome the digital divide in small centres. As of April 2023, INPS services, some judicial certificates\* and the National Register of Resident Population certificate services are available

Memorandum of understanding with the Third Sector Forum on sustainability and volunteering projects: the online platform dedicated to the promotion of projects proposed by Third Sector organisations is operational

Poste Italiane is among the top three companies in the "Integrated Governance Index (IGI) 2023" ranking for the integration of sustainability policies into corporate strategies

Poste Italiane on the podium of the "best communicators" according to Lundquist's "trust Italia 2023" research

Poste Italiane confirms its leadership in sustainability by taking 1st place among the Blue Chip of the Italian Stock Exchange in the MIB® ESG GLOBAL SCORE index

Poste Italiane confirms its leadership in ESG policies by obtaining for the second year in a row the advanced category in Moody's Analytics' ESG overall score

Poste Italiane is the world's "Sector leader" for sustainability in the insurance sector according to the S&P Global rating agency, confirming its position for the 5th consecutive year in the Dow Jones Sustainability Index World and Europe and for the 4th year in the 2024 edition of S&P Global's Sustainability Yearbook, falling into the "Top 1%" rating bracket among companies in the insurance sector.

Poste Italiane ranks 4th in the "Webranking Europe 500" ranking of leading European listed companies for transparency and quality of digital communication

\*Appeal for the establishment of the support administrator and the statement of assets of the administered and/or protected person.

Poste Italiane confirms the "A-" rating issued by CDP (former Carbon disclosure project) in the Climate change section

The Poste Italiane Group enters the energy sector, with a 100% green mass market offer accessible in omnichannel mode: reached over 500 thousand contracts since the launch of the service

Roughly 26,200 low-emission vehicles in the company fleet, of which roughly 5,800 electric

Full green delivery: zero-emission delivery in 35 city centres

Approximately 2,000 buildings involved in the Smart Building project\*, roughly 310 photovoltaic systems with an installed capacity of over 15,000 KWP.

\* Automated and remote management of buildings to achieve energy efficiencies



## 2.2 IMPACTS GENERATED BY POSTE ITALIANE

### MAIN RELATED TYPES OF CAPITAL

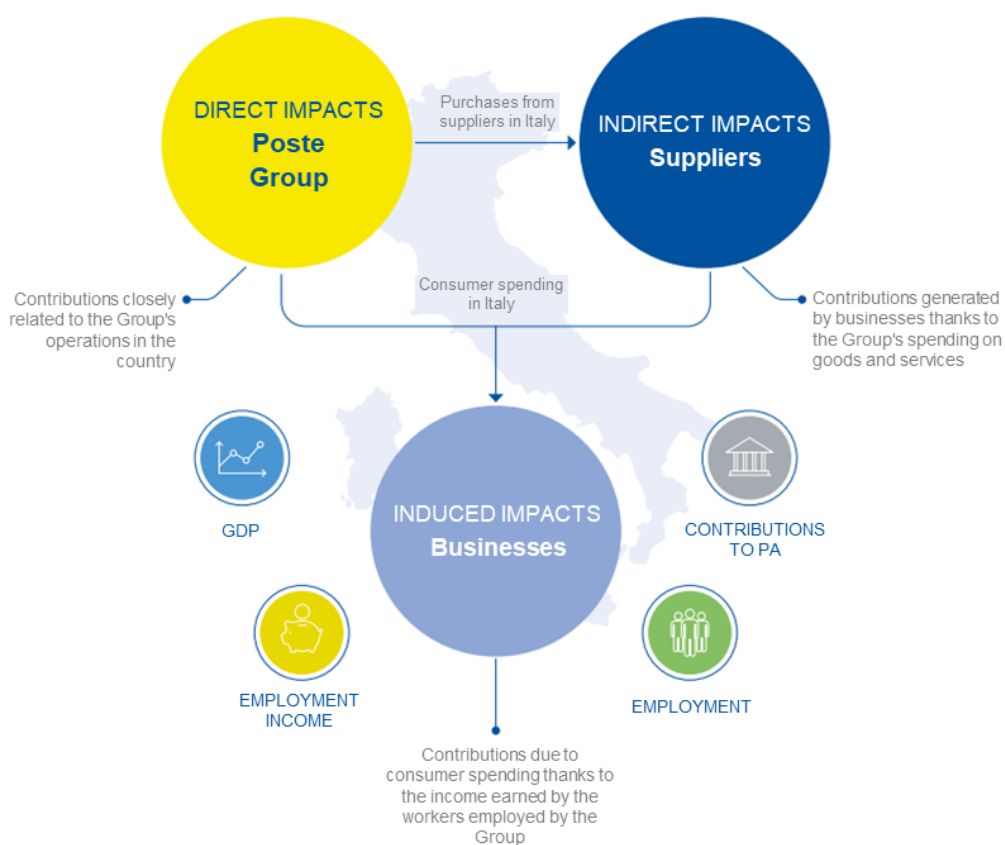


Through its leadership in the logistics, financial, insurance and payment services sectors, Poste Italiane plays a key role in the creation of economic value both for the stakeholders directly impacted by its business activities and for the country as a whole.

In particular, the activities carried out by Poste Italiane generate impacts on GDP, employment income, employment and contributions to PA. Impacts can be distinguished into:

- **Direct impacts:** impacts generated by the operating activities carried out directly by Poste Italiane;
- **Indirect impacts:** impacts generated along the supply chain as a result of Poste Italiane's spending on goods and services (€3.8 billion in 2023) from Italian suppliers;
- **Induced impacts:** impacts generated by consumer spending that is realised through the income earned by workers employed directly and indirectly by the Group.

### The process of creating Poste Italiane's economic value



### x 3

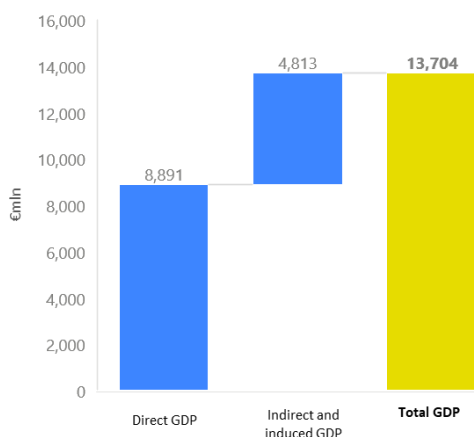
one euro spent by Poste Italiane for the purchase of goods and services generates an economic value for the country system of €3 in terms of production value

In 2023, the Poste Italiane Group had an impact on the country's economy, in terms of Gross Domestic Product (GDP), of €13.7 billion and, employed a total of roughly 197 thousand people and contributed around €2.7 billion to the income of the Public Administration in terms of tax revenue. Furthermore, it is estimated that Poste Italiane contributed directly and indirectly to the distribution of income to workers, totalling €7.3 billion.

Poste Italiane's creation of value is based on the contribution that the Group's individual people make through their daily work and commitment. In fact, in 2023, each person at Poste Italiane contributed to the creation of economic impacts for the region amounting to €114 thousand of GDP, €61 thousand of income for families, €22 thousand of tax contributions and the employment of 1.6 people.



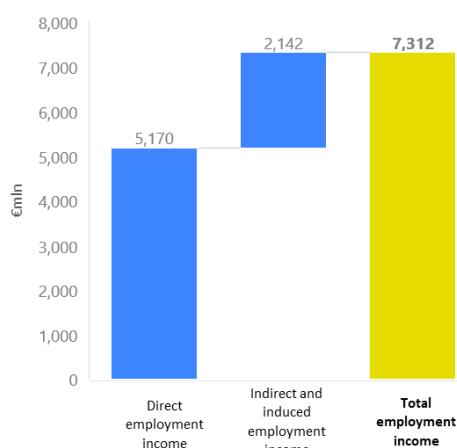
**Poste Italiane's contribution to Gross Domestic Product - 2023**



Each person at Poste Italiane, through their daily work and commitment, has contributed to the generation of €114 thousand in GDP in 2023



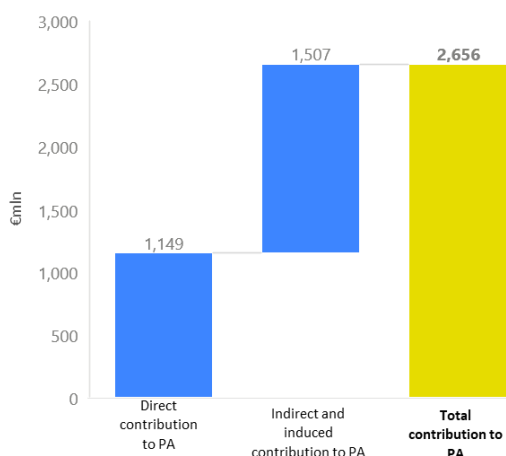
**Poste Italiane's contribution to employment income - 2023**



Each person at Poste Italiane, through their daily work and commitment, has contributed to the employment of €61 thousand people in 2023



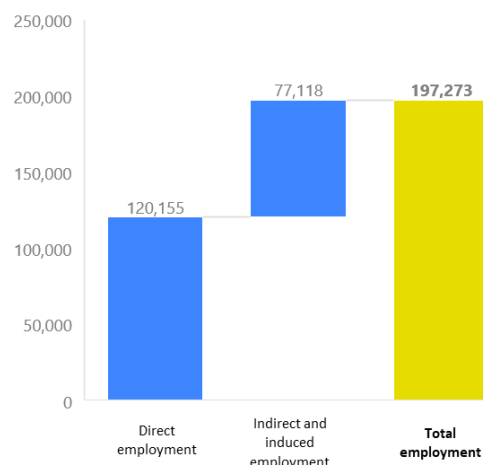
**Poste Italiane's contribution to the Public Administration - 2023**



Each person at Poste Italiane, through their daily work and commitment, has contributed to the generation of a tax revenue of €22 thousand during 2023

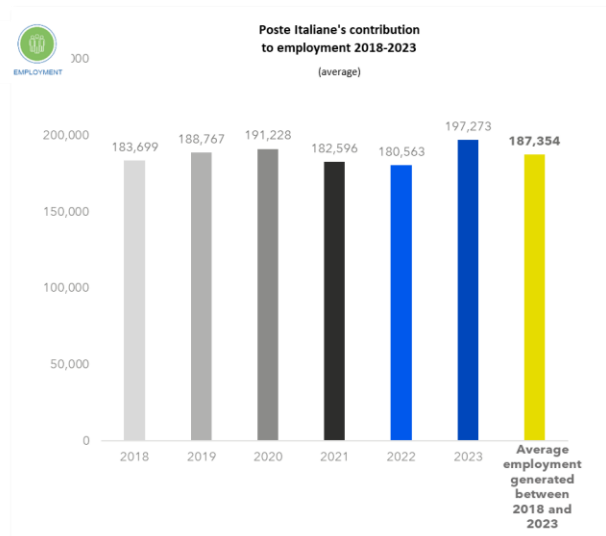
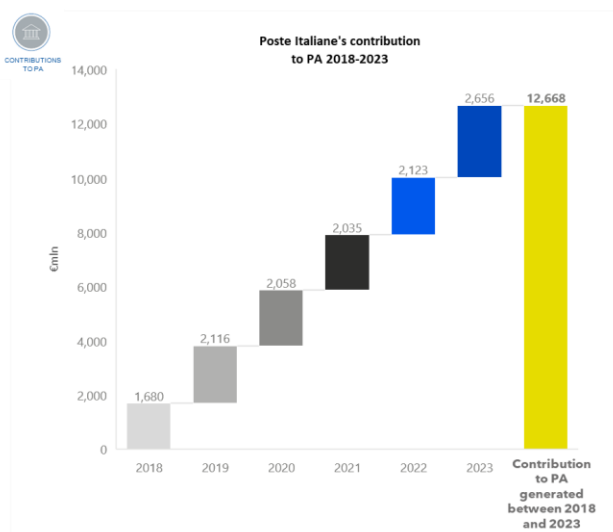
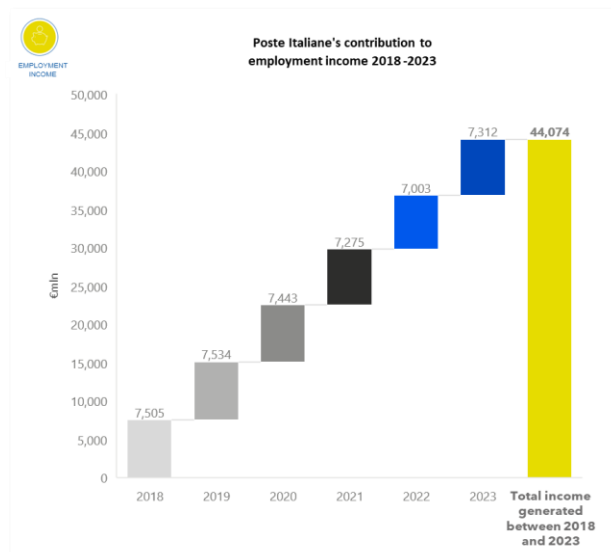
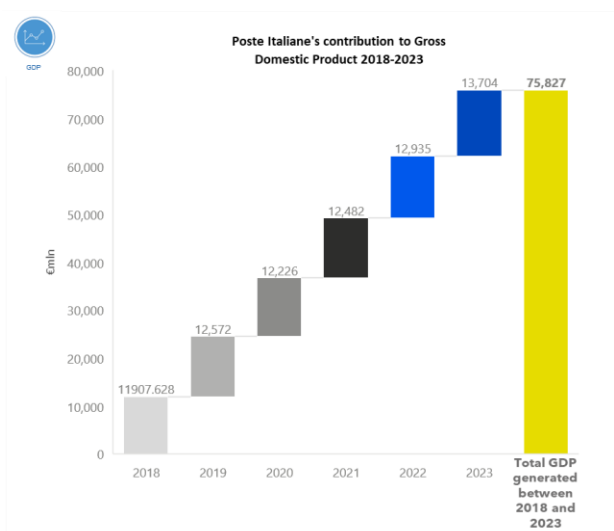


**Poste Italiane's contribution to employment - 2023**



Each person at Poste Italiane, through their daily work and commitment, has contributed to the employment of 1.6 people in 2023

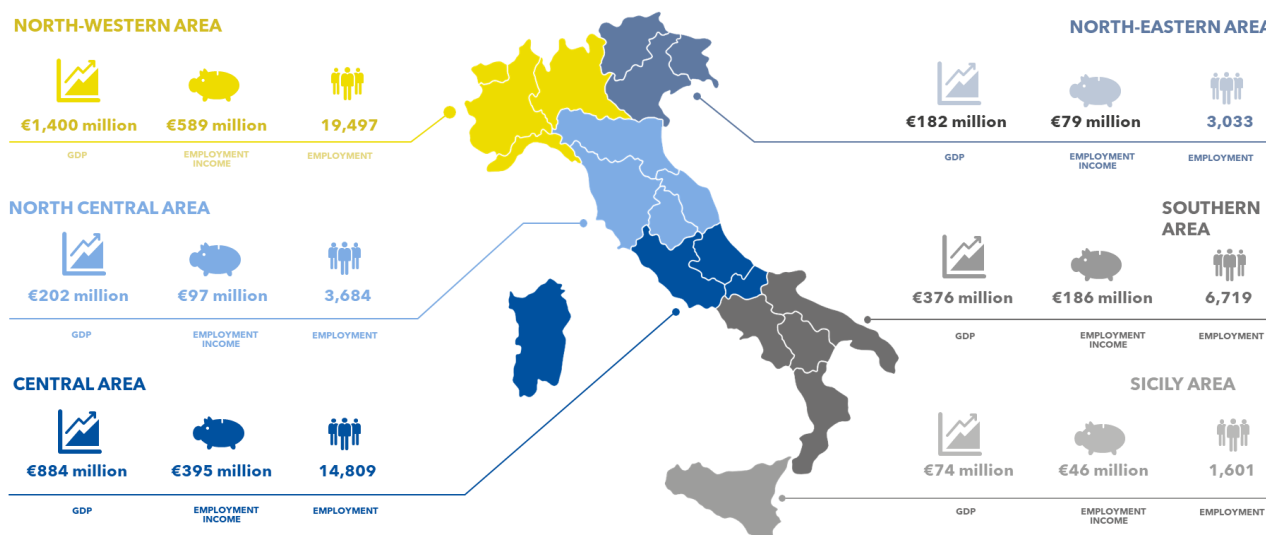
Poste Italiane's commitment to serving the country's economic system is not limited to 2023, but is embedded in a path of annual value creation. In fact, from 2018, the Poste Italiane Group has generated overall impacts on the country of roughly €76 billion in Gross Domestic Product (GDP), €44 billion in employment income, and €13 billion in tax revenue. In addition, on average, the Group contributed to the creation of 187 thousand jobs between 2018 and 2023.



Below are two focuses on the area of Poste Italiane's suppliers, respectively the impacts generated by Italian suppliers in the individual Territorial Areas and the indirect contributions generated by Italian SME suppliers.

## Impacts generated in individual Territorial Areas in 2023

Considering the region of the registered office of suppliers, the indirect impacts generated by them in each Territorial Area in 2023 have been identified.



The various areas examined generated GDP values of between roughly €70 million and €1.4 billion. This results in an employment level of no less than one 1,600 people and total employment income between €45 million and €590 million approximately.

## Impacts of Italian SME suppliers

Considering the parameters defined by the European Commission, the Italian suppliers that are characterised as Small and Medium Enterprises (SMEs) and the indirect impacts attributable to them have been identified.

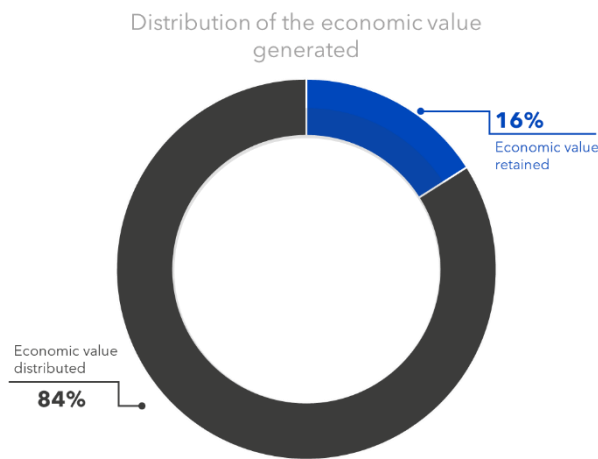


In 2023, SMEs impacted the level of Gross Domestic Product for a value of €1.3 billion, leading to the employment of 23,000 people and an income distribution of around €650 million. Finally, €414 million has been generated in terms of tax revenue.

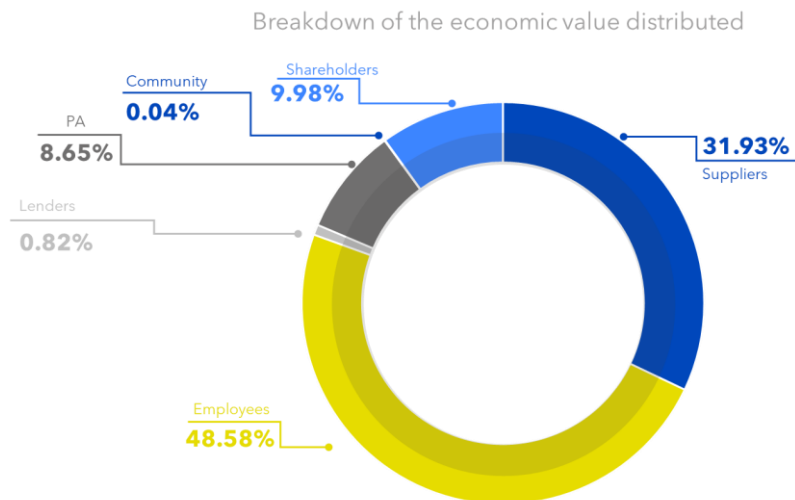
## The economic value generated and distributed by the Poste Italiane Group

Poste Italiane also provides an overview of the economic value generated and distributed by the Company to its stakeholders such as suppliers, employees, lenders, the community, the Public Administration and shareholders. This value represents the wealth produced by the Company and its impact on key stakeholder categories, in accordance with the requirements of GRI Standards 201-1 reporting standard.

In 2023, more than 84% of the wealth produced by the Company was distributed to its stakeholders. In particular, employees and suppliers are among the stakeholder categories that benefit most from the wealth produced by the Company, accounting respectively for 48% and 32% of the total value distributed.



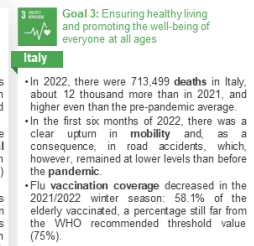
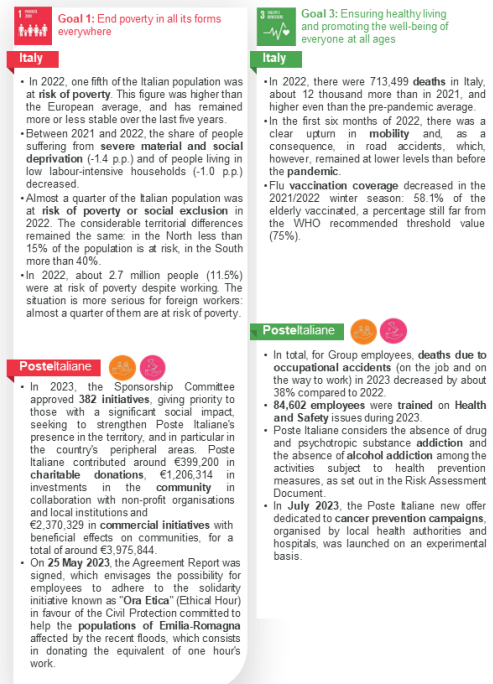
The economic value created in 2023 amounts to over **€12 billion**, roughly **84% distributed to stakeholders**



## 2.3 CREATING SHARED VALUE TO ACHIEVE THE SDGs

Poste Italiane is a fundamental part of the Country's economic, social and production fabric and is a unique entity in Italy in terms of size, recognisability and widespread coverage. The Company's activities therefore generate significant impacts throughout the territory, also with a view to achieving the Sustainable Development Goals (SDGs).

The following illustration highlights the correlation between the results of Poste Italiane's business model and the "social needs" of the Italian territory, identified through the analysis of the fifth edition of the SDGs Report (2023) prepared by ISTAT. The representation provides an overview of the Group's impact on the UN SDGs.



**Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

**Italy**

- There was a marked **upturn in economic activity** in 2021. Annual changes in GDP by volume and GDP per inhabitant and GDP per employee employed were substantial (+6.6%, +7.2%, and +6.0%, respectively).
- The economic recovery was mainly driven by the **construction sector** (with an increase in value added per employee of 14.5%) and **industry narrowly defined** (+11.8%), together with some service sectors, such as **accommodation and catering** (+23.6%) and **transport and storage** (+12.7%), which were significantly affected by the health emergency.
- The **unemployment rate** increased marginally (9.5% +0.2 p.p.), also reflecting the recovery of job-seeking which led to a reduction in inactivity. The unemployment rate remains well above European levels.

**Posteitaliane**

- In 2023 Poste Italiane generated impacts on the country of **€13.7 billion** in GDP and **€7.3 billion** in **employment income**, while also contributing to the creation of **197 thousand jobs**.
- Each person at the Group contributed to the **creation of economic impacts for the region** amounting to **€114 thousand** in GDP, **661 thousand** in income for families, and the employment of **1.6 people**.
- In 2023, the Group recruited **3,474 new employees**, of whom **52% were men** and **48% women**.
- On March 1<sup>st</sup> 2022, the Company signed an **Agreement with the Trade Unions**, extended until 31 December 2024, which regulates the application of **agile working** in Poste Italiane and in the Group Companies applying the National Collective Labour Agreement (CCNL) renewed on 23 June 2021.

**Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation**

**Italy**

- In 2020, **passenger transport** saw a drop in usage due to restrictive measures to fight the pandemic. The **logistics system** was also affected, albeit to a lesser extent than passenger transport.
- In 2020, the **CO<sub>2</sub> emissions** intensity of value added continued to decrease, falling by 2.4% compared to 2019 and by 5.1% compared to 2018.
- In 2021, the **manufacturing industry resumed growth** following a decline in 2020 due to the temporary closure of some activities during the lockdown.
- **Investment** in research and development, software, and intellectual property showed less responsiveness to the economic cycle in 2021 and their share fell sharply to 7.8%, 8.4% and 16.7%, respectively, a decrease of 1.2, 1.1 and 2.4 percentage points compared to 2019.
- In 2020, research and development expenditure decreased in absolute terms compared to the previous year, although its intensity increased to 1.51% of GDP.

**Posteitaliane**

- Poste Italiane has started a complete **renewal of its vehicle fleet**, going from **11 green vehicles** in 2016 to **44.4%** in 2023. The aim is to **replace the entire fleet with low-emission vehicles** by 2024.
- In 2023, the Group inaugurated the **largest photovoltaic system** built by Poste Italiane in Sicily, the **Postal Mechanisation Centre in Palermo**, with a system that made the site's production cycle totally self-sufficient.

**Goal 10: Reduce inequalities within and among countries**

**Italy**

- In 2021, the **per capita gross disposable income** of households residing in Italy grew (+3.8%) after a decline in the previous year. The increase in purchasing power was smaller (+2.1%).
- In 2020 the **net income inequality** indicator increased to 5.9, a full 0.2 points higher than in 2019. The per capita household incomes of the lowest-income 40% of the population decreased more than those of the total population (-2.1 and -0.2 in 2020, respectively).
- In 2020, the number of new **residence permits issued** to foreign nationals decreased further to 106,503, 39.9% less than in 2019. In contrast to the previous year, the number of permits issued for study purposes decreased the most (-58.2%), as an effect of prolonged border closures due to the Covid-19 pandemic.

**Posteitaliane**

- In 2023 Poste Italiane confirmed its commitment to the **most vulnerable groups**, weakened by their physical, mental, family, economic, ethnic and social conditions.
- The Group maintained the **programme for communities in small municipalities**, pledging to ensure continuity of service.
- The Group continued the **Polis Project** to foster **economic, social and territorial cohesion** in Italy and end the **digital divide in small towns and inland areas**.
- In 2023, Poste Italiane inaugurated its corporate volunteering model with the **"Faccio Bene"** campaign, in addition to the numerous **collaborations with Third Sector organisations** that it has been carrying out for several years.
- In 2023, the **support for the community on the financial side**, the collaboration between Poste Italiane and numerous institutions for the disbursement and placement of the **Prestito BancoPosta**, in all its distinct options, will continue.

**Goal 11: Making cities and human settlements inclusive, safe, resilient and sustainable**

**Italy**

- In 2021, 17.6% of the population complained of problems related to **structural deficiencies and dampness in housing**; the problem was most acute in southern Italy (19.9%).
- In 2021, users classified as frequent users of **public transport** aged 14 years and over accounted for less than 10% (15.1% in the pre-pandemic year), while students who only travel to their place of study by public transport are around 25% (28.5% in 2019).
- In 2020, the **share of municipal waste sent to landfills** continued to fall to 20.1%, which is still far from the EU target for 2035 (10%). Per capita volumes decrease in metropolitan capitals due to the pandemic.
- **Air pollution** levels continued to fall in 2020, particularly for PM<sub>2.5</sub>, but values remain high in large cities, with the resulting risks to human health.

**Posteitaliane**

- In 2023, Poste Italiane generated **38,904.5 tonnes of waste**, 38,533.1 of which were **recovered** and 371.4 of which were **disposed of**.
- In line with Poste Italiane's mission, the Group also took part in the **Cresco Awards Sustainable Cities 2023**, selecting three small municipality projects that stand out on sustainable development.
- Poste Italiane continued to support local initiatives, carrying out local projects such as the "smart health screening" campaigns promoted by the ASL.
- **During 2023**, Poste Italiane completed work on the **Padua Sorting Centre**, aimed at transforming the site into a carbon-neutral location. The initiative resulted in **PAS 2060**, which certifies the site's CO<sub>2</sub> neutrality in accordance with the strictest environmental requirements.

**Goal 12: Ensure sustainable consumption and production patterns**

**Italy**

- In 2020, the **fall in household consumption**, linked to actions to counter the spread of the pandemic, contributed to a **significant reduction in municipal waste per inhabitant**, which reached 487 kilograms per capita (-3.2% compared to 2019), lower than in the EU27 and the main European economies (with the exception of Spain).
- There were advances in **waste management and conversion of waste into new resources** in 2020. The circular material use rate (21.6% +2.1 p.p. compared to the previous year), the municipal waste recycling rate (64.4% +1.1 p.p.) and the municipal waste separate collection rate (63.0% +1.7 p.p.) increased.
- Thanks to improvements in Italy's performance above the average EU27 profile, Italy is number-four in the European rankings by **circular material use rate** and number-six by **recycling rate**.
- In 2020, production activities in Italy generated 9.8 million tonnes of **hazardous special waste**, a decrease of 3% compared to 2019. However, the generation of hazardous special waste is increasing compared to 2014, as is the ratio of hazardous special waste to GDP.

**Posteitaliane**

- The total materials used (kg) by the Group in 2023 decreased by 7% compared to 2022, while the percentage of materials used from **recycling** increased by more than 2% compared to 2022.
- In 2023 **Poste Italiane's Integrated Report** will reach its **sixth edition**, continuing the objective of sharing the Group's sustainability journey with its stakeholders.

**Goal 13: Take urgent action to combat climate change and its impacts**

**Italy**

- **Greenhouse gas emissions** continue to fall in Europe; in 2019 they were 24% lower than in 1990. Italy was among the five EU27 countries that contributed most to this reduction.
- In 2020, the Italian economy's **greenhouse gas emissions** fell by 9.8% compared to the previous year, partly due to the slowdown in economic activity caused by Covid-19 measures.
- There was a **high risk of landslides and flooding in many Italian regions**, another consequence of climate change. In 2020, 2.2% of Italy's resident population lived in areas with high or very high landslide risk and 11.5% in areas with medium flood risk.

**Posteitaliane**

- In 2019, the Group adopted an **Environmental Sustainability Policy**.
- The Group has set itself the goal of achieving **carbon neutrality by 2030**.
- Since 2019, Poste Italiane has been a member of the **UN Global Compact** (it is currently an advanced member) and a signatory of the letter presented by **We Mean Business Coalition**. In 2021, the Group became an official supporter of the **Task Force on Climate Related Disclosures**.
- In 2023, **€24 million** was invested in projects to **reduce emissions** from the Group's activities.

**Goal 16: Promote peaceful and inclusive societies geared towards sustainable development, ensure access to justice for all and build effective, accountable and inclusive institutions at all levels**

**Italy**

- In 2020, 289 intentional homicides were committed in Italy, or 0.5 per 100,000 inhabitants. The **homicide rate** has decreased significantly since 2004, mainly for men.
- At 31 December 2021, there were 8,527 inmates **awaiting first trial**, or 15.8 % of the prison population, which is lower in absolute terms than in the previous year, but higher in terms of incidence on the total number of inmates.
- In 2021, the percentage of citizens complaining of difficulties in obtaining at least three **essential services** decreased significantly (from 6.2% to 5.5%).

**Posteitaliane**

- Poste Italiane has updated the **Organisation, Management and Control Model** pursuant to Legislative Decree no. 231/2001 in order to ensure the transposition of internal organisational and operational developments.
- ISO 37001 anti-corruption certification was extended to SDA and Poste Assicura.
- Poste Italiane confirmed its **legality rating** by receiving the maximum score of three stars from AGCOM.
- Following the Group's admittance into the **Collaborative Compliance regime**, it adopted a body of procedures governing how tax risk is managed.
- In 2020, Poste Italiane obtained **UNI ISO 26000** certification of adoption of sustainable development strategies and the promotion of virtuous choices in the ESG area.
- In 2021, the Group achieved certification pursuant to **ISO 20400 - Sustainable Procurement**, an international standard that sets guidelines for the integration of social responsibility into procurement policies and processes.
- In 2022, the **Environmental Management System** certified according to **ISO 14001:2015** was extended to all sites in Italy with more than 300 employees.
- During 2023, the **fraud prevention management process** was further strengthened through an integrated anti-fraud system, particularly the **Integrated Anti-Fraud Platform (IAFA)**, an innovative anti-fraud prevention system to which all digital financial products and services are brought together, has been put into action.

**Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development**

**Italy**

- In 2021, **general government revenue** represented 43.5% of GDP, an increase of 0.7 percentage points over 2020.
- In 2020, the **ratio of Official Development Assistance (ODA)** to gross national income remained stable compared to the previous two years (0.22%). ODA to LDCs on GNI also remains unchanged from the previous year (0.06%).
- In 2021 **remittances from migrant workers in Italy** amounted to approximately €7.7 billion, up 14.3% on 2020. On average, during the period 2011-2020, the outflow of remittances was 0.36% of GDP, and in 2021 it reached 0.44%.
- In 2021, **regular internet users** (aged 16 to 74) are 80.2%. Of these, 34.1% use the internet to interact online with the public administration or public service providers.

**Posteitaliane**

- Poste Italiane is part of a **network of national and international associations** that discuss sustainability issues. These associations include the **UN Global Compact**, **Principles for Responsible Investment (PRI)**, **Principles for Sustainable Insurance**, **UN Women**, **Salone CSR** and many others.
- Through **PostePay S.p.A.**, Poste Italiane has maintained its agreements with **Open Fiber** and **TIM** to expand the portfolio of services aimed at the consumer and business market with **new ultrabroadband** fibre-optic services and to **reduce the digital divide in Italy**.
- In 2022, **PostePay** launched the **PosteCasa Ultrafast Start** product for the **ultra-broadband market**.
- In 2023, the Group contributed approximately **€2.7 billion in tax revenues**.

### 3. OUTLOOK

In the normalisation process that started after the shocks experienced in recent years, the global economy grew at a modest rate in 2023. Preliminary 2023 estimates for Italy also show a slight increase in GDP (+0.7%) compared to 2022. After growth in the first months of 2023, driven by the manufacturing sector, which benefited from the fall in energy prices and the loosening of "bottlenecks" along the supply chains, the economy slowed down in the following months, leading to a decline in GDP in the second quarter of 2023; this phase of weakness in Italian economic activity, which extended to both manufacturing and services, continued in the third and fourth quarters.

There was also a gradual decline in inflation during 2023 as a result of the more restrictive monetary policy stance and falling energy commodity prices; the decrease in inflation also extended to non-energy industrial goods and services.

The end of 2023 and the beginning of 2024 saw an improvement in business and consumer confidence and, according to the most recent estimates, this trend will continue in 2024, together with a reduction in inflation, while GDP is expected to grow at a modest rate of +0.7% in 2024 compared to 2023, broadly in line with that forecast for the other Eurozone countries in an economic scenario that continues to be dominated by a high level of uncertainty due to the prolonged geopolitical tensions and the risk of a further crisis in the Middle East.

Against this backdrop, the Poste Italiane Group posted a new record in 2023 with EBIT coming in at €2.62 billion, hitting the upwardly revised guidance communicated to the financial community last November. In addition to growth in the payment and financial services businesses in particular, careful control of costs contributed to this result. The year was marked by the break-even of the Mail, Parcels and Distribution Strategic Business Unit ahead of expectations and by positive retail net inflows, driven by investments and the insurance segment, with the latter continuing to outperform the market.

The solid financial performance and the increased visibility and sustainability of the liquidity and capital generation prompted the management to revise the dividend upwards compared to the target originally set: the proposed dividend for the year 2023 is €0.8 per share, up 23% compared to the previous year's figure. Since the 2015 listing, a high and increasing overall remuneration of the Company's shareholders has been ensured, with performance exceeding the values recorded by the main index of the Italian Stock Exchange.

On 20 March 2024, the new 2024-2028 Business Plan will be presented to the market, which targets the transformation of logistics and an evolution of the customer service business model. In particular, the continuation of the Group's transformation path to become a complete logistics operator is confirmed, ensuring the financial sustainability of the Mail, Parcels and Distribution segment.

This strategy includes the integration of Plurima, acquired in 2022, with the aim of growing in the healthcare and hospital logistics sector, the renewal of the partnership with Amazon for 5 years, the partnership with DHL, for the development of international business, and the establishment of MLK Fresh at the beginning of 2024, in partnership with a specialised industry operator, a joint venture operating in the express courier service for the home delivery of food products. The Group will also be engaged in further strengthening Integrated Logistics by offering services to cover all stages of the customer's logistics chain.

The new service model aims to optimise customer coverage and management based on an omnichannel approach, directing advisors' efforts into "relational" rather than "transactional" activities, generating value for the Group.

The focus will remain on offering products/services that keep pace with evolving market contexts and confirm the centrality of Postal Savings in the Poste Italiane Group's offering. In insurance, the Group aims to sustain net inflows in the Life segment and confirms its ambition to reduce under-insurance in the country by offering new products and expanding penetration in the Protection segment, including by placing policies on third-party networks through the integration of Net Insurance, acquired in 2023.



In addition, benefiting from the growth of e-commerce and cashless payments, PostePay's business will evolve towards digital and innovative payment solutions and, at the same time, will be the integration layer on which to pursue the development of the telephony and electricity and gas offerings, to meet customers' everyday needs within the Postepay ecosystem.

The Group will continue to strengthen customer relations within the post office network, third-party networks and on digital properties by making omnichannel experiences easier. It should be noted that in 2023 the first financial functions will be integrated into the Ufficio Postale app, at the same time renamed Poste Italiane app, which will be progressively enriched with all the functionalities of the BancoPosta and PostePay apps, with the aim of eventually replacing them and representing the single access point to the Group's "phygital" platform. Therefore, the objective of representing Poste Italiane as a platform company evolving towards a diversified, integrated and sustainable business model to offer Italians an increasingly wider range of products/services is confirmed.

The Group will continue to rely on and value its people as the key to success for the implementation of the new strategic plan; to this end, constructive negotiations have already started for the renewal of the National Collective Labour Agreement, which expires at the end of 2023.

As part of the National Recovery and Resilience Plan, the Group will continue with the implementation of "Polis", a strategic project to support the country's social cohesion, which involves approximately 7,000 municipalities with a population of less than 15 thousand inhabitants, in which the Post Office will be transformed into the "house of the public administration's digital services". Some 250 co-working spaces nationwide are also planned, as well as the implementation of numerous initiatives to support the country's energy transition.

In the path of transition towards carbon neutrality by 2030, investments and strategic initiatives will continue, such as the renewal of the delivery fleet with low-emission vehicles, the installation of photovoltaic panels for energy supply, the modernisation of the fleet with low-CO<sub>2</sub>-emission vehicles, and enhancement of building efficiency; the replacement of current Postepay cards with cards made of eco-sustainable materials and with digital cards will also continue, as well as the development of specific offers aimed at enhancing customers' sustainable behaviour.

## 4. BUSINESS MODEL

[POSTE ITALIANE'S OWNERSHIP AND ORGANISATIONAL STRUCTURE](#)

[POSTE ITALIANE'S CORPORATE GOVERNANCE](#)

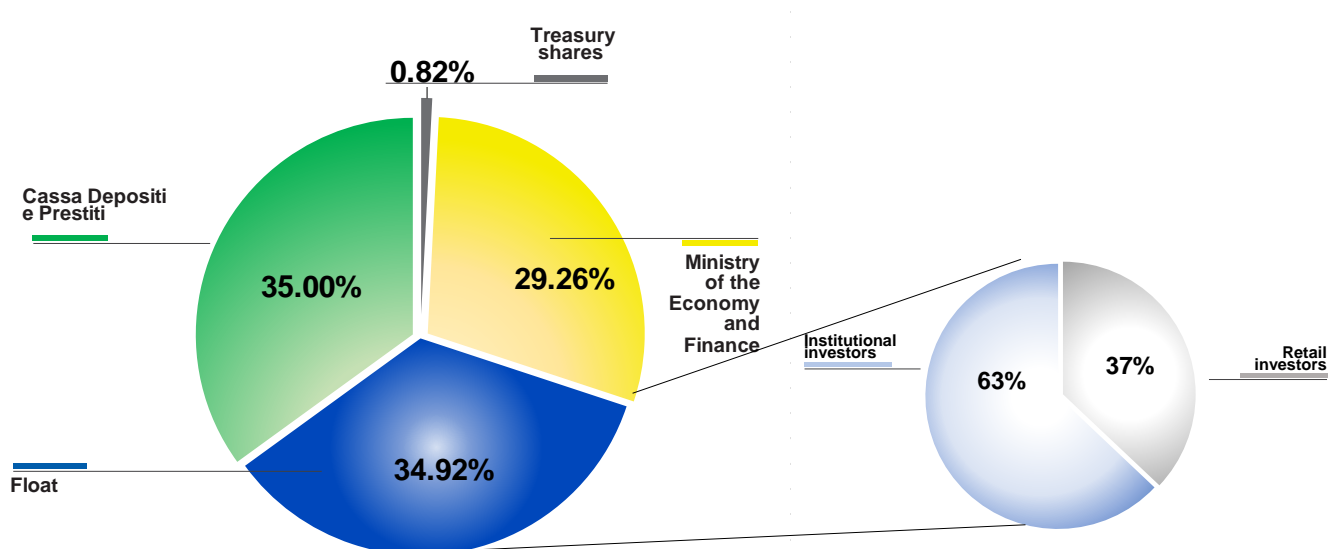
[POSTE ITALIANE'S BUSINESS MODEL](#)

[GROUP STRUCTURE](#)

[OMNICHANNEL APPROACH AND GROUP OPERATING SEGMENTS](#)

### 4.1 POSTE ITALIANE'S OWNERSHIP AND ORGANISATIONAL STRUCTURE

#### 4.1.1 POSTE ITALIANE'S OWNERSHIP



Poste Italiane has issued shares listed on the Mercato Telematico Azionario (Electronic Stock Exchange - MTA) organised and managed by Borsa Italiana SpA as of 27 October 2015. At 31 December 2023, the Company is 29.26% owned by the Ministry of the Economy and Finance (MEF) and 35% owned by Cassa Depositi e Prestiti SpA (CDP), also controlled by the MEF. The remaining shares are held by institutional and retail investors. A total of 33.9%<sup>2</sup> of the shares held by institutional investors of Poste Italiane SpA belong to investors who apply ESG (Environment, Social, Governance) criteria in their investment choices. The share capital of Poste Italiane SpA consists of 1,306,110,000 ordinary shares, of which 1,295,434,202 are outstanding at 31 December 2023.

In execution of the authorisation to purchase treasury shares resolved by Poste Italiane's Shareholders' Meeting of 8 May 2023, aimed at acquiring a supply of shares to service the Group's long-term incentive plans benefiting members of management (including the Chief Executive Officer and General Manager), on 9 May 2023, the market was informed of the launch of a share buy-back programme under which, between 10 May 2023 and 31 May 2023, Poste Italiane purchased 3,500,000 treasury shares (equal to 0.268% of the share capital), at an average price of roughly €9.7 per share, for a total value of €33,984,897.83.

Following the transaction, considering also the treasury shares in the portfolio deriving from previous buy-back transactions

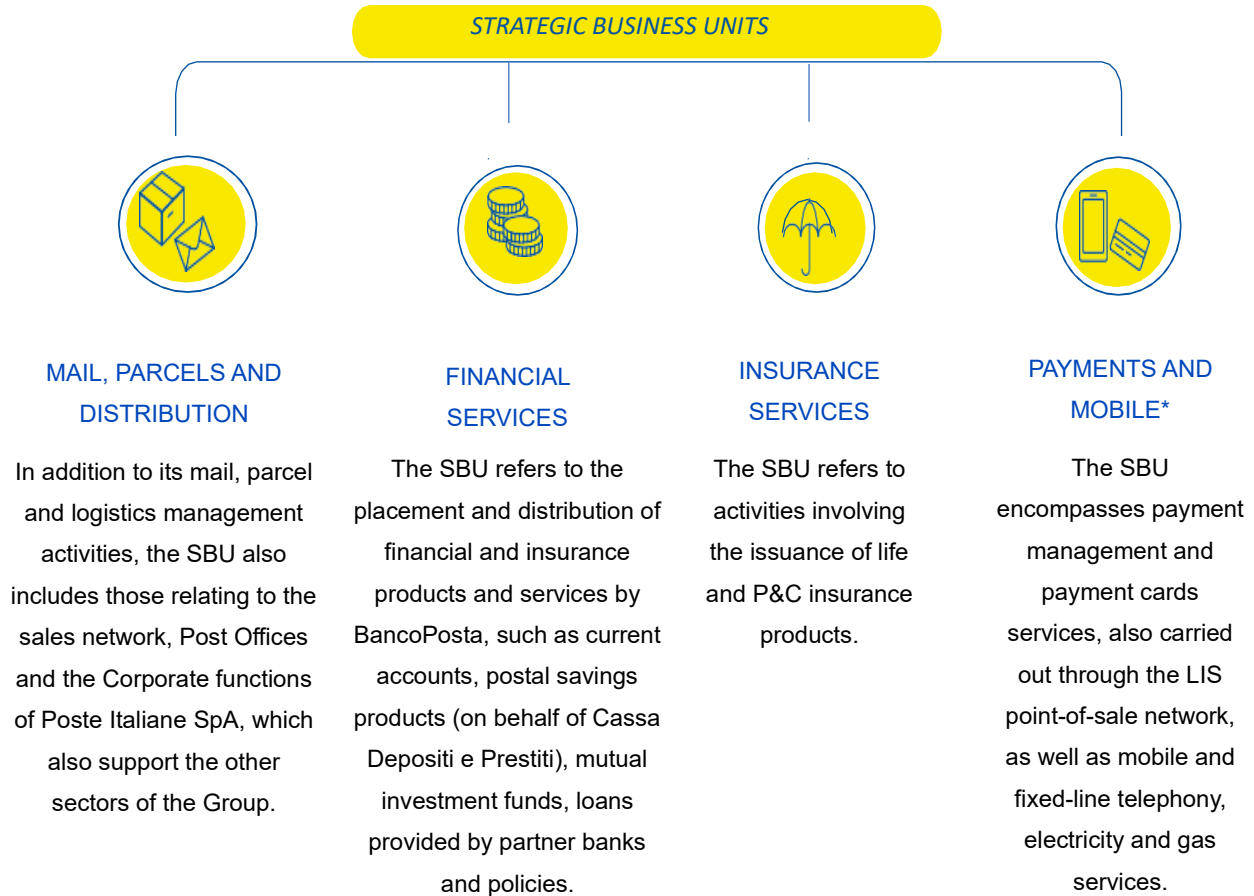
<sup>2</sup>Source: Nasdaq Corporate Solutions.

and the delivery to the beneficiaries of the incentive plans, at 31 December 2023, Poste Italiane holds 10,675,798 treasury shares, equal to 0.817% of the share capital.

On 25 January 2024, the Council of Ministers approved, in a preliminary examination, a measure regulating the sale of a portion of the stake held by the Ministry of Economy and Finance in Poste Italiane SpA, so as to maintain a State stake, even indirectly, ensuring public control.

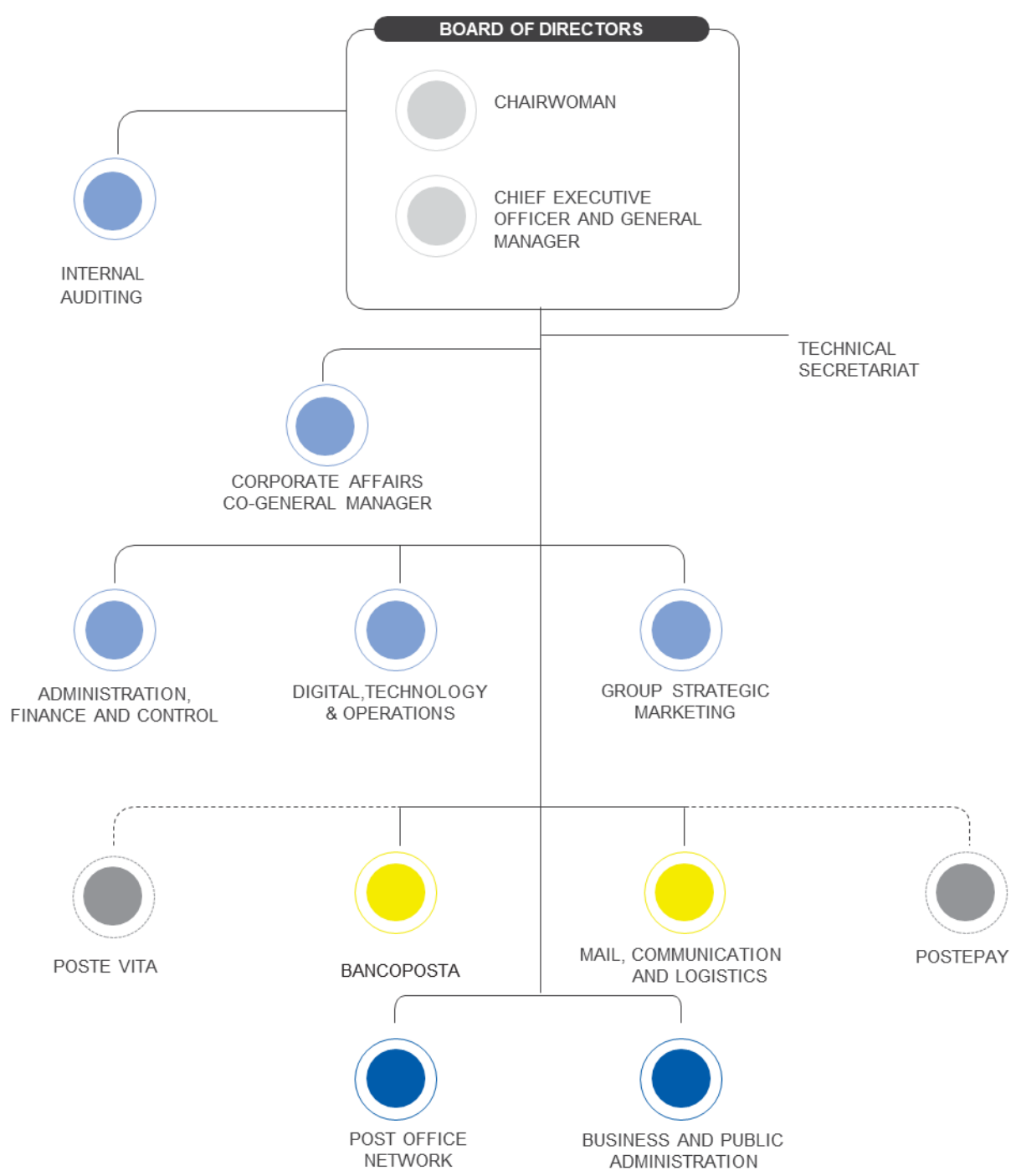
#### 4.1.2 POSTE ITALIANE'S ORGANISATIONAL STRUCTURE

In line with the strategic guidelines set out in the Strategic Plan, the Group's activities are divided into four Strategic Business Units (also referred to as operating segments in Poste Italiane's financial statements): Mail, Parcels and Distribution; Financial Services; Insurance Services and Payments and Mobile.



\*On 20 March 2024, with the presentation of the new 2024/2028 Strategic Plan, the SBU was renamed PostePay Services.

Below is Poste Italiane's organisational structure.



- CORPORATE FUNCTIONS
- COMMERCIAL CHANNELS
- BUSINESS AREAS
- GROUP COMPANIES

The organisation of Poste Italiane SpA includes **business functions**<sup>3</sup> specialising in the main offer areas that cover the Group's 4 business sectors and **two commercial channels** responsible for sales of products/services, which are supported by **corporate functions** of guidance, governance, control and provision of services in support of **business processes**.

In the first half of 2023, the third-party network development model was revised by entrusting it to the company **Lis Holding**, in order to exploit synergies and deal more successfully and effectively with market demands and future challenges in the commercial services sector. This led to the change of the commercial oversight for the management of partner channels in the **Business and Public Administration Market**. Further organisational changes concerned, in the **BancoPosta** function, the strengthening of validation and data governance activities in the area of risk management, as well as micro-founded and customer analysis activities to maximise customer value and commercial actions/campaigns.

Third-party network  
development model  
entrusted to LIS

In the area of **Mail, Communication and Logistics**, the Transformation Governance function was created in July in order to facilitate and accelerate the transformation process towards the role of an "all-round" logistics operator.

In September 2023, two Sales Areas were created in the **Business and Public Administration Market** dedicated respectively to the offer of express courier and parcel products and services, as well as to the commercial development of integrated logistics solutions and indirect Express Courier and Parcel sales.

Subsequently, two commercial functions specialising in health care logistics and digital solutions were set up to ensure better commercial coverage of new business.

In November 2023, in order to accelerate the Group's transformation process and establish itself as an "all-round" logistics operator, a matrix organisational model was introduced in the **Mail, Communication and Logistics** domain that provides for:

- Business Managers, who are collectively responsible for the achievement of the economic, operational and quality results of each of the four businesses covered - Mail, Express Courier and Parcels, International and Integrated Logistics - making use of the operations carried out both in the Mail, Communication and Logistics area of the parent company, and in the Group companies in the perimeter, and directing the actions necessary for the resolution/prevention of critical issues, as well as for the identification of any opportunities for reviewing the business and related processes;
- Process Managers, i.e. the functions that govern, in a cross-company manner, specific phases of the value creation process (such as, for example, the Marketing, Quality, etc. functions).

In January 2024, considering the important role played by the logistics business in the overall strategy and the transformation required to cope with the continuous and radical evolution of the relevant market, the **Group Logistics Strategy** function was established and the tools of the Mail, Communication and Logistics function were further strengthened to develop the integrated logistics business on the one hand and to oversee network, process and supply engineering activities as well as service quality on the other.

Lastly, it should be noted that in February 2024, the Company's organisational structure was adjusted through a **redistribution of responsibilities and competences among the top company governance functions** in order to make it even more responsive to current operations and to achieve the challenging objectives of the new strategic plan more effectively.

The decision was therefore taken to focus the **strategic development** and **establishment of corporate strategies** on the **Chief Executive Officer**, with particular reference to the **"supervised" businesses** and to entrust the **management of the Group's industrial businesses** to the **General Manager**, reporting directly to him, with the responsibility of

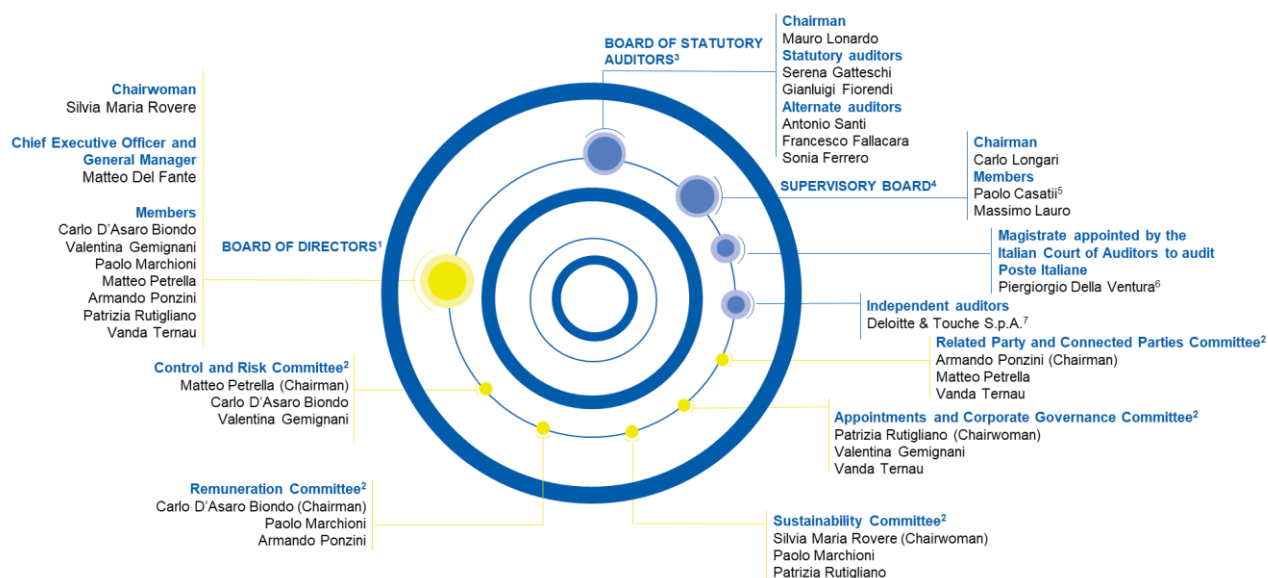
<sup>3</sup> These are the Mail, Communication and Logistics functions for the offer of mail, parcels and commercial communication services and BancoPosta as placement intermediary for the financial and insurance offer. The other two business areas are covered by PostePay for the payments, telephony and energy sales services offering and by Poste Vita Group for the insurance range.

supervising and coordinating the activities of all organisational structures (with the exception of the Internal Auditing function, the Bancoposta function and the insurance, asset management, payment and card payments sectors).

The Chief Executive Officer also chairs the **Group Product Committee** (established at the end of the financial year 2022), which expresses advisory opinions on the launch of new products/services and changes to existing ones. The General Manager, the Head of Administration, Finance and Control, the Head of Digital, Technology & Operations and the Group Strategic Marketing Manager are also members of the Committee.

## 4.2 POSTE ITALIANE'S CORPORATE GOVERNANCE

N F S



1. The Board of Directors was elected by the Annual General Meeting held on 8 May 2023 to serve for a period of three years, and will remain in office until the Annual General Meeting's approval of the financial statements for the year ended 31 December 2025. The Board of Directors, upon the proposal of CEO Matteo Del Fante, who concurrently resigned as General Manager, by resolution of 28 February 2024 appointed Giuseppe Lasco as **General Manager**, formerly Joint General Manager. Director General Giuseppe Lasco participates in Board meetings without voting rights.
2. Committee members were appointed by the Board of Directors' meeting of 30 May 2023.
3. The Board of Statutory Auditors was elected by the Ordinary General Meeting of 27 May 2022 to serve for a period of three years and will remain in office until the General Meeting's approval of the financial statements for the year ending 31 December 2024.
4. The Supervisory Board was renewed at the Board meeting of 28 September 2022 for a term of three years and will remain in office until 28 September 2025. All members were confirmed.
5. The only internal member, Head of Poste Italiane SpA's Internal Auditing.
6. Assigned by the Court of Auditors with effect from 1 January 2020. With effect from 1 January 2024, the Court of Auditors appointed Francesco Targia to the post.
7. Company appointed to audit the accounts for the financial years 2020 - 2028 by resolution of the Annual General Meeting of 28 May 2019. Deloitte&Touche has been appointed for the entire Group.

The Corporate Governance structure reflects the provisions contained in Legislative Decree no. 58, 24 February 1998 (the Consolidated Law on Finance), where applicable, the Supervisory Provisions issued by the Bank of Italy and applicable to Poste Italiane in view of the activities conducted by BancoPosta RFC (Patrimonio destinato BancoPosta), the legislation applicable to electronic money institutions as regards the activities carried out by Poste Italiane in implementation of the agreements entered into with PostePay – the ring-fenced EMI, and the recommendations of the Corporate Governance Code in force as of 1 January 2021.

New Corporate Governance  
Code in force from 1st  
January 2021

Poste Italiane has adopted a traditional governance model, separating the roles of the Board of Directors and the Board of Statutory Auditors. The Company's accounts are audited by an independent auditing firm.

Poste Italiane's financial management is overseen by the Italian Court of Auditors (Law 259 of 21 March 1958); the relevant controls are conducted by a [Magistrate appointed by the Court of Auditors](#), who attends meetings of the Board of Directors and the Board of Statutory Auditors.

The Board of Directors and Board of Statutory Auditors are elected and dismissed by the [Shareholders' Meeting](#), which is also responsible for engaging the independent auditor and determining the related fees. The Shareholders' Meeting also approves the annual financial statements, amendments to the Company's By-laws and transactions of a non-recurring nature, such as rights issues, mergers and demergers in cases where the law does not grant the relevant authority to the Board of Directors.

The [Board of Directors](#) consists of nine members (eight non-executives and one executive) and normally meets once a month to examine and resolve regarding the operating performance and vote on resolutions regarding the results of operations, proposals relating to the organisational structure and transactions of strategic importance. The Board met 12 times in 2023. Of the nine members of the Board, seven meet the independence requirements of the Consolidated Law on Finance, the By-laws and the new Corporate Governance Code. Of the latter, one director lacks only the requirements of independence pursuant to Art. 13(1)(i)(2) of Ministerial Decree 169/2020, (containing the "fit & proper" regulation of bank representatives, applicable to the Company by virtue of the BancoPosta activities conducted through BancoPosta RFC).

In accordance with the provisions of the Italian Civil Code, the Board of Directors has delegated certain executive powers to the Chief Executive Officer and has established, in accordance with the recommendations in the Corporate Governance Code and the Bank of Italy's supervisory standards, five Board Committees to provide recommendations and advice: the Appointments and Corporate Governance Committee, the Remuneration Committee, the Control and Risk Committee, the Sustainability Committee and the Related and Connected Parties Committee.

5 Board committees with propositional and advisory functions

The role of the [Chairwoman of the Board of Directors](#) is to lead and oversee the Board of Directors. She is the Company's legal representative and exercises the powers provided for by law and the Company's By-laws, and those assigned by the Board of Directors' meeting of 8 May 2023.

The [Chief Executive Officer and General Manager](#), to whom all first-level departments report (except for the Internal Auditing function, which reports directly to the Board of Directors under the supervision– designed to act as a link with the Board of Directors– of the Chairwoman), has powers for the administration of the Company, unless otherwise provided for by law and the Company's By-laws and with the exception of the powers reserved to the Board of Directors. The Chief Executive Officer is also the Company's legal representative within the scope of the powers delegated to him.

The [Board of Directors](#), upon the proposal of Chief Executive Officer Matteo Del Fante, who concurrently resigned as General Manager, by resolution of 28 February 2024 appointed Giuseppe Lasco as General Manager, formerly Joint General Manager. The General Manager Giuseppe Lasco participates in Board meetings without voting rights.

From that date, all organisational structures report to the General Manager - who reports to the Chief Executive Officer - with the exception of (i) the Internal Auditing Function; (ii) the newly established company function dedicated to the international development of the Poste Italiane Group's activities, reporting to the Board of Directors (iii) BancoPosta RFC, and thus the entire BancoPosta Function, which continue to report to the Chief Executive Officer; (iv) the insurance, asset management, payments and card payments segments, which continue to report to the Chief Executive Officer.

The [Board of Statutory Auditors](#) has 3 standing members and 3 alternates. The Board verifies compliance with the law, the Company's By-laws and with correct corporate governance principles, also verifying the adequacy of the organisational structure and administrative and accounting systems adopted by the Company and their functionality. During the year, the Board of Statutory Auditors met 37 times, 10 of which jointly with the Control and Risk Committee.



The **Supervisory Board** has three members. It is endowed with autonomous powers of initiative and control, supervises the functioning of and compliance with the Organisational Model pursuant to Legislative Decree 231/2001 and updates it in line with changes in the organisational structure and the relevant regulatory framework, by making justified proposals to the Chief Executive Officer, who submits them to the Board of Directors.

The **statutory audit of the accounts** is entrusted for the years 2020-2028 to the auditing firm Deloitte & Touche SpA for the entire Group. The above-mentioned assignment was made pursuant to Legislative Decree no. 39/2010 implementing Directive 2006/43/EC and European Regulation 537/2014 on public interest entities and the audit of public interest entities, in force since 17 June 2016.

With regard to BancoPosta RFC's governance, the rules governing the organisation, management and control of BancoPosta's operations are contained in the specific BancoPosta RFC Regulation in the **Report on Operations of BancoPosta RFC**, to which reference is made.

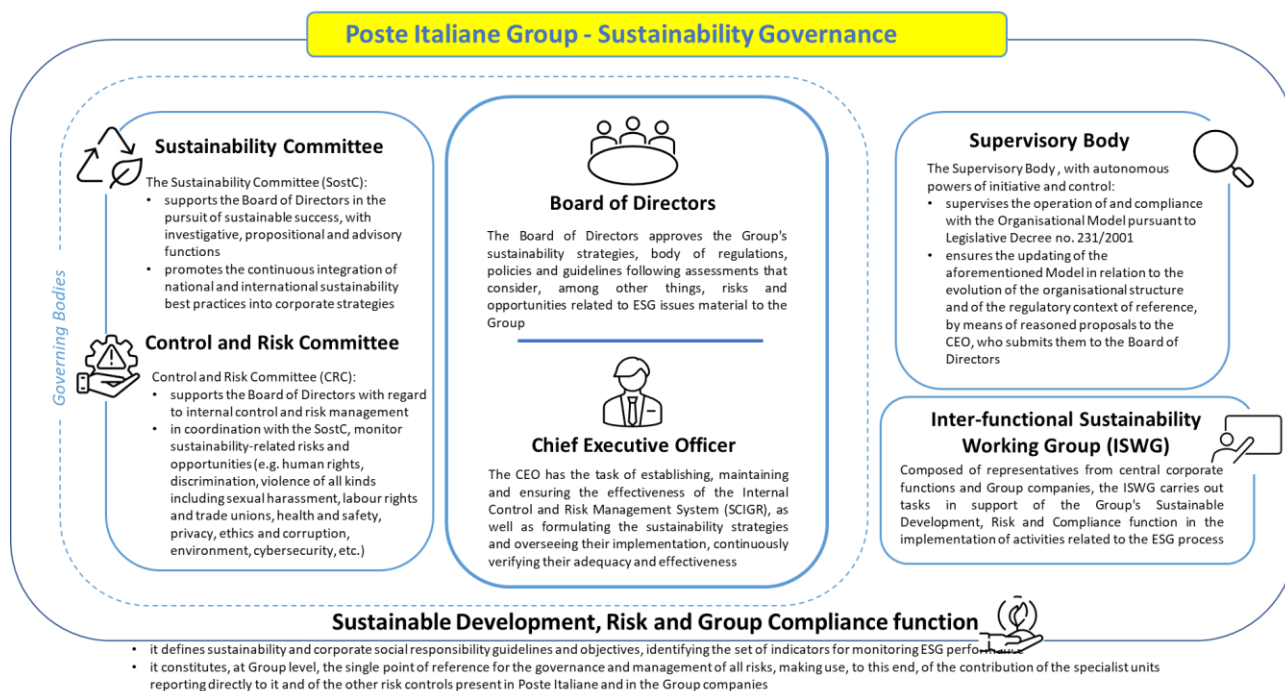
As a result of the new Supervisory Standards applicable to BancoPosta RFC, issued by the Bank of Italy on 27 May 2014, Poste Italiane, in providing financial services to the public, is comparable – for the purposes of application of corporate governance regulations – to a major bank in terms of size and operational complexity.

For further details on the corporate governance structure, reference is made to the document "*Report on Corporate Governance and Ownership Structure - Year 2023*".

## SUSTAINABILITY GOVERNANCE

Sustainability is an integral component of the company's activities, processes and strategy and is a key driver in the Group's strategic and financial decisions. With this in mind, over the years Poste Italiane has embarked on an important path to develop its business strategy, structurally integrating it with Environmental, Social and Governance (ESG) principles and directing the Group's efforts towards the creation of shared value for stakeholders and the consolidation of its reputation. For Poste Italiane, being sustainable therefore means defining a clear strategy on ESG issues and integrating the latter across the board into the strategic objectives defined within the business plans.

The Group has adopted a sustainability strategy that brings together ESG governance, a set of sustainability policies and guidelines, part of the company's body of regulations (which identify general principles, objectives for the future and management methods for the non-financial areas that are priorities for the Company and its stakeholders) and an ESG Strategic Plan, i.e. a set of sustainability objectives that contribute to the well-being of the country and ensure that Poste Italiane is aligned to the most ambitious common objectives defined worldwide in the field of sustainability. This strategy allows the Group to go far beyond its current regulatory obligations and play a central role in creating sustainable value for the community.



In this context, Poste Italiane adopted the Guideline "The ESG Process in the Poste Italiane Group", which describes the operation of the process of managing and integrating ESG principles within the Group through the cross-company, uniform and coherent integration of the principles underlying the concept of sustainability into the various business activities and the permanent, transparent and proactive involvement of stakeholders.


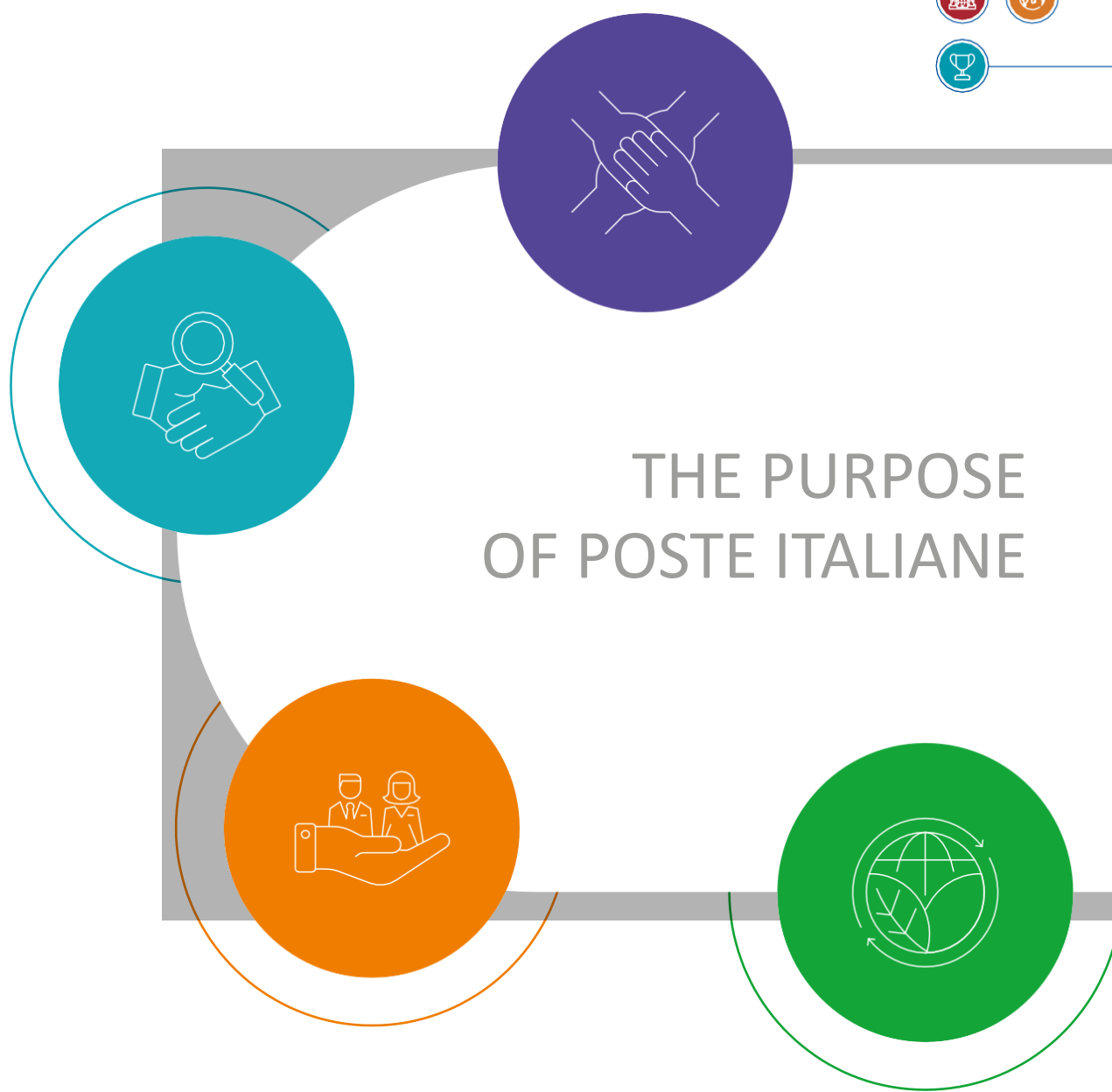
The aforementioned Guideline was updated in July 2022 in order to align the document with the main leading practices on the subject and the new organisational structure of the Company.



4.3 POSTE ITALIANE GROUP AND ITS BUSINESS MODEL

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MAIN RELATED TYPES OF CAPITAL

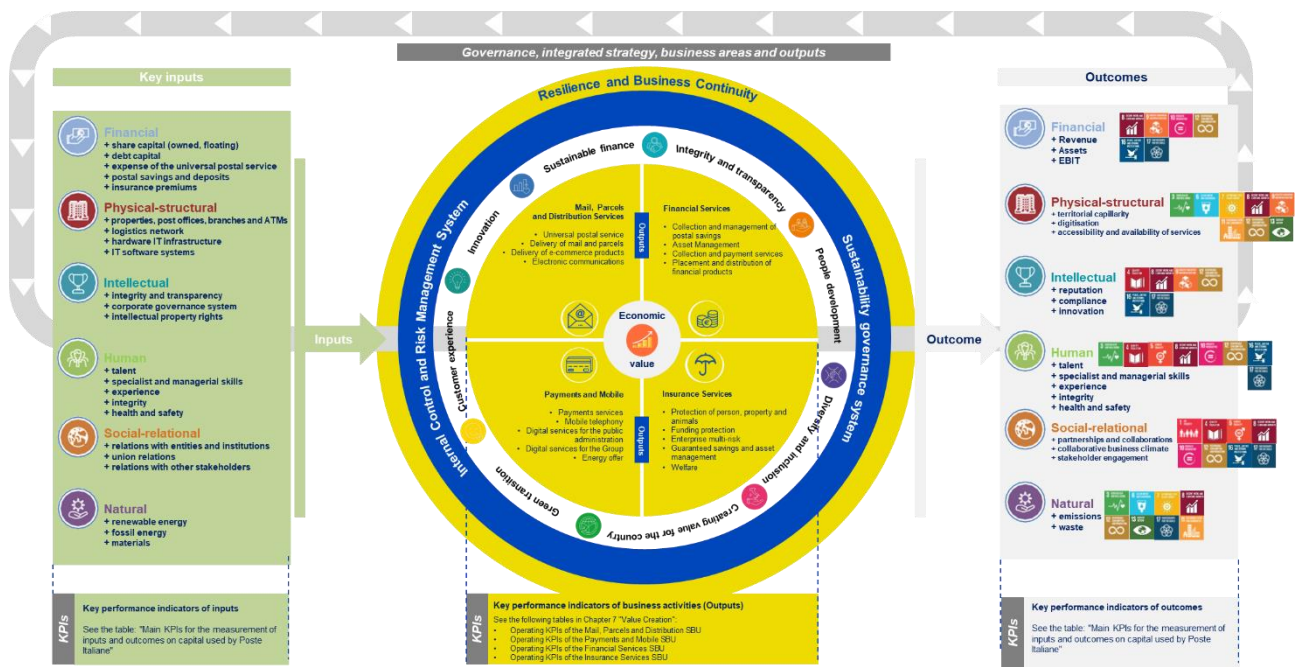



Thanks to its widespread presence throughout Italy, in 2023 Poste Italiane once again assumed a central role in the country's socio-economic development, confirming its key importance in supporting the community and the territory. Operating in a changing environment and constantly influenced by external events, the Group has been able to demonstrate its resilience while fully carrying out its activities. In order to achieve its objectives, Poste Italiane has collaborated with the institutions, supporting both the Public Administration and small municipalities, contributing to the country's digital and sustainable transition.



The figure shown below outlines Poste Italiane's business model, characterised by the interaction between strategy, value creation process and forms of financial and non-financial capital.

### The value creation process at Poste Italiane



### The main forms of capital Poste Italiane uses to create value over time

The Poste Italiane Group's business is based on heterogeneous types of capital characterised by their own identity and certain qualities. This feature makes it possible to both specifically analyse and measure them through performance indicators. The unique characteristics of each capital, including references to the paragraphs in this document where a broader description is given, are outlined in the following table.

### Main KPIs for the measurement of Inputs and Outcomes on capital used by Poste Italiane

CAPITAL	DESCRIPTION	MEASUREMENT INDICATORS	REFERENCE TO PARAGRAPHS OF THE REPORT
<b>Financial</b>	<ul style="list-style-type: none"> <li>Sources of financing and ways of using financial resources</li> </ul>	<p><b>INPUT:</b></p> <ul style="list-style-type: none"> <li>Business continuity plan resources</li> <li>Equity and liabilities</li> </ul> <p><b>OUTCOME:</b></p> <ul style="list-style-type: none"> <li>GRI 201-1 Economic value generated, distributed and retained</li> <li>FS11 Percentage of assets subject to positive and negative environmental or social screening</li> </ul>	<ul style="list-style-type: none"> <li>Group financial position and cash flow</li> <li>Integration of ESG factors into investment policies</li> <li>Integration of ESG factors into insurance policies</li> <li>Indicators tables</li> </ul>
<b>Physical-structural</b>	<ul style="list-style-type: none"> <li>Structures, equipment and infrastructure that have an impact on efficiency and effectiveness</li> </ul>	<p><b>INPUT:</b></p> <ul style="list-style-type: none"> <li>Corporate fleet data</li> <li>Air transport fleet data</li> <li>GRI 2-7 Widespread presence</li> </ul> <p><b>OUTCOME:</b></p> <ul style="list-style-type: none"> <li>Number of digital services offered</li> <li>Number of contacts handled</li> <li>GRI 305 Emissions</li> <li>GRI 306 Waste</li> <li>GRI 305-4 Intensity of GHG emissions related to real estate facilities</li> <li>Wastewater reporting</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impacts of real estate facilities</li> <li>Environmental impacts of logistics</li> <li>Innovation and digitisation of products, services and processes</li> <li>Indicators tables</li> </ul>

- Dematerialisation of procedures and corresponding transactions



### Intellectual

- Intellectual property, procedural/organisational system, reputation

#### INPUT:

- Business continuity plan resources
- GRI 205-1 Companies assessed for risks related to corruption and percentage of operations audited for risks related to corruption
- Specific training on procedures and policies of anti-corruption
- GRI 207-1 Approach to tax

- Work with transparency and integrity
- Cybersecurity, IT Security and Privacy
- Innovation and digitisation of products, services and processes
- Indicators tables

#### OUTCOME:

- GRI 205-3 Reports managed by the Whistleblowing Committee
- GRI 418 Customer Privacy
- IT security and cyber security breaches
- Number of customers involved in IT security breaches
- Cases of bribery and corruption and corrective actions
- Anti-competitive practices
- GRI 415-1 Political contributions



### Human

- Personnel knowledge and skills

#### INPUT:

- GRI 2-7 Number of personnel by contract type and gender
- GRI 2-8 Number of non-employees by contract type and gender
- GRI 401 Employment
- GRI 403-5 Worker training on occupational health and safety
- GRI 404 Training and Education
- GRI 405 Diversity and Equal Opportunity
- GRI 412 Human Rights Assessment
- Number of participants in development programmes
- Average annual hours of training for employees by gender and category
- Training programmes and career development

- Work with transparency and integrity
- Protection of human rights at the Company
- Equal career development opportunities
- Occupational health and safety
- Staff training and development
- Staff welfare and well-being
- Indicators tables

#### OUTCOME:

- Workforce trends (employee turnover)
- GRI 403-9 Occupational accidents
- Diversity
- Number of cases of non-compliance with labour standards
- Disputes



### Social-relational

- Partnerships and stakeholder engagement

#### INPUT:

- Suppliers with an ISO 14001 or EMAS certified environmental management system

- Protection of human rights at the Company
- Support for the socio-economic development of local communities

- GRI 402 Labour/Management Relations
- GRI 203-1 Corporate giving and/or corporate citizenship initiatives
- Existing tenders that incorporate specific social criteria
- OUTCOME:**
- Number of contacts handled
- Customer satisfaction
- GRI 203 Indirect economic impacts
- Quality of the Universal Postal Service
- Customer experience in Post Offices
- Customer complaints by type
- Monthly complaints
- Settlements
- New customers in the categories most at risk of financial exclusion as a percentage of total new acquisitions
- FS14 ATMs for inclusion
- FS14 Post offices for cultural integration
- Dialogue and transparency in relations with the authorities
- Relations with social partners
- Financial inclusion
- Quality and customer experience
- Legality and incorporation of ESG criteria within the procurement process
- Indicators tables

**Natural**

- Natural resources and ecosystem services

**INPUT:**

- GRI 301 Materials
- GRI 302 Energy
- GRI 303 Water and Effluents
- Total cost of energy purchased for real estate facilities
- Existing tenders that incorporate specific environmental criteria

**OUTCOME:**

- GRI 305 Emissions
- GRI 306 Waste
- GRI 305-4 Intensity of GHG emissions related to real estate facilities
- Wastewater reporting
- Weight of electricity consumption relating to real estate facilities by type of business

- Legality and incorporation of ESG criteria within the procurement process
- Environmental impacts of real estate facilities
- Environmental impacts of logistics
- Indicators tables

Poste Italiane's ESG Strategic Plan, built on 8 pillars related to the 18 material issues, identified through the materiality analysis process subsequently described in Chapter 5 "Strategy", is conducive to the promotion of a complete and effective disclosure of the Company's performance.

STRATEGIC PILLAR	MATERIAL TOPIC	SDG	KEY MEASUREMENT INDICATORS	CAPITALS IMPACTED
<b>INTEGRITY AND TRANSPARENCY</b>	Work with transparency and integrity		<ul style="list-style-type: none"> <li>GRI 2-27 Compliance with laws and regulations</li> <li>GRI 205 Anti-Corruption</li> <li>GRI 207 Taxes</li> <li>GRI 415 Public Policy</li> </ul>	<b>Intellectual</b> <b>Financial</b>
	Legality and incorporation of ESG criteria within the procurement process		<ul style="list-style-type: none"> <li>Existing tenders that incorporate specific environmental criteria</li> </ul>	<b>Natural</b> <b>Financial</b>
			<ul style="list-style-type: none"> <li>Existing tenders that incorporate specific social criteria</li> </ul>	<b>Human</b> <b>Social-relational</b> <b>Financial</b>
			<ul style="list-style-type: none"> <li>GRI 301 Materials</li> </ul>	<b>Natural</b> <b>Physical-structural</b>
<b>PEOPLE DEVELOPMENT</b>	Staff training and development		<ul style="list-style-type: none"> <li>GRI 404 Training and Education</li> </ul>	<b>Intellectual</b> <b>Human</b>
	Staff welfare and well-being		<ul style="list-style-type: none"> <li>GRI 2-7 Employees</li> <li>GRI 2-8 Workers who are not employees</li> <li>GRI 401 Employment</li> </ul>	<b>Human</b>
	Relations with social partners		<ul style="list-style-type: none"> <li>GRI 2-30 Collective bargaining agreements</li> <li>GRI 402 Labour/Management Relations</li> </ul>	<b>Social-relational</b>
	Occupational health and safety		<ul style="list-style-type: none"> <li>GRI 403 Occupational Health and Safety</li> </ul>	<b>Human</b>

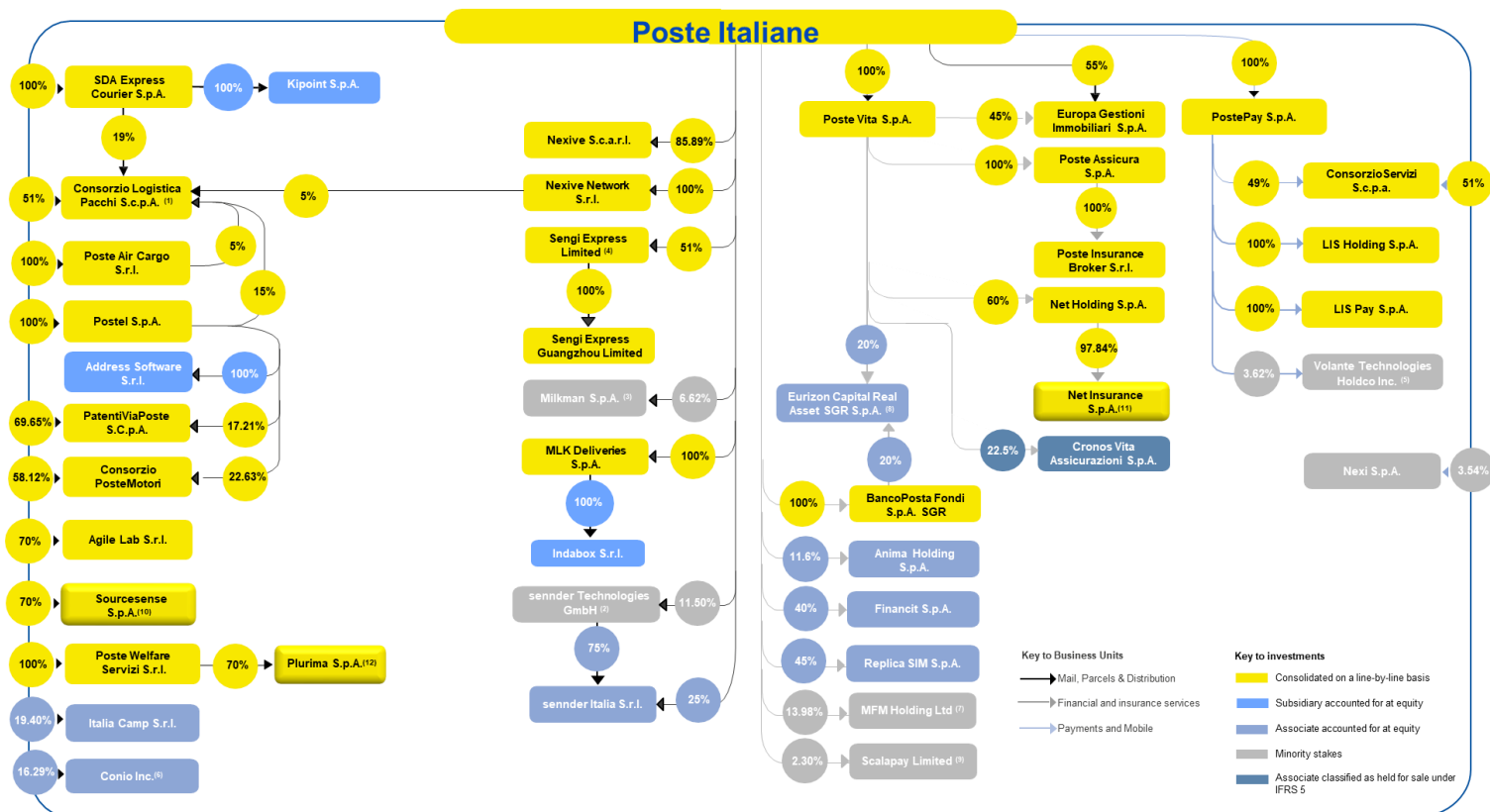


STRATEGIC PILLAR	MATERIAL TOPIC	SDG	KEY MEASUREMENT INDICATORS	CAPITALS IMPACTED
<b>DIVERSITY AND INCLUSION</b>	Protection of human rights at the Company		<ul style="list-style-type: none"> <li>GRI 405 Diversity and Equal Opportunity</li> </ul>	<b>Human</b>
	Equal career development opportunities		<ul style="list-style-type: none"> <li>GRI 404 Training and Education</li> </ul>	<b>Social-relational</b>
<b>CREATING VALUE FOR THE COUNTRY</b>	Support for the socio-economic development of local communities		<ul style="list-style-type: none"> <li>GRI 203 Indirect economic impacts</li> </ul>	<b>Social-relational</b> <b>Physical-structural</b>
	Dialogue and transparency in relations with the authorities		<ul style="list-style-type: none"> <li>Monetary contributions related to activities with the ability to influence public policies</li> </ul>	<b>Social-relational</b>
	Financial inclusion		<ul style="list-style-type: none"> <li>New customers in the categories most at risk of financial exclusion as a percentage of total new acquisitions</li> </ul>	<b>Social-relational</b> <b>Physical-structural</b> <b>Financial</b>
<b>GREEN TRANSITION</b>	Environmental impacts of logistics		<ul style="list-style-type: none"> <li>GRI 302 Energy</li> <li>GRI 305 Emissions</li> </ul>	<b>Physical-structural</b> <b>Natural</b>
	Environmental impacts of real estate facilities		<ul style="list-style-type: none"> <li>GRI 302 Energy</li> </ul>	

			<ul style="list-style-type: none"> <li>GRI 303 Water and Effluents</li> <li>GRI 306 Waste</li> </ul>	
			<ul style="list-style-type: none"> <li>GRI 305 Emissions</li> </ul>	
<p><b>CUSTOMER EXPERIENCE</b></p>	Quality and customer experience		<ul style="list-style-type: none"> <li>Quality of universal service</li> <li>Customer experience in Post Offices</li> <li>Customer complaints by type</li> <li>Customer satisfaction</li> <li>Settlements</li> </ul>	<b>Social-relational</b> <b>Intellectual</b>
	Cybersecurity, IT Security and Privacy		<ul style="list-style-type: none"> <li>GRI 418 Customer Privacy</li> </ul>	<b>Financial</b> <b>Physical-structural</b>
<p><b>INNOVATION</b></p>	Innovation and digitisation of products, services and processes		<ul style="list-style-type: none"> <li>Number of digital services offered</li> <li>Number of digital transactions</li> </ul>	<b>Intellectual</b> <b>Physical-structural</b> <b>Financial</b>
<p><b>SUSTAINABLE FINANCE</b></p>	Integration of ESG factors into investment policies		<ul style="list-style-type: none"> <li>FS 11 Percentage of assets subject to positive and negative environmental/social screening</li> <li>ESG products and services related to Asset Management</li> </ul>	<b>Social-relational</b> <b>Financial</b>
	Integration of ESG factors into insurance policies			<b>Human</b> <b>Intellectual</b> <b>Natural</b>

## 4.4 GROUP STRUCTURE

At 31 December 2023, the Group held, directly and indirectly, equity investments in 51 companies and consortia, of which 33 are consolidated on a line-by-line basis, 3 are subsidiaries and valued using the equity method, 8 are associates and valued using the equity method, 1 is an associate classified under financial assets held for sale pursuant to IFRS 5 and 6 represent minority stakes.




- (1) The remaining 5% of Consorzio Logistica Pacchi S.c.p.a. is held by Poste Assicura S.p.A.
- (2) The fully diluted investment in sender Technologies GmbH is equal to 10.17%
- (3) The investment in Milkman S.p.A. fully diluted is equal to 6.03%
- (4) The investment in Sengi Express Limited is equal to 51% of the shares with voting rights (40% of equity rights)
- (5) The investment in Volante Technologies Holdco Inc. fully diluted is 2.39%
- (6) The investment in Conio Inc fully diluted is equal to 14.53%
- (7) The investment in MFM Holding Ltd is equal to 13.98% of the shares with voting rights (14.81% of equity rights)
- (8) The investment in ECRA is equal to a total of 40% of the share capital (24.5% of voting rights distributed in equal parts between the shareholders)
- (9) The fully diluted investment in Scalapay Limited is equal to 2.15%
- (10) Sourcesense S.p.A. wholly owns Sourcesense Digital S.r.l., Sourcesense Technology S.r.l., Sourcesense Limited (UK) and Sourcesense Platforms S.r.l.
- (11) Net Insurance S.p.A. wholly owns Net Insurance Life S.p.A.. The investment in Net Insurance S.p.A. fully diluted is 97.66%
- (12) Plurima S.p.A. controls in via wholly owned by Bridge Technologies S.r.l. and Logos S.r.l.




The following table describes the activities of the Group companies, including them within the respective Business Units described in the section "Omnichannel approach and group operating segments" to which reference [For further information](#) should be made for more details.

	<p><b>SDA Express Courier SpA</b></p>	<p>A Group company that mainly carries out activities in the service of logistics processes in the Express Courier sector in relation to the Poste Italiane branded Parcels offer. It also offers dedicated logistics services with customised integrated logistics solutions.</p>
<p><b>MAIL, PARCELS AND DISTRIBUTION</b></p>	<p><b>Postel SpA</b></p>	<p>Company operating in the business communications sector mainly oriented</p>

	towards companies and Public Administration, to which it provides a full suite of services from printing, delivery, electronic document management (EDM), incorporating integrated Data Driven Marketing solutions.
<b>Address Software Srl</b>	Company that develops, for Postel SpA and Poste Italiane SpA, application software packages for the processing of personal and territorial data (normalisation of addresses, data cleaning and geo-marketing). As of January 2024, Poste Italiane SpA wholly owns the company and the process of insourcing the company into Poste Italiane SpA through a merger by incorporation has been initiated.
<b>Poste Air Cargo Srl</b>	This company provides commercial air transport, cargo courier transport and insures, as the Group's sole provider, the air logistics in support of mail and parcel delivery.
<b>MLK Deliveries SpA</b>	Company that carries out home delivery activities for e-commerce through innovative and technologically advanced delivery services, such as Scheduled Delivery, which allows customers to customise deliveries by choosing the date and time of receipt and Same Day (the same day on which the purchase is made) and to avail of a detailed tracking service. The Company exclusively uses the technology of Milkman SpA. On 31 January 2024, the company formalised the partnership with Mazzocco Srl through the establishment of the vehicle MLK Fresh Srl, through which the parties will offer advanced delivery services in Italy dedicated to the fresh food segment in the B2C e-commerce and/or scheduled deliveries market.
<b>Poste Welfare Servizi Srl</b>	Company that manages Supplementary Health Funds, services for the acquisition and validation of databases, services and liquidation of services on behalf of private health funds; it also supplies services for the management of Poste Vita Group health and welfare products. Following the transfer in January 2022 by Poste Vita in favour of Poste Italiane of 100% of the shares held in Poste Welfare Servizi, said company, as from 2022, is included within the Mail, Parcels and Distribution Strategic Business Unit.
<b>Plurima SpA</b>	The company operates in healthcare logistics and document storage and management services for public and private hospitals. It wholly owns <b>Bridge Technologies Srl</b> and <b>Logos Srl</b> .
<b>Nexive Network Srl</b>	Operating Company which, as of 1 October 2021, carries out the management and coordination of the new delivery network, made up of Nexive's external partners, used to support the "last mile" phase of Poste Italiane's delivery process for postal products and small parcels.
<b>Europa Gestioni Immobiliari SpA</b>	This company manages and optimises Poste's real estate assets that are not instrumental; it carries out town planning and construction transformations, in order to assure the relative marketing (new leases and sales).
<b>Nexive Scarl</b>	Consortium company that coordinates the activities of consortium members for postal delivery activities mainly for Public Administration customers, awarded through participation in public tenders.

<b>Sourcesense SpA</b>	Sourcesense is a company operating in the Information Technologies sector in Italy and the UK with significant expertise in developing cloud-native solutions based on open source technology. It wholly owns <b>Sourcesense Digital Srl, Sourcesense Technology Srl, Sourcesense Limited (UK), Sourcesense Platforms Srl</b> and 20% of Consorzio Italia Cloud.
<b>Agile Lab Srl</b>	Company specialised in data management, offering tailor-made technology solutions that take advantage of artificial intelligence, as well as services involving the resale of open source software products developed by technology partners. As of 1 December 2023, the merger of the Agile group companies into Agile Lab Srl became effective.
<b>PatentiViaPoste ScpA</b>	Non-profit consortium that provides centralised printing services, the dispatch and delivery of new licences and copies of log books. The contracted activities are terminated during 2022 with the exception of the Driver's Licence Delivery service extended to 30 June 2023. As of November 2023, this service has been awarded to Poste Italiane SpA; the subsidiary will ensure the completion of some work.
<b>Consorzio PosteMotori</b>	This is a non-profit consortium that manages and reports on the payment of prices due by users for the cases within the competence of the Transport Department of the Ministry of Infrastructure and Transport (e.g. issue of "pink sheets", issue and renewal of copies of driving licences, registrations, MOTs, etc.). As provided for in the Contract of Assignment prot. 5266 of 13 July 2021, the activities covered by this agreement were completed on 31 March 2022, however, there are activities pending development.
<b>Sengi Express Limited</b>	Company based in Hong Kong that deals with the creation and management of cross-border logistics solutions for Chinese e-commerce players active in the Italian market. It offers a complete range of services to Chinese e-commerce operators, tailored to the specific needs of individual merchants  , with competitive commercial solutions for each stage of the logistics chain connecting China to Italy.
<b>Sengi Express Guangzhou Limited</b>	Company, based in China, of Sengi Express Limited to which it provides business support services (operations, IT services, back office, administrative services, etc.).
<b>Consorzio Logistica Pacchi ScpA</b>	This consortium coordinates the activities of the consortium members (Poste Italiane, SDA, Postel, Poste Air Cargo, Poste Assicura and Nexive Network) in transport overland and by air of postal bills, integrated logistics, printing and envelope filling, electronic document management, e-commerce, marketing and telemarketing.
<b>Indabox Srl</b>	This company develops IT and telematic systems offering logistics support to e-commerce via the web, offering customers a service for the collection of parcels purchased on-line from authorised retailers.

<b>Kipoint SpA</b>	Through a network of franchise stores, this company sells national and international deliveries, packaging and packing. Kipoint is also Punto Poste and Indabox. In addition, following the stipulation of the contract with Grandi Stazioni, it also manages luggage deposits at major railway stations.	
<b>Sennder Italia Srl</b>	The Company carries out national and international long-distance road transport activities. The business model is based on highly digitised processes and proprietary IT platforms, creating optimised management of processes and distances travelled.	
<b>ItaliaCamp Srl</b>	Organisation that develops social innovation processes with a positive impact for the country, creating connections between institutions, companies, associations and universities.	
<b>Conio Inc.</b>	This US company creates and offers innovative services in digital currencies. It controls 100% of Conio Srl which is involved in the research, development and testing of results consisting of innovative electronic payment technology solutions (cryptocurrencies, bitcoin).	
	<b>BancoPosta RFC</b>	<p>On 14/04/2011, Poste Italiane SpA's Shareholders' Meeting resolved to set up assets for BancoPosta business as governed by Presidential Decree 144 of 14 March 2001 and determined the assets and legal relations included therein and the rules of organisation, management and control. On 1 October 2018, the set of activities, assets, goods and legal relations constituting the electronic money and payment services business unit was contributed to Ring-Fenced Capital within the subsidiary PostePay SpA in order to enable the latter to operate as an Electronic Money Institution (EMI).</p> <p>On 28 May 2021, Poste Italiane's Extraordinary Shareholders' Meeting approved the removal of the restriction on the allocation of BancoPosta RFC regarding activities, assets and legal relations constituting the "Debit Business" in order to confer the latter in favour of PostePay SpA, effective 1 October 2021.</p>
FINANCIAL SERVICES	<b>BancoPosta Fondi SpA SGR</b>	Asset management company that operates through the establishment and management of mutual investment funds  , and the individual portfolio management service relating to institutional mandates assigned to the Group.
	<b>Replica SIM SpA</b>	Securities brokerage company, active in proprietary and third-party brokerage and asset management as investment manager and execution broker for the management of some investment funds.
	<b>Financit SpA</b>	Part of the BNP Paribas Group, this company operates in the salary and pension-backed loan  and delegation of payment sector.
	<b>Eurizon Capital Real Asset SGR SpA</b>	A company specialising in investments supporting the real economy, it sets up and manages Alternative Investment Funds (AIFs) for private and institutional clients.

<b>Anima Holding SpA</b>	Investment holding company in the asset management sector. It controls 100% of Anima SGR, which, in turn, controls 100% of Anima Asset Management Ltd.	
<b>Moneyfarm Holding LTD</b>	Digital asset management company, specialised in ETF  (Exchange Traded Funds) portfolios.	
<b>Scalapay Limited</b>	A company operating in several European countries in the Buy Now Pay Later (“BNPL”) market on online and physical channels, allowing end customers to pay for a product/service in three interest-free monthly instalments.	
 INSURANCE SERVICES	<b>Poste Vita SpA</b>	Insurance company that provides insurance and reinsurance in Life classes.
	<b>Poste Assicura SpA</b>	Insurance company that provides personal protection (health and accident), property protection (home and assets) and credit protection (insurance of loans and mortgages from unforeseen events).
	<b>Poste Insurance Broker Srl</b>	Insurance broker for the distribution and brokerage of insurance and reinsurance.
	<b>Net Holding SpA</b>	Holding company engaged in the holding and management of equity investments set up for the acquisition of <b>Net Insurance SpA</b> .
	<b>Net Insurance SpA</b>	An insurance company whose offer is dedicated to insurance coverage related to the world of credit and, in particular, to salary and pension-backed loans, protection and to insurtech through agreements with technology partners; it wholly owns <b>Net Insurance Life SpA</b> , an insurance company active in the life insurance classes that mainly offers insurance coverage connected and instrumental to the P%C products offered by the parent company Net Insurance SpA.
	<b>Cronos Vita Assicurazioni SpA</b>	Corporate vehicle set up in August 2023 to complete the rescue of Eurovita. In October 2023, Cronos Vita SpA changed its company name to Cronos Vita Assicurazioni SpA as a result of the change in its corporate purpose, which now includes the exercise of private insurance as well as the management of supplementary pension schemes.
	<b>PostePay SpA</b>	A company that integrates electronic money and payment services, acting as an Electronic Money Institution (EMI) and Mobile Virtual Network Operator (MVNO) with the PosteMobile brand, and sale of energy (electricity and gas) through the Poste Energia service.
	<b>LIS Holding SpA</b>	A company operating in the Italian proximity payments market offering services including pay slips, prepaid payment cards, phone top-ups and vouchers and other solutions for merchants and businesses. As of 31 December 2023, the partial demerger of Lis Holding SpA became effective, with direct assignment of the entire stake of Lis Pay SpA to PostePay SpA –

PAYMENTS AND MOBILE		EMI RFC.
	<b>LIS Pay SpA</b>	Electronic money institution providing payment and e-money services through the PUNTOLIS network, wholly owned by PostePay SpA.
	<b>ConsorzioServizi ScpA</b>	Consortium for the provision of mobile telephony services, integrated messaging services (info device services related to financial instruments) exclusively for Poste Italiane, as well as, as of 1 July 2023, the natural gas supply service for Poste Italiane SpA.
	<b>Volante Technologies Holdco Inc.</b>	An American company which wholly owns Volante Technologies LLC., specialising in the development of technological solutions underlying the payment and financial messaging processes on cloud and on-premise for the acceleration of digital transformation and the modernisation of financial services. Following the corporate restructuring, which took place in November 2023, PostePay SpA became a shareholder of Volante Technologies Holdco Inc. with the same shareholding previously held in Volante Technologies Inc. now called Volante Technologies LLC.
	<b>Nexi SpA</b>	A company that carries out activities in the field of digital payments (PayTech), offers services and technology infrastructure for banks, enterprises and Public Administration. It operates in three market segments: <i>Merchant Services &amp; Solutions, Cards &amp; Digital Payments e Digital Banking &amp; Corporate Solutions.</i>

Below are the main transactions that took place during the period and after 31 December 2023:

 MAIL, PARCELS AND DISTRIBUTION	<b>Sennder Technologies - sennder Italia</b>	<p>On 3 April 2023, as a result of the capital increase reserved for the shareholder sennder Technologies GmbH, the Poste Italiane stake in sennder Italia went from 65% to 60%.</p> <p>On 30 May 2023, Poste Italiane's Board of Directors approved the renegotiation of the current partnership with <b>sennder Technologies GmbH ("sennder Tech")</b>. As part of the renegotiation, Poste Italiane contributed 35% of its shares in sennder Italia to sennder Tech, increasing its stake in the latter from 1.7% to 10.2% on a fully diluted basis. Following the completion of the transaction in June 2023, Poste Italiane holds a 25% stake in sennder Italia.</p> <p>In addition, the transaction resulted in the recognition of a total gain of approximately €109 million classified as revenue since it was a sale of a controlling interest, with a positive impact on the Group's EBIT, as a result of ordinary operations.</p>
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INSURANCE  
SERVICES

## Net Insurance

On 28 September 2022, Poste Vita's Board of Directors approved the promotion of a voluntary total cash takeover bid for ordinary shares and warrants of **Net Insurance SpA** ("Net Insurance"), in consultation with certain shareholders. Net Insurance, a company with shares traded on the regulated market known as Euronext STAR Milan ("ESM") organised and managed by Borsa Italiana SpA, is an insurance company whose offer is dedicated to insurance coverage related to the credit sector and, in particular, of salary and pension-backed loans, protection and insurtech<sup>4</sup>, thanks to agreements with technology partners.

acquired a controlling stake

The transaction is aimed at the acquisition of control of Net Insurance by the insurance group headed by Poste Vita and will enable it to achieve significant growth in the P&C/protection insurance segment. Specifically, Poste Vita intends to identify Net Insurance as: (i) the insurance group's "competence centre" for insurance products linked to the Salary-Backed Loans and (ii) reference product factory with regard to the distribution of insurance products on third-party networks, with particular reference to banking networks.

On 20 April 2023, the squeeze-out procedure was finalised, as a result of which Net Holding (the corporate vehicle directly controlled by Poste Vita that promoted the bids) holds a controlling interest of 97.84% in Net Insurance (which in turn holds 100% of Net Insurance Life SpA), and the current CEO of Net Insurance, who acted in concert with the takeover bid, holds a minority interest of 2.16%. The total outlay paid by Net Holding for the acquisition of the stake amounted to approximately €181 million.

On 21 April 2023, IBL Banca SpA, pursuant to its commitment in the event of a successful bid, acquired a 40% stake in Net Holding for a consideration of €73.1 million.

The net outlay for the Poste Group for the acquisition of the stake amounted to around €108.5 million.

## Other transactions

On 24 November 2022, binding agreements were signed for Poste Italiane to participate, with an investment of approximately €3 million, in a capital increase promoted by **Moneyfarm** in order to finance part of the purchase price of 100% of **Profile Financial Solutions Ltd**, a company active in the pension fund consolidation business in the UK under the Profile Pensions brand. Following receipt of the necessary approvals from the UK regulator (FCA<sup>5</sup>) on 5 July 2023, the closing of the transaction was formalised at the end of July.

On 24 January 2023, Sourcesense finalised the acquisition of **Eco Mind Ingegneria Informatica Srl** ("Eco-Mind") and its subsidiary **HeadApp Srl**, IT companies operating as software factories specialising in the design and development of business, mobile and cloud-native solutions and augmented and virtual reality solutions, for a consideration of about €1

<sup>4</sup> Insurtech identifies the entire digitisation process of the insurance industry, from policy underwriting to claims management, through the use of technologies such as Big Data Analytics, Artificial Intelligence and Application Program Interfaces (APIs).

<sup>5</sup> Financial Conduct Authority.

million. In order to simplify the corporate structure of the Sourcesense Group, the two companies Eco Mind and HeadApp were merged into the NewCo named Sourcesense Platforms Srl. The merger transaction took effect from 1 July 2023.

On 29 June 2023, Poste Italiane notified **Milkman SpA** ("Milkman") of its intention to exercise its call option on the shares held by the latter in **MLK Deliveries SpA** ("MLK"), equal to approximately the remaining 30% of the share capital of MLK itself (the "Milkman Stake"). Based on the criteria originally agreed upon in the contractual agreements signed in 2020, the exercise price of the option was estimated at €19.6 million. Following the transfer of the Milkman Stake, formalised in July, Poste Italiane acquired full control of MLK.

On 28 September 2023, as a result of the cash received from the sale to Poste Italiane of the 30% stake held in MLK, the Milkman extraordinary shareholders' meeting resolved to distribute dividends in the amount of approximately €15.3 million, of which €3.6 million in favour of Poste Italiane.

On 3 August 2023, as part of a system-wide transaction to take over the policy portfolio of **Eurovita SpA** ("Eurovita") following the latter's crisis, Poste Vita contributed to the establishment of the corporate vehicle **Cronos Vita SpA** ("Cronos"), invested in by, in addition to Poste Vita itself, Allianz, Generali Italia, Intesa Sanpaolo Vita and UnipolSai Assicurazioni, with the purpose of acquiring a business unit consisting essentially of the assets and liabilities relating to the Eurovita insurance business, following the latter's admission to compulsory liquidation proceedings.

In September 2023, the insurance companies involved, Cronos, the banks distributing Eurovita products and certain system banks signed the final agreements within their respective competences to regulate their rights and obligations in relation to the transaction.

As part of the aforementioned transaction, on 18 September 2023, Poste Vita participated in the first capital increase of Cronos, with a stake of approximately €1.7 million.

On 17 October 2023, IVASS authorised Cronos to carry out insurance business (resulting in a change of company name from Cronos Vita S.p.A to **Cronos Vita Assicurazioni SpA**). On 27 October 2023, Poste Vita participated, together with the other shareholders of Cronos, in proportion to its 22.5% stake, in the second capital increase of this company of approximately €212.5 million, of which approximately €47.8 million was attributable to Poste Vita.

To complete the transaction, on 30 October 2023 IVASS authorised the sale of the business unit from Eurovita to Cronos, effective from 27 October 2023.

The stake in Cronos at 31 December 2023 was classified as an asset held for sale (IFRS 5) in consideration of the intention to hold the stake for a limited period of time and the agreements reached at the conclusion of the transaction regarding the stipulation of a firm purchase commitment within 12 months for the transfer of the business units between the insurance companies involved in the transaction and Cronos.

In June and July 2023, **Volante Technologies Inc** ("Volante") issued in two tranches a convertible loan totalling \$16.6 million, which was subscribed by some of the company's shareholders, including PostePay, in the amount of \$508 thousand. In September 2023, Volante also carried out a senior debt refinancing transaction, as part of which the warrants to be assigned to subscribers of the convertible loan became exercisable. PostePay exercised its warrants, converting them into newly issued ordinary shares. Therefore, as a result of the transactions described, the PostePay stake in Volante went from 2.9% to 2.4% (on a fully diluted basis).

As part of the agreements to restructure its debt, Volante implemented a corporate reorganisation process that saw PostePay and all other shareholders become partners in the new entity Volante Technologies Holdco Inc. with the same

stakes already held in Volante Technologies Inc, a wholly-owned subsidiary of Volante Technologies Holdco, Inc that changed its name to Volante Technologies LLC.

On 31 January 2024, through the establishment of the NewCo named "**MLK Fresh Srl**" ("MLK Fresh"), the partnership in the Fresh Food sector between MLK and **Mazzocco Srl** ("Mazzocco"), an Italtrans Group company operating as a national refrigerated courier, was formalised.

MLK Fresh, 70% owned by MLK and 30% by Mazzocco, will be the vehicle through which the parties will offer advanced delivery services in Italy dedicated to the fresh food segment in the B2C e-commerce and/or scheduled deliveries market. These services will be offered using: (i) the logistics infrastructure provided by the Italtrans Group company; (ii) the technology enabling the Scheduled and Same Day delivery services provided by MLK; and (iii) commercial services (e.g. sales), mainly provided by Poste Italiane through its Business and Public Administration division.

On 28 February 2024, PostePay signed an agreement to acquire 20% of N&TS GROUP Networks & Transactional Systems Group SpA ("N&TS GROUP"), a leading Italian company in software solutions for electronic payments. The transaction, whose closing is subject to the fulfilment of conditions precedent, aims to enhance PostePay's technological expertise in order to support its expansion strategy in the digital payments market.

### Intra-group transactions

In order to simplify the corporate structure of the Group, on 29 September 2022, the **reverse merger of Plurima Bidco Srl into Plurima** was approved by the shareholders' meetings of the two companies. The transaction, which provided for the application of the regulatory simplifications for mergers of wholly-owned companies, became effective as of 1 January 2023.

On 26 April 2023, Plurima SpA finalised the purchase of a further 40% of the share capital of **Bridge Technologies SpA** for a consideration of approximately €0.9 million, thus achieving 100% ownership.

In June and July, respectively, the Boards of Lis Holding and PostePay approved the project for the **partial demerger of Lis Holding in favour of PostePay**, with direct assignment of the 100% stake in LIS Pay to the EMI RFC. In this regard, on 28 June 2023, Poste Italiane's Board of Directors authorised the participation of Poste Italiane SpA in the extraordinary shareholders' meeting of PostePay SpA to approve the demerger transaction and the amendment of the rules of the EMI RFC, in order to allow the allocation to the latter of investments in other payment institutions and the removal of the restriction on the allocation to the EMI RFC of the investment in LIS Holding. After obtaining the authorisation from the Bank of Italy, the transaction was finalised on 5 December 2023 with the signing of the deed of demerger, which took effect on 31 December 2023. The transaction will produce the following benefits for the subsidiary PostePay: (i) strengthening the system of internal controls; (ii) accelerating the integration of the LIS Pay business; (iii) optimising capital absorption.

On 12 October 2023, Postel SpA acquired the shares in **Address Software Srl** held by third-party shareholders amounting to 49% of the company's capital; consequently, from that date and until 24 January 2024, Postel SpA held 100% of the shares in Address Software Srl.

On 24 January 2024, with the aim of standardising, evolving and engineering the operating processes of the Group's technology platforms, as well as streamlining and rationalising the operating structure, also with a view to achieving a reduction in the typical costs of each corporate structure, with a consequent improvement in the Group's economic results, Postel sold its entire stake in Address Software Srl to the parent company Poste Italiane. This transaction was in preparation for the start of the process of merger by incorporation of Address Software Srl into Poste Italiane SpA. The merger transaction, which was submitted in February 2024 to the approval of the shareholders' meeting of the company to be merged and to Poste Italiane's Board of Directors (as allowed by the relevant Bylaws), with the application of the simplifications provided for by the regulations for merger transactions of wholly-owned companies, will become effective in the financial year 2024.

In order to simplify and rationalise the structure of the **Agile Group**, the reverse merger by incorporation of Agile Power Srl into Agile Lab Srl and the direct merger by incorporation of AIM2 Srl, Agile Next Srl and Agile Skill Srl into Agile Lab Srl were finalised on 28 November 2023.

On 4 March 2024, **Poste Logistics SpA** (also "NewCo") was established, whose share capital is wholly-owned by Poste Italiane SpA. The NewCo will focus on integrated logistics activities for the Poste Italiane Group, benefiting from the business unit of SDA Express Courier SpA ("SDA") concerning the integrated logistics business, through a partial demerger transaction. Through this transaction, the Group aims to strengthen its presence in the integrated logistics business, a business that covers inbound, warehouse management, Full Truck Load (FTL) and Less Than Truck Load (LTL) transport, warehousing and international logistics activities. The transaction - whose partial demerger project has already been approved by the Boards of Directors of the companies involved in the transaction that met in March, and which will also be approved by the relevant extraordinary shareholders' meetings - will be formalised by the second half of 2024.

## 4.5 OMNICHANNEL APPROACH AND GROUP OPERATING SEGMENTS

### OMNICHANNEL STRATEGY

#### MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

#### FINANCIAL SERVICES STRATEGIC BUSINESS UNIT

#### INSURANCE SERVICES STRATEGIC BUSINESS UNIT

#### PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT

### 4.5.1 OMNICHANNEL STRATEGY

NFS

The **digital transformation** undertaken by Poste Italiane in recent years has involved not only its own offer, but also the distribution model which, through an omnichannel strategy, allows the Company the possibility to provide services in step with the changed needs of its customers.

Digital channels, and more generally remote channels, support the physical channel, Poste Italiane's historical asset, every day in the management of customer relations. During 2023, Poste Italiane's omnichannel interaction platform reached more than 23 million interactions<sup>6</sup> per day; moreover, during the year, the Poste Italiane single app infrastructure was created, in which all Poste Italiane services will gradually converge, in order to provide customers with single access to services.

>23  
mln


daily interactions as part of  
omnichannel

The Covid-19 pandemic encouraged the acceleration of the transition to the new operating model, enabling the Company to respond quickly to changes in the market by leveraging its digital platforms, that exploit the opportunities arising from technological innovation to create new personalised products and services and by opening up additional channels of communication with its customers.

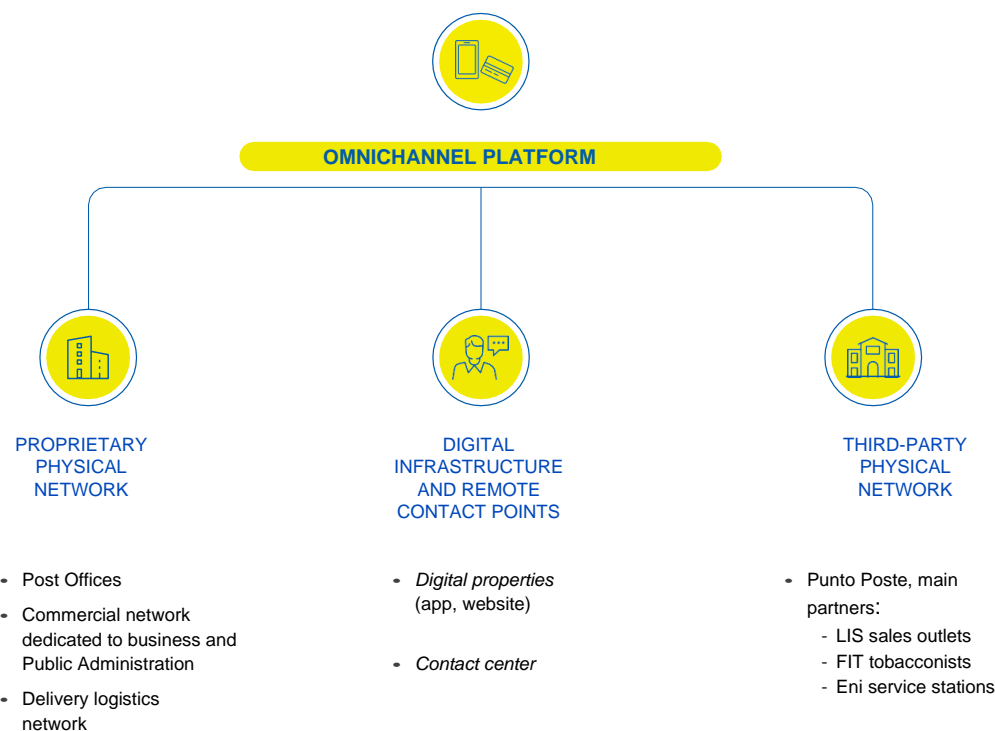
The Group's integrated multi-channel platform provides for the monitoring of customers and the provision of services through **3 channels**:

- the **proprietary physical network**: this consists of the Post Offices, the sales force for business customers and the logistics network for mail and parcel delivery;

<sup>6</sup> Daily contacts of customers with the group's omnichannel platform: visits to the Poste Italiane Group's website and apps, calls to the contact centre, customers served in Post Offices, transactions carried out at ATMs and third-party networks, transactions on physical POS terminals and e-commerce, delivery of parcels and registered mail. The operation of LIS is included.

- **a digital infrastructure and remote contact points:** made up of all the Group's digital properties  and the contact centre, capable of serving the entire national population;
- the **third-party physical network:** consisting of approximately 51 thousand points, the result of commercial partnership agreements for the marketing of Group products and services managed also through the recent acquisition of the company LIS.

Below is a representation of the Group's omnichannel platform:



#### 4.5.1.1 PHYSICAL NETWORK OF POST OFFICES

The post office network is governed by the Post office network business function organised into Macro Areas, Branches and Post Offices covering the whole country.

12,755








Post Offices

	31 December 2023		31 December 2022	
	Personnel	Unit	Personnel	Unit
Macro Areas Post Office Network	6	0.5	6	1.1
Branch offices	132	4.2	132	3.6
Post Offices	12,755	47.4	12,755	49.3
<b>Total</b>	<b>12,893</b>	<b>52.1</b>	<b>12,893</b>	<b>54.0</b>

All workforce figures are expressed in Full Time Equivalent in thousands.

The change in the workforce, compared to the previous year, reflects the management dynamics during 2023. In particular, within the Post Offices, the negative change (about -1,900 staff) reflects the termination of employment contracts during the year, only partially offset by new hires and internal promotions from other areas/functions; the decrease in staff in the Macro Areas is mainly attributable to the organisational change of the Small Economic Operators (POE) organisational model, defined at the end of December 2022, and which saw the transfer of the "Small Business Specialist" and "Mail and Parcels Specialist" professionals from the Post Office network Macro Areas to the Branches. Net of this organisational change within the function, the staffing levels in both areas are substantially in line with the previous year.

### MACRO AREAS POST OFFICE NETWORK

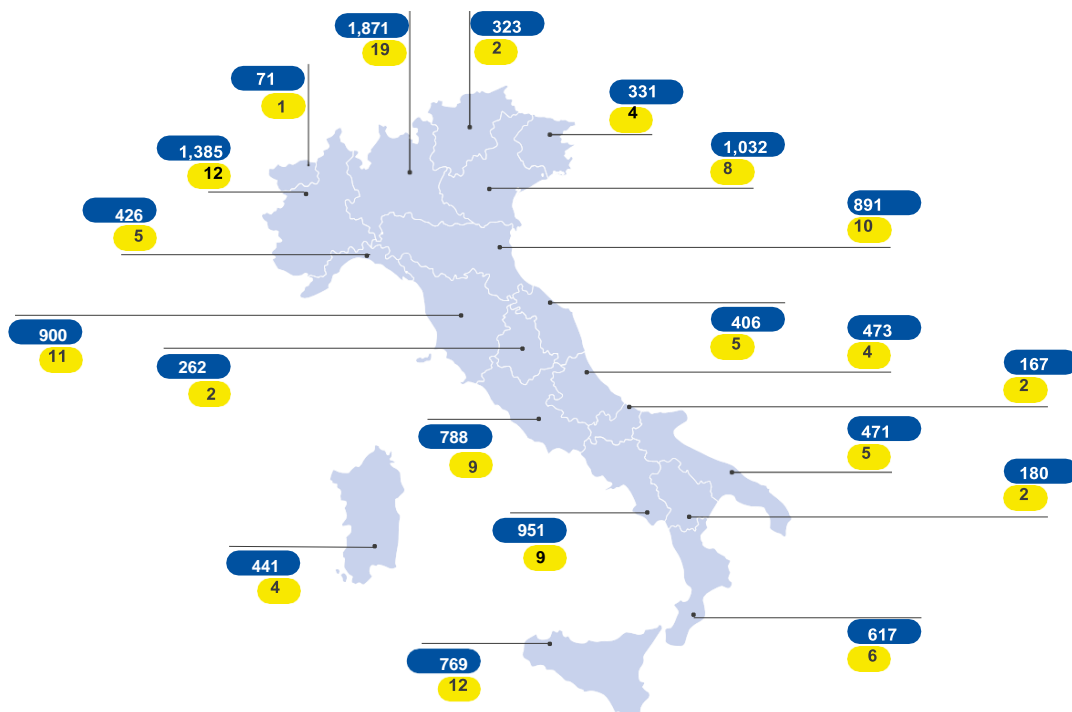
-  North Western Area
-  North Eastern Area
-  North Central Area
-  Central Area
-  Southern Area
-  Sicily Area
-  Area Headquarters



## GEOGRAPHICAL DISTRIBUTION OF POST OFFICES AND BRANCH OFFICES

■ 12,755 Post Offices

■ 132 branches



In order to support the enrichment and dynamism of the offer, the process of enhancing skills through the establishment of the Front End Operator<sup>7</sup> continues, in order to better manage

innovative businesses (Energy, Fibre and Third-Party Motor Liability) and an innovative offer format was implemented on a panel of about 1,250 Post Offices. As of November 2023, the sale of the BancoPosta current account by the Front End Operator was started on an experimental basis in some Poste Casa&Famiglia points, in order to continue the expansion of the offer.

At 31 December 2023, the set-up of the approximately 1,250<sup>8</sup> planned points of the Punto Poste Casa&Famiglia network was completed,<sup>9</sup> (of which 458 Post Offices with Corner, 578 Post Offices with lowered counter stations and 212 Post Offices with New Layout Corner).

<sup>7</sup> The Front End Operator is the professional figure in the PuntoPoste Casa&Famiglia network who focuses on the sale of products with a high relational content such as third-party motor liability, energy and fibre.

<sup>8</sup> At 31 December 2023, there were 1,248 completed Post Offices and 3 being fitted out.

<sup>9</sup> The "Punto Poste Casa e Famiglia" project on the core network (1,251 Post Offices with the highest traffic) envisages an evolution of the former Postepay corners towards a model dedicated to the marketing of products and services with a high relational content (Energy, Fibre, Third-Party Motor Liability).

In addition, in 2023 the portfolios of high-net-worth customers were enhanced<sup>10</sup>, optimising their redistribution through the creation of around 70 new "Dynamic" portfolios<sup>11</sup>, assigned to room consultants.

The organisational model of the Post Office network called "Hub & Spoke (H&S)"<sup>12</sup> was launched in 2020 to better capitalise on the potential of the territory, strengthen the commercial, operational and managerial presence and is based on an approach that guarantees, especially for smaller Post Offices, efficiency and operational continuity, thanks to the creation of Post Office basins.

In particular, the H&S project allows Hub Office Managers to autonomously replace staff in their area of reference, and provision is made for the gradual extension of the secondment application<sup>13</sup> to all of the approximately 1,000 Hub Offices and over 6,000 Spoke Offices involved in the Project between 2023 and 2024. At 31 December 2023 the extension of this application to about 360 active H&S basins<sup>14</sup> (about 360 Hub offices and about 2,300 Spoke offices) was completed.

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<sup>10</sup> Clients with specific characteristics (e.g. age between 18 and 79, medium to high investment potential, etc.) and characterised by a potential need for diversification and return.

<sup>11</sup> Portfolios associated with clients characterised by a potential need for diversification and return. Such clients are selected by combining high levels of assets with qualitative characteristics, such as medium to high levels of liquidity (i.e. maturities in the next two years), age between 18 and 79, and multi-banking. At 31 December 2023, there were approximately 1,200 dynamic portfolios.

<sup>12</sup> Network management and development system in which connections are made, using by analogy an expression referring to the bicycle wheel, from the spoke to the hub and vice versa. In this specific case, the Hub Office Manager is responsible for coordinating staff in terms of planning personnel attendance and managing replacements, as well as providing commercial support, especially for products sold at the counter.

<sup>13</sup> The secondment application is a web application that takes over the process of management of resources applied on a daily basis at a Post Office other than the one of assignment.

<sup>14</sup> H&S basins consist of a Hub office and a number of Spoke offices that vary according to the geographical scope of the basin.



## Polis Project - House of Digital Services



Within the framework of the "National Plan for Complementary Investments" (Law Decree no. 59 of 6 May 2021, converted, with amendments, into Law no. 101 of 1 July 2021) of the National Recovery and Resilience Plan (PNRR), with the aim of promoting the economic, social and territorial cohesion of the country and overcoming the digital divide in small towns and inland areas, the Polis Project - House of Digital Services was approved.



## The two lines of intervention



- **Sportello Unico (One-stop shop):** makes provision for the digital renovation and upgrading by 2026 of **6,933 Post Offices** to enable Italians resident in municipalities with **fewer than 15,000 inhabitants**, equipped with at least one Post Office, to easily use the services of the Public Administration. The Post Office will be transformed into a hub for physical and digital services, through the introduction of new technologies and tools to enable complete, fast, easy and digital use of services 24 hours a day.
- **Spaces for Italy:** envisages the creation of a national network of **co-working\*** and training spaces with a widespread presence in Italy. Workstations, meeting spaces, shared services, event and training areas will be open to private individuals, companies and public administration, universities and research centres.

## Initiatives planned until 2026



## Some PA services that can be provided at the One-stop shop

Identity Documents	Personal Identity Certificates	Judicial Certificates	Social Security Certificates	Services to Regions and other services
Electronic Identity Card	Birth Records	Criminal Records	Pension Certificate	Booking on single regional booking centre
Passport	Citizenship	Deeds of voluntary jurisdiction	Pension statement	Self-declaration of income exemptions
National Services Card	Residence		Single Certification	Compulsory insurance for housemakers
Health card	Civil status			RAI fee waiver/exemption
Tax code	Family status			
Duplicate driving licence				

## 2023 Initiatives

- **One-stop shop:** in the course of 2023, real estate and technological upgrades were launched in post offices at 1,739 sites (a total of 1,766 works started since the beginning of the project) and works were completed at 941 post offices (a total of 1,190 works completed since the beginning of the project until the end of February 2024).
- **Spaces for Italy:** during 2023, renovation work continued on the buildings owned by the Company, and at 29 February 2024 a total of 55 building works on the project sites had been started and 31 had been completed.

## Sustainable development goals

With the Polis Project, Poste Italiane intends to play a leading role in the country's recovery for the benefit of citizens and their participation in public life by adopting a responsible approach in order to reduce its environmental footprint and contribute to the low-carbon transition of the economy and the entire country. The initiative is consistent with Poste Italiane's broader strategy of sustainable, digital and inclusive development.

the Polis Project generates significant impacts throughout the territory, also with a view to achieving the Sustainable Development Goals (SDGs):



On **30 January 2023**, in the presence of the President of the Republic, the President of the Council, the Secretary of State of the Holy See, numerous government representatives, and institutions, the POLIS project was presented in Rome by the Chairwoman and CEO of the Company, to the 7,000 mayors of the municipalities involved, which in Italy represent **90% of the municipalities** with a land area equal to 80% of the country and in which **16 million** people live.

For more information on the project, please refer to the website under [Polis project](#).

\* Working concept consisting of a workspace shared by several companies or independent professionals. In this environment, people can work together, share ideas and resources and develop professional relationships.

#### 4.5.1.2 PHYSICAL NETWORK - BUSINESS AND PUBLIC ADMINISTRATION

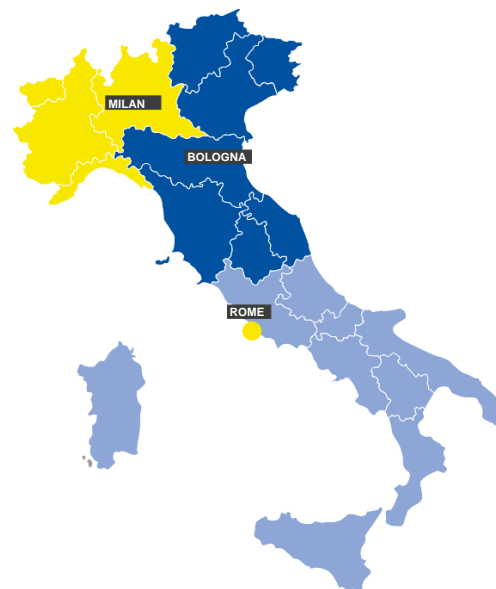
The commercial supervision and sale of the Group's products and services to businesses and Central and Local Public Administration is guaranteed by Poste Italiane's Business and Public Administration function.

The organisation of the sales force guarantees **territorial coverage focused by product sector**, through:

- 3 Sales Macro Areas (Lombardy North West, Central North and North East, Central South), with exclusive commercial responsibility for mail and communication revenue;
- 2 Sales Areas dedicated respectively to the offer of Express Courier and Parcels (CEP) products/services and to the commercial development of Integrated Logistics solutions and CEP Indirect Sales;
- 1 Commercial area specialising in the offer of financial and insurance products for large business customers and Public Administration;
- 1 Commercial area for Central and Local Public Administration related to Metropolitan Regions and Cities;
- 2 Business areas specialising in health logistics and digital solutions respectively.

##### Macro Areas Business and Public Administration

- Lombardy and North-western Area
- Central North and North-eastern Area
- Central-south Area
- Central Facilities/Public Headquarters Administration/ Financial, Parcel and Integrated Logistics Headquarters/Healthcare Logistics and Digital Solutions
- Area Headquarters



#### 4.5.1.3 LOGISTICS NETWORK

The Group's mail and parcel services are provided through two synergistic logistics networks: the **postal logistics network** for the management of mail, now evolved also to contribute to the management of small parcels and the **parcel logistics network**.

From 2020 onwards, there will be an increase in the interchange of small parcel volumes ("carriable" parcels, i.e. weighing less than 5 kg), using cost-effectiveness as a discriminating factor. The delivery of these products in Italy can be carried out synergistically by the postal and parcel logistics network and by the courier logistics network according to a dynamic approach, aimed at maximising efficiency for each area.

As part of the transformation plan for the Mail and Parcels segment and with the aim of making the Poste Italiane Group an integrated logistics operator, an important initiative was launched in 2023 to develop the **Integrated Logistics**<sup>15</sup>

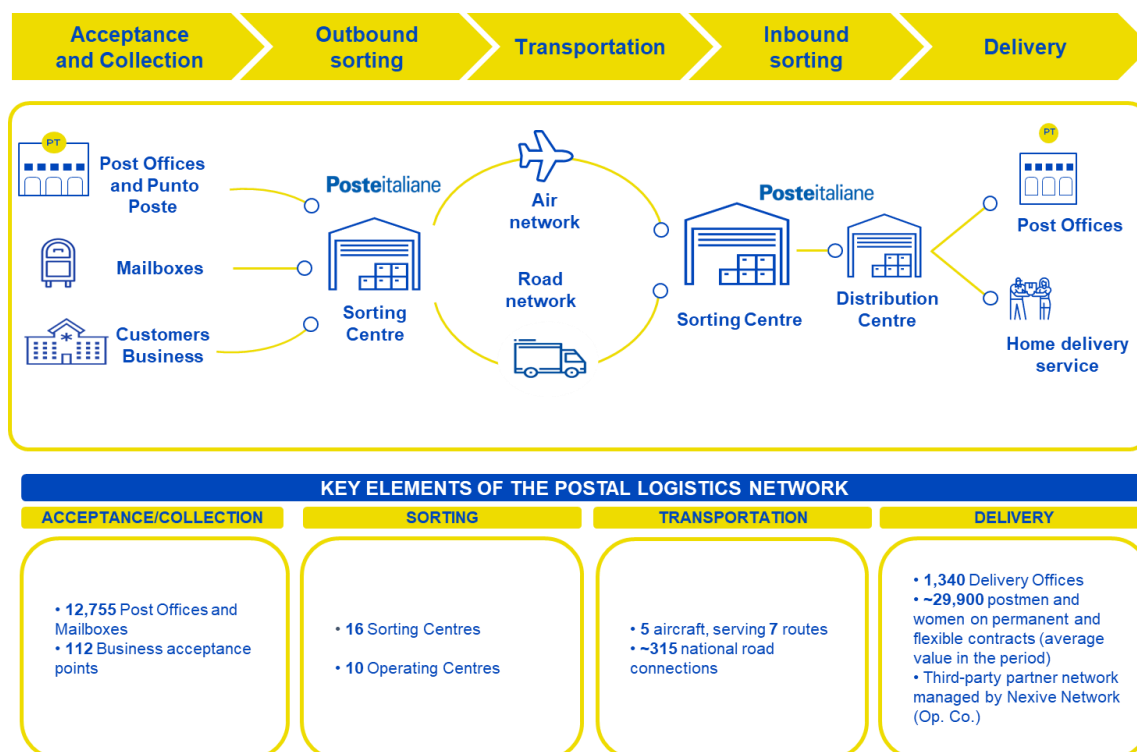
<sup>15</sup> It represents the integration of *warehousing* services (goods entry, storage, order management/arrangement, shipment preparation) and distribution services. B2B distribution is carried out through Poste Delivery Business express courier services or through FTL (Full Truck Load) or LTL (Less Than Truck Load) services. B2C distribution is carried out through Poste Delivery Business express courier services.

market segment, i.e. the third-party management of customers' warehouse goods and related delivery activities. For more information, please refer to the activities in the period of the Mail, Parcels and Distribution Strategic Business Unit in the remainder of this document.

In addition, from the second quarter of 2022, the Poste Italiane Group entered the **healthcare logistics** market through the acquisition of the company Plurima, which has been operating in the hospital sector for several years, offering logistics solutions and services such as outsourced pharmaceutical warehouse management.

### POSTAL LOGISTICS NETWORK ACTIVITIES

The postal logistics network accepts, sort and delivers mail products. The following chart provides an overview of the logistics network value chain and the main quantitative drivers.



The organisational model for the postal logistics network consists of 6 centrally coordinated Logistics Macro Areas, which handle all stages of the value chain: acceptance and collection, outbound sorting, transport, inbound sorting and delivery. At the same time, this model makes it possible to have a single management system for the entire territory and to be able to adapt it to each specific situation with targeted interventions.

The model's macro areas are shown below.



The workforce at the end of 2023 was up compared to 31 December 2022, with a different mix of permanent and flexible staff due to the higher volumes of parcels delivered during the holiday peak period.

	31 December 2023		31 December 2022	
	Personnel	Unit	Personnel	Unit
Macro Areas for Logistics <sup>(*)</sup>	6	1.3	6	1.3
Sorting Centres	16	7.2	16	7.0
Operating Centres	10	1.1	10	1.0
Delivery/Logistics Centres <sup>(**)</sup>	1,340	38.0	1,388	37.7
<b>Total</b>	<b>1,372</b>	<b>47.6</b>	<b>1,420</b>	<b>46.9</b>

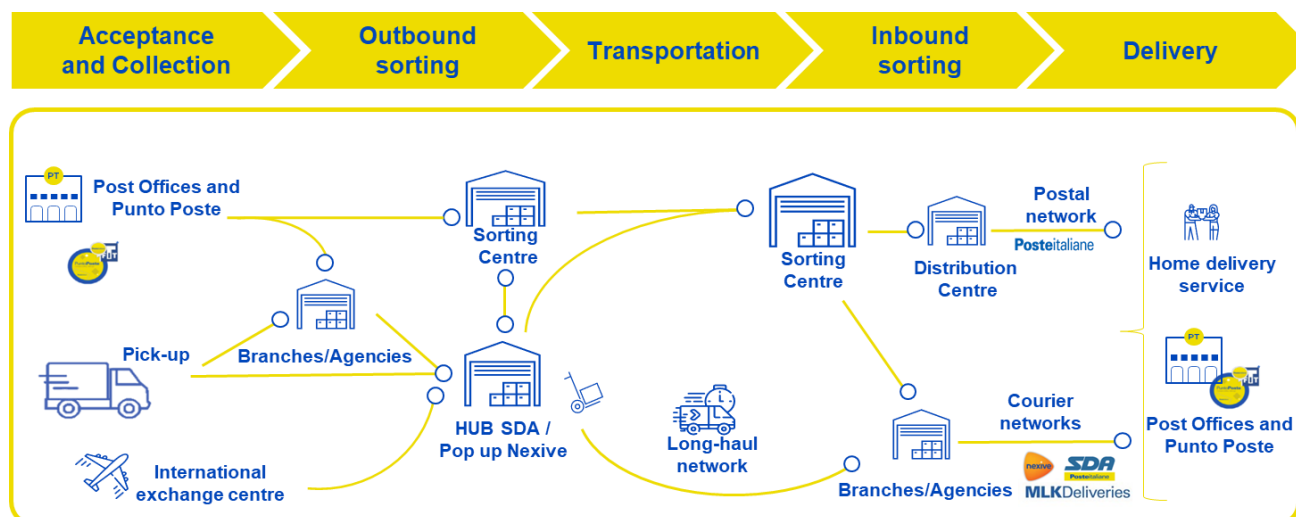
All workforce figures (stable and flexible) are expressed in Full Time Equivalent in thousands.

(\*) Logistics Network - Macro Areas, whilst coinciding geographically with the Post Office Network - Macro Areas, from 2018 have their own, separate organisations in terms of processes and competences.

(\*\*) Delivery staff include 32.9 thousand postmen and women and delivery supervisors (31.6 at 31 December 2022).

## PARCEL LOGISTICS NETWORK ACTIVITIES

Larger or non-carriable parcels and express courier products are delivered via the courier network (served by the subsidiaries SDA Express Courier, MLK Deliveries and Nexive), while the carriable parcels follow the flow of the postal network. The logistics flow is shown below.



**KEY ELEMENTS OF THE PARCEL LOGISTICS NETWORK**

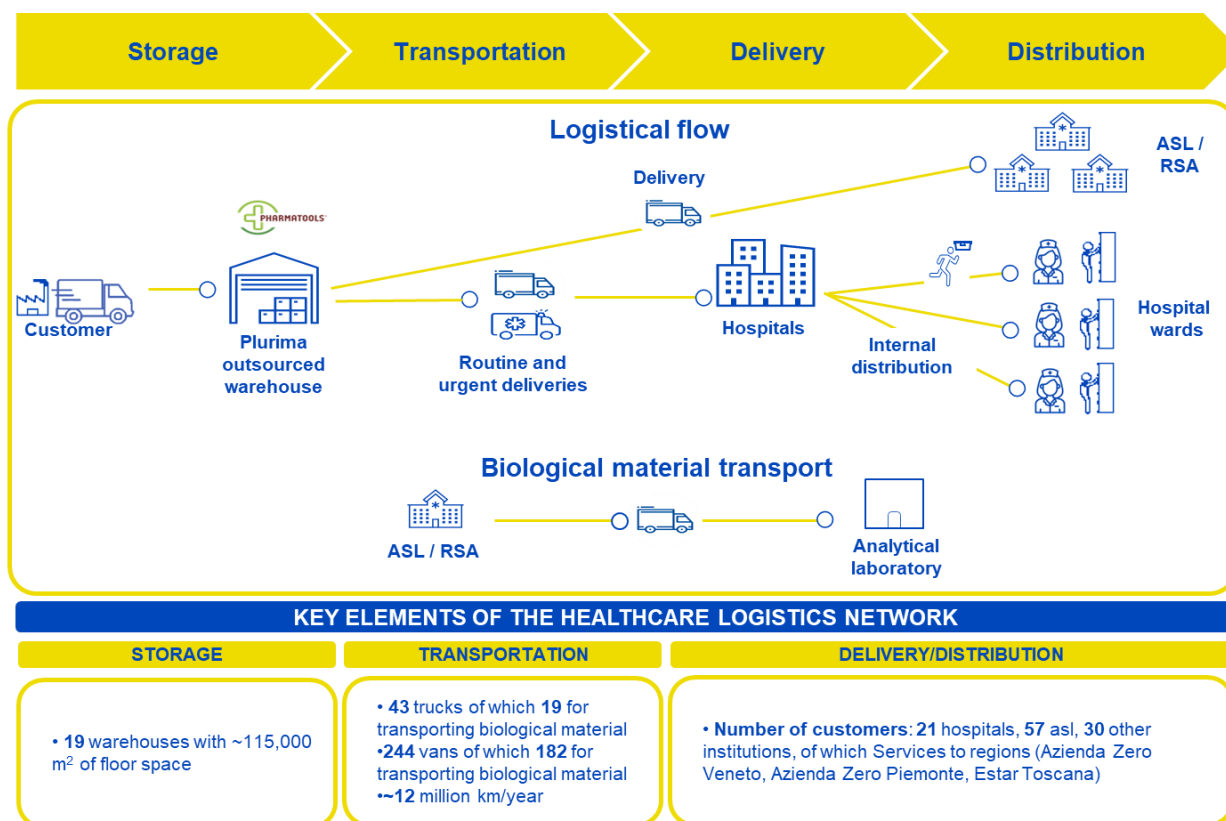
ACCEPTANCE/COLLECTION	SORTING	TRANSPORTATION	DELIVERY
<ul style="list-style-type: none"> <li>• 12,755 Post Offices</li> <li>• ~5,800 pick-up lines</li> <li>• 91 Branches/Agencies</li> <li>• ~15,724 Collect Points (mainly tobacconists)</li> </ul>	<ul style="list-style-type: none"> <li>• 4 Automated hubs</li> <li>• 5 Mini hubs</li> <li>• 10 Nexive pop-ups**</li> <li>• 16 Sorting Centres*</li> <li>• 10 Operating Centres*</li> </ul>	<ul style="list-style-type: none"> <li>• ~900 road transport lines</li> <li>• 5 aircraft*, serving 7 routes</li> </ul>	<ul style="list-style-type: none"> <li>• 1,340 Delivery Offices*</li> <li>• ~5,800 SDA delivery lines</li> <li>• ~280 MLK delivery lines</li> <li>• Third-party partner network managed by Nexive Network (Op. Co.)</li> <li>• ~15,724 Collect Points (mainly tobacconists)</li> </ul>

\* Same elements serving the postal logistics network.

\*\* Nexive pop-ups: plants belonging to the Nexive company network where primary sorting activities are completed with low automation.

**HEALTH LOGISTICS ACTIVITIES**

With the acquisition of Plurima in the second quarter of 2022, Poste Italiane entered the field of drug logistics, enhancing computerisation and tracking systems for storage, distribution and continuous monitoring of activities. The use of an advanced information application (Pharmatools), as well as equipment, technologies and tools, allow real-time monitoring of the vehicles, the material transported, the correct transport conditions and the integrity of the data, guaranteeing high levels of quality and reliability of deliveries. More specifically, Plurima manages the following macro-categories of goods on behalf of public and private Local Health Authorities and Hospitals: pharmaceuticals, medical devices, office supplies and other health and non-health products.



The **logistics flow** starts with the storage phase, in which the acceptance and conformity check of goods delivered by customers at Plurima's warehouses takes place, with the support of Pharmatools. The hospital departments and local area facilities (ASL - Local Health Authorities) or RSAs (unitary union workplace structures) transmit the orders, initiating the picking phase of the stored goods, which ends with the checking of fittings and billing. The products are loaded onto vehicles to be delivered to community facilities and hospitals. Within the hospitals, internal distribution to the wards takes place, also thanks to Plurima's staff and, in some cases, the company also provides innovative hardware and software for managing ward logistics (micrologistics).

The activity of **transporting biological material** consists of collecting the biological samples<sup>16</sup> at the collection centres and transporting them to the analysis laboratories.

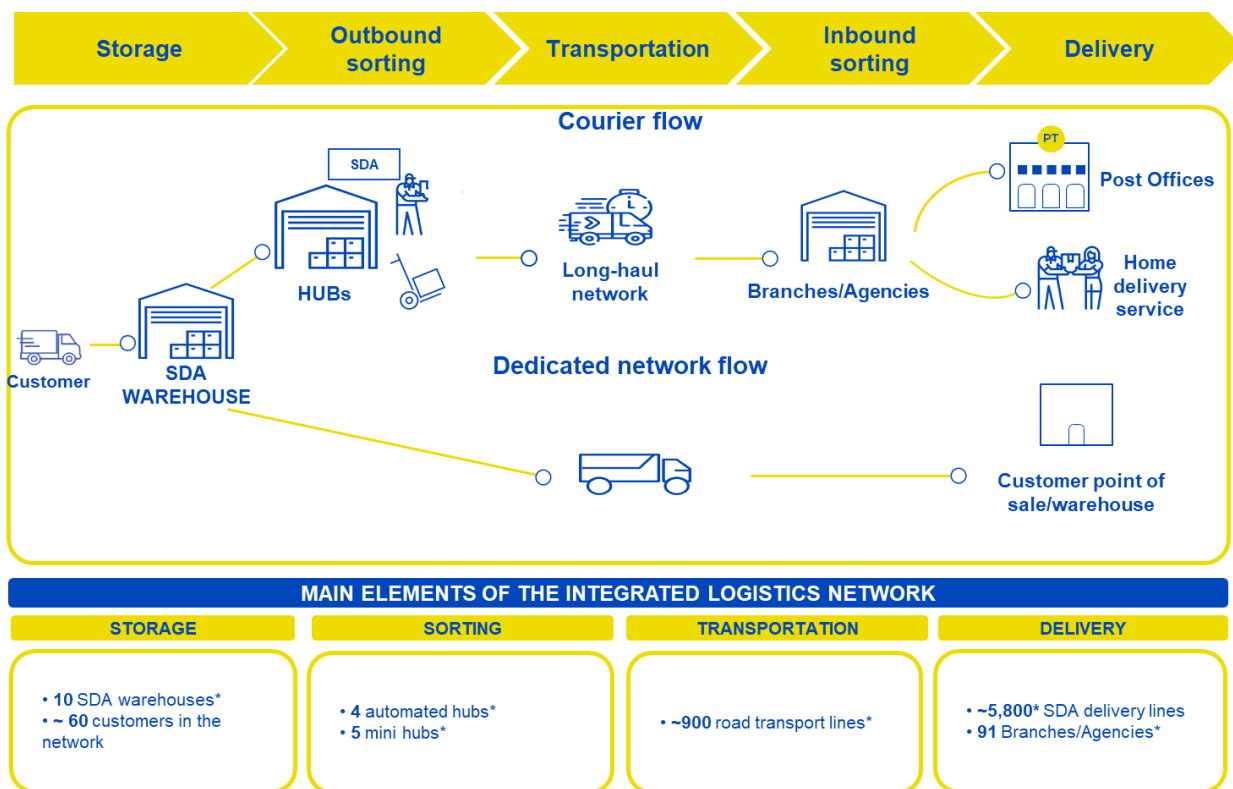
## INTEGRATED LOGISTICS ACTIVITIES

In line with the strategic objective of transforming itself into an all-round logistics operator, Poste Italiane has started to contend with the challenges of the integrated logistics market since the Covid-19 pandemic, both through the support provided to the organisational structures (now the Ministry of Health), and through the recently established long-term contractual relationships with players belonging to different segments (mainly mass market and telephony). These agreements have enabled the Group to build a solid technological base to guarantee typical warehousing operations (warehouse management - goods receipt- picking<sup>17</sup> - product preparation - shipping) and to complement these solutions with typical express courier services, such as home or shop delivery. In this respect, the first major orders won in 2023 for the complete logistics management<sup>18</sup> paved the way at the end of the year for new customer contracts.

<sup>16</sup> In addition to biological samples, blood components, biological material and surgical instruments.

<sup>17</sup> Warehouse picking is the activity of picking, sorting and distributing material from one loading unit to several others. This activity is carried out with each grouping of materials in order to process and dispatch them.

<sup>18</sup> TIM and Acqua&Sapone.




\* The numbers referring to the sorting, transport and delivery stages are the same as for the parcel logistics network.

More specifically, the process of Integrated Logistics starts with the receipt of the goods transported from the customer to the SDA warehouse, as well as their control and storage.

This phase is triggered by the receipt of the customer's order by the SDA warehouse computer system, with detailed information on quantity, processing required and destination information. This is followed by product picking, preparation/packing and the start of outbound operations (leaving the warehouse). Having reached this stage, the product can follow two flows: the **courier flow**, with delivery to the customer's home or post office; the **dedicated network flow**, which, depending on the specific nature of the product, travels via a dedicated network, bypassing the sorting hubs and delivering the parcel directly to the customer's point of sale/operating unit. Value-added services on technology products, including staging (configuration), testing, repairs, etc., complete the offer.

#### 4.5.1.4 DIGITAL INFRASTRUCTURE AND REMOTE CONTACT POINTS - WEB, APP AND CONTACT CENTRE

To support digitalisation, a technology engine based on hybrid cloud , open API  and exponential technologies<sup>19</sup> has been implemented and applied to all the Group's activities and infrastructures. The Group has implemented a programme of "digital transformation" of all its service and offer models in order to guarantee its customers full digital and omnichannel contact experiences. This programme has accelerated significantly since 2021, in view of the effects of the current health emergency, in order to make the Group's products fully accessible to customers in completely safe conditions and continues to represent a strategic priority.

The Group's **Digital Properties** are as follows:



**poste.it website:** Poste.it is the Group's consumer and business portal, where the range of services offered to customers is available. The portal also allows customers to consult and manage the products in their possession.

<sup>19</sup> Exponential technologies are those technologies that rapidly accelerate and shape major industries and all aspects of everyday life. Key exponential technologies include Artificial Intelligence and Data Science, Internet of Things, Virtual & Augmented Reality.





**PostePay app:** app for purchasing and managing Postepay payment cards, telco products and the Energy offer; payments can also be made via the app on the move.




**BancoPosta app:** app to purchase and manage the Group's financial/insurance offer on the move: accounts, postal savings and insurance policies.



**Poste Italiane app (formerly Ufficio Postale app):** in 2023, a profound transformation process was initiated that will see it become the only Poste Italiane app and that will make it possible to locate the most convenient Post Office and book an appointment, reducing wait times, check the status of a delivery, book a collection at the Post Office or send parcels or mail. The app has been supplemented with new features such as a simplified booking model, a new profile and notice board section, a financial section for managing accounts and cards, card-less payments and withdrawals, and will gradually be completed with all the functions and services of Poste Italiane and the Group companies.



**PosteID app:** Poste Italiane's Digital Identity app (SPID - Sistema Pubblico d'Identità Digitale - Public Digital Identity System )

In 2023, the Group worked to strengthen the digital sales channel, expanding the range of products and services that can be purchased directly through the digital properties.

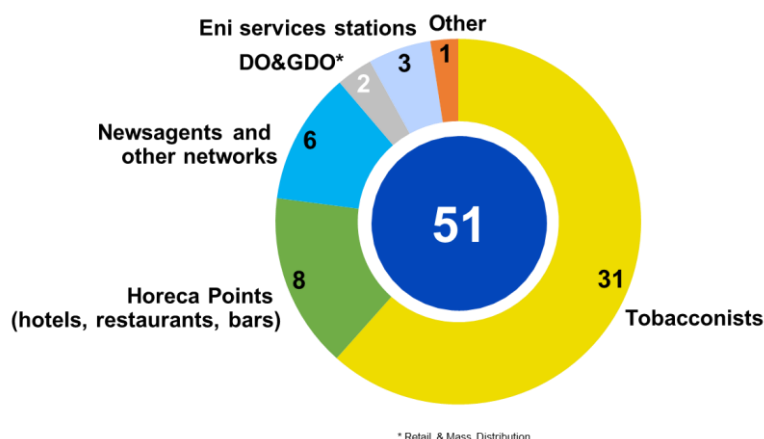


\*The value reported in the Group Results column includes downloads of the no longer available Postemobile app

\*\* On 10 October 2023, the Ufficio Postale app was renamed Poste Italiane app

#### 4.5.1.5 THIRD-PARTY PHYSICAL NETWORK

Third-party networks play a crucial role in the Group's omnichannel strategy. They have been strengthened to provide Poste Italiane customers with a valid alternative to the post offices for access to transactional services. The objective is to create a platform for the integration of the Group's products with new third-party distribution channels and to use third-party services within the Group's commercial offerings. Poste Italiane contracted an extensive network of contact points, which was further strengthened during the year 2022 with the acquisition of LIS, and possesses roughly 51 thousand contact points at 31 December 2023.

**THIRD-PARTY NETWORKS**  
(figures in thousands)

The acquisition of LIS, which took place in September 2022, made it possible to increase the operations of the omnichannel platform; in particular, the volume of business on third-party networks was expanded with the acquisition of LIS thanks to the entry into the Group's perimeter of transactions carried out on LIS points relating to products also not belonging to the Poste Italiane Group's offer.

**>15,700**  
Points for accepting and collecting parcels of the Punto Poste Network

In particular, the Poste Group's operations in the third-party network channel aim to achieve the following objectives:

- ❖ integrate and develop the commercial offer on third-party networks (e.g. telephone top-ups of other operators and other services). Following the acquisition of LIS, average daily transactions increased to around 1 million in 2023 (of which LIS accounts 80%, both with Poste Group products and others);
- ❖ extend the network of points of sale, represented both by the LIS points of sale (around 45 thousand points between tobacconists, Horeca points and newsagents) and the Punto Poste network<sup>20</sup>, DO&GDO and ENI service stations. This objective will also be pursued through the development of the recent partnership with DHL and the strengthening of the large-scale retail and petrol channels, which aim to expand the network of collect points and lockers in the next two years. During 2023, the Punto Poste network expanded by around 600 new points and includes more than 15,700 contact points at 31 December 2023 with more than 25 million deliveries and parcel acceptances in 2023 (+49% compared to 2022).

#### 4.5.2 MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

##### MACROECONOMIC ENVIRONMENT

The global economy grew at a moderate pace in 2023, continuing the normalisation process initiated after the shocks experienced in recent years. The Covid-19 pandemic crisis and later the Russian invasion of Ukraine had created supply-side imbalances in the goods, raw materials and labour markets. At the same time, extremely expansive monetary and fiscal policies had supported demand during the pandemic crisis. An inflationary surge ensued, forcing the central banks in many countries to initiate monetary tightening comparable to that of the 1980s. Monetary tightening has impacted global growth, which nevertheless remains resilient thanks to the contribution of emerging economies and, among advanced economies, especially the United States.

<sup>20</sup> The Punto Poste network consists of service points (businesses) that offer parcel pick-up and delivery services.

According to the OECD report of February 2024<sup>21</sup>, the global economy grew by 3.1% in 2023 and world GDP is expected to slow to +2.9% in 2024.

The phase of raising reference interest rates by the Federal Reserve and the ECB should essentially be over. There continues to be significant uncertainty in the international scenario, however, and new price increases cannot be ruled out if the cost of energy again becomes a risk factor, also affected by geopolitical tensions in the Middle East<sup>22</sup>.

In the **Euro area**, the level of GDP in the fourth quarter of 2023 was almost unchanged compared to the previous quarter, still stagnating<sup>23</sup>, held back by both domestic and foreign demand. Widespread signs of weakness concerned demand components: consumer confidence declined slightly in the last quarter of 2023, due to more negative expectations about the general economic situation. Although employment in the area as a whole continued to grow in the third quarter (0.2% compared to the previous quarter) and the unemployment rate remained stable at 6.5%, the most recent forward-looking indicators weakened in the second half of the year. According to the Eurosystem's expert projections published in December 2023, the area's output will accelerate to 0.8% in 2024 (from the 0.6% projected for 2023) and to 1.5% in 2025.

Regarding inflationary dynamics, in Europe, the indices net of the most volatile components continued to fall: the ECB core index (net of energy and fresh food) in December showed year-on-year growth of 3.9%, down from 4.2% in the previous month<sup>24</sup>. According to Eurosystem estimates, disinflation will also continue in 2024: consumer price dynamics in the area will decline to 2.7% in 2024, reaching 2.1% from the third quarter of 2025.

In **Italy**, after the significant volatility observed in the first part of the year, GDP<sup>25</sup> grew slightly in the third quarter thanks to an increase in household consumption, sustained by job creation, and in the fourth quarter GDP increased by 0.6% compared to the fourth quarter of 2022<sup>26</sup>. Manufacturing activity declined again at the end of the year in connection with the weak economic situation of the main trading partners and the continuing difficulties in energy-intensive industrial production, which was affected by electricity and gas prices that were still high by historical comparison. On the demand side, the substantial resilience of consumption was countered by a decline in investments, which was held back by tightening financing conditions. In December, the Ita-coin indicator<sup>27</sup> remained negative<sup>28</sup>, confirming the underlying weakness of GDP. On an annual basis, GDP growth was 0.9%<sup>29</sup> in real terms. On the domestic demand side in 2023 there was a 4.7% increase in gross fixed investments and a 1.2% increase in domestic final consumption in terms of volume. With regard to foreign flows, imports of goods and services fell by 0.5% and exports grew by 0.2%.

The purchasing power of households, after the fall in the fourth quarter of 2022, is firmly on the rise. The same dynamic was observed for the propensity to save, which, however, continues to remain below pre-Covid-19 levels<sup>30</sup>. Labour market conditions remain robust. In December 2023, compared to the previous month, the number of employed and inactive persons increased, while the number of unemployed persons decreased, bringing the unemployment rate to 7.2%.

In 2023, on average, inflation measured with the Harmonised Index of Consumer Prices (HICP) fell to +5.9%, (+8.7% in 2022), gradually decreasing to +0.5% in December 2023 compared to the same month

+0.9%

Italian GDP growth in 2023

<sup>21</sup> ECB - Macroeconomic projections December 2023 [www.ecb.europa.eu/pub/projections/html/index.en.html](http://www.ecb.europa.eu/pub/projections/html/index.en.html).

<sup>22</sup> ISTAT - Monthly report on the performance of the Italian economy - November/December 2023.

<sup>23</sup> Bank of Italy - Economic Bulletin no. 1/2024.

<sup>24</sup> ISTAT - The outlook for the Italian economy in 2023-2024.

<sup>25</sup> In the fourth quarter of 2023, the Italian economy grew by 0.2% compared to the previous quarter and by 0.5% compared to the fourth quarter of 2022. This result, whose provisional nature should be emphasised, follows the slight increase in the third quarter (+0.1%) - Source: ISTAT - Preliminary GDP Estimate - Fourth Quarter 2023, 30 January 2024.

<sup>26</sup> Source: ISTAT - Quarterly economic accounts - Q4 2023, 5 March 2024.

<sup>27</sup> A cyclical indicator of the Italian economy that provides a real-time monthly estimate of the trend-based evolution of economic activity using information from a set of variables of both a quantitative (industrial production, inflation, retail sales, trade flows, stock indices) and qualitative nature (household and business confidence, PMI indicators).

<sup>28</sup> [www.bancaditalia.it/pubblicazioni/economia-italiana-in-breve/2024/eib\\_Gennaio\\_2024\\_it.pdf](http://www.bancaditalia.it/pubblicazioni/economia-italiana-in-breve/2024/eib_Gennaio_2024_it.pdf).

<sup>29</sup> Source: ISTAT - GDP and AP debt - Years 2021-2023, 1 March 2024.

<sup>30</sup> <https://www.istat.it/it/archivio/292938/en>.

in 2022. Since October, price growth in Italy has been lower than the Eurozone average.

The ratio of general government debt to GDP improved compared to 2022, with the tax burden remaining unchanged. The reduction in interest expenditure is reflected in an improvement of the primary balance.

The **postal services market** is going through a period of radical change, primarily linked to the digital transformation, which has influenced the volume of letters and parcels in circulation. The continuing structural decline in traditional mail volumes, replaced by digital forms of communication (e-mail, instant messaging, etc.), is accompanied by an increase in the volume of parcels sent.

In particular, for the mail segment, the structural downturn in the market continued in 2022 and there was a significant decrease in shipments (-5.2% compared to 2021), as an inevitable consequence of digitisation processes and the transition from physical to electronic forms of communication (e-substitution). In 2023, the decline in market volumes is confirmed (-5% compared to 2022), although slowing down compared to the pre-pandemic period, against substantial stability in value (+0.03% compared to 2022)<sup>31</sup>.

The parcel sector, after its exponential increase in the pandemic years, experienced a period of uncertainty in 2022 that did not, however, affect the value of the market.

The effects that conditioned the slowdown of the growth trend recorded in 2022 can be summarised as the generalised increase in costs with the consequent decrease in consumer purchasing power, and the lower propensity for private purchases (including on-line).

For the year 2022<sup>32</sup>, the market value was higher than in 2021, but still below pre-pandemic levels.

In 2023, the value of the parcel market is expected to grow, mainly due to the positive trend in e-commerce. According to the latest estimates<sup>33</sup> for the current year, on-line product purchases are showing signs of recovery with a value of €35 billion, up 8% compared to 2022 (but largely suffering from the effects of inflation) and with annual growth in absolute terms returning to the standard level of the pre-pandemic period.

Beauty is the most dynamic sector in 2023 with a higher annual growth rate in terms of value (+11%) than the average rate of product e-commerce purchases; Computers & Electronics and Publishing show an increase in value in line with the average (+8%), while the growth in purchases of Clothing and Furnishing & Home Living is positive but more contained (+7%); Food & Grocery, which in 2022 was the most dynamic sector with an annual trend of +15% shows a slight contraction (-0.5%) in 2023.

The **logistics market** in Italy is seeing steady growth in the outsourcing of logistics services by industrial and commercial operators to specialised entities (outsourcers) capable of covering the entire value chain.

In particular, the market for Integrated Logistics Services in 2021<sup>34</sup> was worth around €12 billion, up 16% on the previous year, thanks in part to the increase in international transport flows, which has resumed at a faster pace than in the pre-pandemic years: growth of +7% is estimated for 2022<sup>35</sup> and +5% for 2023. Further growth is expected in the future, albeit at a more moderate pace.

The market, although very competitive, is relatively unconcentrated. However, some concentration phenomena have taken hold, typically stimulated by major industrial players seeking integration synergies between different stages of the supply chain.

## REGULATORY CONTEXT AND EVOLUTION OF THE REGULATORY SCENARIO

<sup>31</sup> Internal calculations based on AGCom data (quarterly observatories and annual report 2023) and the latest available financial statements of companies operating in the postal sector, including Poste Italiane.

<sup>32</sup> Internal calculations on Cerved Databank data.

<sup>33</sup> Source: Politecnico di Milano, B2C eCommerce Observatory - October 2023.

<sup>34</sup> Source: Polimi Contract Logistics Observatory - 2023 Edition - Reference to the Logistics Operators Market.

<sup>35</sup> Source: Internal estimate on drivers - Polimi Contract Logistics Observatory - 2023 Edition, Cerved Operatori Logistici - December 2023.

Expense of the  
Universal Postal  
Service

On 30 December 2019, Poste Italiane and the Ministry of Economic Development signed the Contratto di Programma (Service Contract) for the years 2020-2024; it is effective from 1 January 2020 to 31 December 2024.

On 1 December 2020, the European Commission approved the compensation for public service obligations provided for in the 2020-2024 Service Contract in the amount of €262 million per year. The compensation system for the public service obligations undertaken by the Company was deemed to be fully compliant with the applicable EU rules on State aid.

The Regional Administrative Court, in ruling no. 11416/2022 published on 5 September 2022, partially upheld the appeal on the verification of the cost for the years 2011-2012<sup>36</sup>, with reference to the non-activation of the compensation fund for the year 2011. Poste Italiane and AGCom appealed the Regional Administrative Court ruling to the Council of State and the hearing on the merits was held 18 May 2023. Poste Italiane, AGCom and A.I.C.A.I. (Italian Association of International Air Couriers) lodged separate appeals with the Council of State against the Regional Administrative Court ruling. The appeal judgements were joined. By ruling no. 9021 of 17 October 2023, the Council of State annulled the first instance ruling for breach of cross-examination. Poste Italiane promptly resumed the case before the Lazio Regional Administrative Court, supplementing the cross-examination by public notice. The setting of the hearing is awaited.

With AGCom Resolution 28/23/CONS, published on 24 February 2023, the Authority initiated the verification procedure for calculating the net cost of the universal postal service for the years 2020 and 2021. With AGCom Resolution 322/23/CONS, published on 22 December 2023, the Authority initiated the public consultation and Poste Italiane provided its comments within the established deadline.

On 14 March 2024, AGCom Resolution 62/24/CONS was published, concluding the procedure to verify the net cost of the universal postal service incurred by Poste Italiane for the years 2020 and 2021. In particular, the cost of the universal postal service for these years has been quantified at €585 and €480 million respectively. The Authority also established that the universal service cost for the years 2020 and 2021 is inequitable and that, for the same years, unlike what was established in previous years, the necessary proceedings will be initiated for the assessment of the feed-in to the Compensation Fund referred to in article 10 of Legislative Decree no. 261/1999.

Publisher tariff  
subsidies

Law Decree no. 162 of 30 December 2019 - as converted by Law no. 8 of 28 February 2020 - ordered that reimbursements of publisher tariff subsidies to Poste Italiane continue "for a duration equal to that of the universal postal service engagement" (i.e. until April 2026). The application of the regulation is subject to approval by the European Commission.

In July 2023, the procedure was initiated for notification of the Service of General Economic Interest (SGEI) to the European Commission for the period 2020-2026, currently being finalised.

<sup>36</sup>AGCom Resolution 412/14/CONS regarding "Assessment of the net cost of the universal postal service for 2011 and 2012" was published on 31 July 2014. In addition to acknowledging that the cost is unfair, the Resolution quantified the cost of providing the Universal Postal Service in 2011 and 2012, respectively, as €381 million and €327 million for fees originally recognised by Poste Italiane for €357 and €350 million respectively. The Authority also ruled that no Compensation Fund was established for the year 2011. Poste Italiane has appealed this measure to the Lazio Regional Administrative Court on 13 November 2014.

The 2022 Budget Law (Law no. 234 of 30 December 2021) defined the allocations for the years 2022, 2023 and 2024, amounting to €52.5 million per year.

The 2023 Budget Law (Law no. 197 of 30 December 2022) stipulated that the reimbursement of publishing postal subsidies would be made through the resources of the Fund for Pluralism and Innovation in Information. To this end, the Fund was supplemented with the amount of €75.9 million for the year 2023 and €55 million as of 2024, instead of the amounts provided for in the previous Budget Law.

AGCom - the  
Italian  
Communications  
Authority -  
Tariff Manoeuvre

With AGCom Resolution 454/22/CONS of 30 December 2022, the new universal basic tariffs of the subsidised publishing products included in the Universal Service were defined. The Resolution provided for a gradual increase in basic tariffs as of 1 September 2022, with further increases as from 1 January 2024, 2025 and 2026, with no impact on the subsidised tariffs paid by senders and with a consequent increase in the compensation received by Poste Italiane per item sent at the subsidised tariff.

With AGCom Resolution 171/22/CONS "Final measure for the analysis of the market for mail delivery services and determination of the maximum tariffs for universal postal services - assessment of the level of competition and definition of regulatory remedies" of 6 June 2022, the new tariffs for the Universal Service were defined; the Resolution accepts most of the proposals formulated by the Company regarding tariff variations, including the proposal to eliminate the ban on price increases up to 2024 proposed by AGCom during the public consultation; further future variations may therefore be proposed to the Authority. The new tariffs entered into force progressively as from 27 June 2022.

With Resolution 29/23/CONS, published on 14 February 2023, the Authority decided to initiate a further procedure for the determination of new maximum tariffs for universal postal services and with Resolution 95/23/CONS of 2 May 2023, it initiated the public consultation lasting 30 days; Poste Italiane submitted its comments for public consultation. On 27 June 2023, with Resolution 160/23/CONS, the new universal service tariffs were defined, which Poste Italiane implemented in two stages: the first in force from 24 July 2023 and the second from 18 December 2023.

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Communications  
Authority -  
Access Obligations

With Resolution 171/22/CONS, AGCom amended and supplemented the access obligations defined by the AGCM in the context of the acquisition of Nexive. With AGCom Resolution 30/23/CONS, published on 22 February 2023, the Authority approved Poste Italiane's offers for wholesale access services.

In compliance with regulatory requirements, Poste Italiane published the access offers on its website on 24 March 2023. These offers came into force on 1 May 2023. At the Authority's request, on 31 July 2023, Poste Italiane published its proposed changes to the access offers for the year 2024.

With AGCom Resolution 235/23/Cons of 27 September 2023, the approval and public consultation procedure concerning Poste Italiane offers of wholesale access services for the year 2024 was initiated, pursuant to Resolution no. 171/22/CONS.

With Resolution 302/23/CONS published on 15 December 2023, the Authority accepted all of the increases in postage rates requested by Poste Italiane for all wholesale access service offers for the year 2024. Proposals for increases applicable in the case of failure to achieve specific minimum volumes and non-compliant mailings were only partially accepted. The offers, thus amended, have been published on Poste Italiane's website and are effective as of 1 January 2024, with effects also concerning those already contracted.

AGCom - the  
Italian  
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Authority -  
Items from other  
operators found in  
the Poste Italiane  
network

With Resolution 269/23/CONS of 22 November 2023, AGcom initiated the procedure and public consultation on the legal and economic conditions for returning mail entrusted to a postal operator and found in the networks of other postal operators.

With Resolution 45/24/CONS, the Authority approved the new conditions of the return service, introducing the following changes (i) frequency of notification of retrievals extended to 15 days, instead of the current 7 days; (ii) deferred payment of the service, subject to verification of the returned items; (iii) in the event of non-collection, return of items in a forced manner by sending them to the operator's premises; (iv) the obligation to affix appropriate instructions on the mailboxes of all operators on the items allowed, both in written and graphic form.

Replicability of  
offers

On 19 September 2022, AGCom initiated, with Resolution 309/22/CONS, the preliminary proceedings relating to the revision of the replicability test, i.e. the test that Poste Italiane is required to carry out before submitting all mail offers (submitted in public and private tenders) worth more than €500,000 and to notify the Authority within the next 30 days, demonstrating that the Company's offer is "replicable" by a hypothetical efficient competitor.

With AGCom Resolution 236/23/CONS of 27 September 2023, the Authority concluded the proceedings on the updating of the criteria for verifying the replicability of Poste Italiane's offers by extending the perimeter of the offers subject to verification from €500,000 per year to €500,000 in total and by including the verification of offers relating to judicial documents. The new provisions entered into force 30 days after the date of publication.

**Digital notification  
of PA documents****New platform**

Law Decree no. 76 of 16 July 2020 (Simplifications), converted into Law no. 120 of 11 September 2020, by means of Article 26, as amended, regulates the implementation of the platform for the digital notification of public administration acts. The operator of the platform will be the company PagoPA, which may entrust its implementation, in whole or in part, to Poste Italiane as Universal Service Provider.

The technical and operational modalities for the operation of the platform were defined by Decree no. 58 of 8 February 2022 of the Ministry for Technological Innovation and Digital Transition, published in Official Journal no. 130 of 6 June 2022.

The costs, criteria and modalities for the distribution and reimbursement of the costs for the service of documents via the platform referred to in Art. 26, paragraph 14 of Law Decree no. 76 of 16 July 2020 were identified by the Decree of 30 May 2022 of the Ministry for Technological Innovation and Digital Transition, published in Official Journal General Series no. 180 of 3 August 2022. The decree states that the amount of the costs of notification for the addressee of the document served is set at €2.00 for each notification effected via the platform. A portion of the amount, to be negotiated with PagoPA, will be paid to Poste Italiane as the platform provider. There is also an additional charge of €1.40 to Poste Italiane as universal service provider in cases of delivery of the hard copy of the documents to be served.

The Agreement with PagoPA governing the scope of services, responsibilities and economic remuneration for the developments and services required from Poste Italiane for the implementation of the Platform is currently being finalised. In the meantime, the platform was made operational by PagoPA with the currently available functionalities.

**AGCM - the Italian  
Antitrust Authority -  
Obligations of  
Nexive Group Srl**

As part of the acquisition of Nexive, finalised in January 2021, in December 2023, Poste Italiane sent its annual report on compliance with the behavioural measures prescribed by the AGCM.

**AGCom - the Italian  
Communications  
Authority -  
Revision of special  
licence regulation**

In August 2022, AGCom initiated proceedings for the revision of Resolution 77/18/CONS on the issuance of licences to perform the service of notification of judicial documents and traffic violations by post. On 13 April 2023, the Authority published the final Resolution on the amendments to the Regulation<sup>37</sup> confirming the substantial structure of the Regulation in its qualifying features, although it made some changes aimed at fostering competition in the notification market (e.g. the abolition of the exclusivity clause between the parent operator and operators forming part of its permanent organisation, the reduction of the minimum number of employees and training hours). The Resolution confirmed the prohibition of reposting, i.e. the entrusting of volumes of judicial documents to Poste Italiane by the successful bidders, and maintained the division of licences into two types (one all-inclusive for judicial documents and traffic violations and another for traffic violations only). The specifications of the procedures for issuing special individual licences with the new requirements set out in the AGCom Resolution were also published on the website of the Ministry of Enterprise and Made in Italy.

<sup>37</sup> Regulations on the issuance of licences to carry out the service of judicial documents and related communications by post (Law no. 890 of 20 November 1982) and traffic violations (Article 201 of Legislative Decree no. no. 285 of 30 April 1992).



AGCom - the Italian  
Communications  
Authority -  
Postal Compensation  
Regulation

With Resolution 323/23/CONS of 20 December 2023, AGCom issued, following public consultation among stakeholders, a Compensation Regulation for the protection of users in the postal sector. The Regulation applies to all providers and users of the postal service and defines the criteria for calculating the compensation to be applied by the Authority in proceedings to settle disputes between postal operators and users. The Regulation entered into force on 28 December 2023.

AGCom - the  
Italian  
Communications  
Authority -  
Mailboxes

With Resolution no. 308/22/CONS of 27 September 2022, AGCom redefined the criteria for the distribution of mailboxes, adopting, in particular, that of the distance to the nearest box by percentage of the resident population. In relation to the Implementation Plan transmitted by Poste Italiane on 29 November 2022, and to the subsequent discussions that took place, in a report dated 30 March 2023 the Authority stated that it had examined the elements transmitted and taken note of the timetable and the time-frame illustrated by the Company to fully implement the provisions of the aforementioned resolution (within the next two years). The Company is required to send a report on the progressive implementation of the Plan every six months. The first half-year report was sent on 6 November 2023.

AGCom - the  
Italian  
Communications  
Authority  
Licences for offering  
postal services to the  
public

On 10 January 2024, the Authority initiated proceedings (no. 2/24/CONS) concerning the revision of the regulation on licences for the public offering of postal services. The time limit for the proceedings is set at 180 days.

## OTHER INFORMATION

Energy supply  
distribution  
through the post  
office network

With a measure adopted at the meeting of 30 January 2024 and notified to Poste Italiane on 7 February 2024, AGCM initiated an investigation procedure against the Company in order to ascertain the existence of a possible breach of Article 8, paragraph 2-quater, of Law no. 287/1990. At the same time, the Authority initiated proceedings to verify the actual existence of the requirements for the adoption of precautionary measures pursuant to Article 14-bis of the same law. Specifically, the Authority observed that Poste Italiane, through its subsidiary PostePay SpA, is active in the electricity and gas supply sector, and allegedly denied two of the latter's competing companies access, pursuant to Article 8, paragraph 2-quater of Law no. 287/90, to the resources made available to PostePay, of which it has exclusive use in connection with its activities within the perimeter of the postal universal service. The Authority also ordered inspections, which were held on 7 February 2024, and set the conclusion of the proceedings at 19 July 2024, granting Poste a period of seven days to file pleadings and documents relating to the precautionary proceedings. On 14 February 2024, the Company filed its memorandum in the precautionary proceedings, contesting the Authority's approach and, in particular, the disapplication of the provisions of Article 1, paragraph 6 of Law Decree

no. 59/2021, as amended and supplemented, exempting Poste from the application of Article 8, paragraph 2-quater, of Law no. 287/1990 until 31 December 2026.

#### IRES Credit

On 5 July 2023, the ruling of the Court of Cassation in the case pursuant to Law Decree no. 201/2011 was published, in which the most relevant grounds of Poste Italiane's appeal were upheld concerning the starting date of the accrual of interest on the IRES receivable arising from the failure to deduct personnel expenses for IRAP purposes. As a result of this ruling, the case will have to be resumed before the Tax Court of Second Instance to settle the amount of interest actually due to the Group. The judgement concerning Law Decree no. 185/2008 is still pending before the Supreme Court of Cassation. For further details, please refer to the chapter "Proceedings pending and principal relations with the Authorities" and note A9 - Other receivables and assets of the consolidated financial statements, in the section "Poste Italiane's Financial Statements".

#### The Italian Data Protection Authority

In August 2023, the IT continuous monitoring units detected anomalies on the systems of the subsidiary Postel SpA and identified an event of compromise of some Domain Controllers, made possible through the use of various malware and the activation of a malicious code used to encrypt computers (ransomware). The execution of the ransomware, claimed by a cyber criminal group, disrupted the operation of some servers and several workstations spread across the country. Based on the provisions of the "Data Breach Management" procedure governing the activities of detecting, notifying and communicating personal data breaches in accordance with the provisions of EU Regulation 2016/679 (GDPR), the GDPR Team was convened and, within the timeframe set out in Articles 33 and 34 of the GDPR, the Company notified the Privacy Guarantor and all relevant stakeholders.

On 15 December 2023, the Garante per la Protezione dei Dati Personali (GPDP), considering that the elements acquired in the course of the preliminary investigations, initiated following the notification of the Data Breach, may constitute one or more of the violations indicated in Article 83 of the GDPR, notified the Company of the commencement of the proceedings for the adoption of the measures and sanctions referred to in said Article 83, pointing out that Postel could be subject to the sanctions provided for therein.

On 12 January 2024, the Company filed its defence briefs and was heard at a hearing on 31 January 2024.





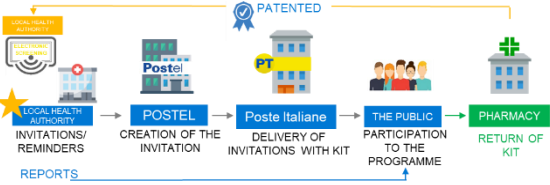



At present, the conclusion of the proceedings is pending.

For the main pending proceedings and relations with the Authorities, please refer to the chapter "Proceedings pending and principal relations with the Authorities" in the section "Poste Italiane's Financial Statements".

## OPERATING REVIEW

Also in 2023, the Group continued with the process of reorganising its transport, sorting, delivery activities and improving the customer experience, in line with the long-term objectives outlined in the Strategic Plan, such as increasing efficiency, flexibility and quality in order to seize the opportunities arising from the development of e-commerce.

The following table shows the main activities of the Mail, Parcels and Distribution Strategic Business Unit for the period.

SEGMENT	OPERATING REVIEW	PILLAR
Parcels/ Logistics	<p>In March 2023, the partnership between MLK Deliveries SpA and the company Mazzocco S.r.l was finalised, to enable the logistics operator for <b>controlled temperature transport</b><sup>38</sup>, in order to build a unique offer<sup>39</sup> dedicated mainly to Italian food and wine SMEs. During the year, a pilot delivery chain was launched in major Italian cities<sup>40</sup>.</p>  <p>In January 2024, the joint venture <b>MLK Fresh</b> was established between the two companies and the new product <b>PosteGoFresh</b> was launched.</p> 	
	<p>With a view to the continuous development of the offer and business, there was continued marketing of the new Offer of <b>Integrated Logistics</b>, which began in 2022 and aims to position Poste Italiane as a Logistics Solution Provider<sup>41</sup> in the <b>Integrated Logistics</b> market and, since April 2023, the new Logistics Hub in Vidigulfo (Pavia) has been in operation. With a surface area of 62,000 sqm and 74,000 pallet spaces, it is the largest of the Poste Italiane's warehouses. The site handles the order of an important customer who has entrusted the Group with the entire activity of storage, order picking and distribution of its products for its shops located in Central-Northern Italy.</p>	
	<p>At the end of July 2023, the Poste Italiane new offer dedicated to <b>cancer prevention campaigns</b>, organised by local health authorities and hospitals in order to increase their participation, was launched on an experimental basis. The initiative offers the possibility of home collection of diagnostic samples self-collected by citizens participating in screening campaigns and their return to the relevant ASL laboratory.</p> 	
Mail	<p>On 27 June 2023, the <b>new universal service tariffs</b> were defined by AGCom Resolution 160/23/CONS, which came into force on 24 July 2023. On 18 December 2023, the second phase of the tariff manoeuvre for domestic and international mail and notification services came into force. In particular, the price lists of services/products other than retail, within the scope of the Universal Service, were aligned with the maximum tariffs approved by AGCom Resolution.</p> <p>On 5 December 2023, the <b>new prices for wholesale</b> access offers to the delivery network and post office network for the year 2024 (effective 1 January 2024) were defined<sup>42</sup>.</p> <p>During 2023, prices were revised and annual volume brackets introduced for each type of <b>P.O. box</b> in order to improve the operational management of the service within the post office. The new prices and specifications take effect on 1 January 2024.</p> <p>For more information, please refer to the section "Regulatory context and evolution of the regulatory scenario" of the Mail, Parcels and Distribution SBU.</p>	
	<p>As of January 2023, the new product <b>Atto Giudiziario Market Veloce</b><sup>43</sup> was launched. The service replicates all the features and functionalities of the Judicial Document Market (tracking, notification and reporting) with improved service levels and dedicated forms.</p>	

<sup>38</sup> A mode of transport that involves maintaining a constant temperature inside the vehicle - whether hot or cold - whatever the outside temperature.

<sup>39</sup> The offer includes the combination of logistics assets, such as logistics distribution platforms and a temperature-controlled last mile fleet, with scheduled delivery solutions. The alliance between the two companies combines the technology of MLK Deliveries, which will receive customer bookings for scheduled deliveries, with the Mazzocco cold logistics platform.

<sup>40</sup> At 31 December 2023, the provinces where the service is active are: Turin, Milan, Bergamo, Brescia, Pavia, Mantua, Cremona, Verona, Vicenza, Padua, Parma, Bologna, Modena, Reggio Emilia, Florence, Prato, Pistoia, Livorno, Rome, Empoli, Piacenza. In early 2024, the service was also extended to the cities of Genoa and Pisa.

<sup>41</sup> Single logistics provider able to offer services covering the entire customer supply chain, from warehousing to distribution to the final recipient.

<sup>42</sup> AGCom Decision 302/23/CONS.

<sup>43</sup> Judicial Document Market Veloce is used for the notification of traffic violations and administrative acts (e.g. for acts relating to taxes).

Since May 2023, the <b>Online Judicial Document</b> has been available, through which the judicial document can be sent via the Postaonline <sup>44</sup> solution at any time directly from customers' management software.	
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### 4.5.3 FINANCIAL SERVICES STRATEGIC BUSINESS UNIT

#### MARKET CONTEXT

##### Financial markets

The year 2023 started with a bullish phase in the equity segment that continued throughout January due to the less aggressive policies of central banks, resulting in lower long-term rates. Already in February, this bullish phase began to fade, mainly due to the more aggressive tones used by some central bankers on account of inflation, which, although declining, is still expected to remain at high levels. Tensions in the European banking sector in March were exacerbated by the financial collapse of Silicon Valley Bank, the bankruptcy of Signature Bank, and the financial crisis of Credit Suisse, which was acquired by UBS. The swift and incisive reaction of the monetary authorities seems to have stabilised the situation, and the solid performance of the stock market was boosted by a higher risk appetite of investors, attributable to expectations of less restrictive monetary policies in the major economies.

During 2023, equity markets overcame the correction recorded in August brought about by investors' concerns about the deterioration of economic growth caused by the significant rise in interest rates, registering strongly positive performances<sup>45</sup>: the MSCI World index recorded growth in both developed market countries and emerging countries of 21.77% and 7.04% respectively. In the United States, the S&P 500 index ended the year up 24.23%, thanks mainly to technology stocks, which made the difference; in fact, the Nasdaq 100, the US technology index, was up 53.8% at the end of the year. In 2023, the FTSE MIB recorded the best performance in Europe with a growth of 28.03%.

The credit market, after a start of the year characterised by a significant tightening of spreads, experienced a sharp turnaround at the beginning of March. The crisis of the US regional banks and the bankruptcy of Credit Suisse led to a repricing on the entire credit market, particularly for the banking sector, bringing spreads well above year-end values. In the summer months, the European and US corporate markets suffered from both rising benchmark rates and widening spreads, of a larger magnitude on the High Yield segment, in tandem with deteriorating economic growth. Since the end of October, the credit market in Europe and the United States has been moving towards a period of lowering rates, leading to important performances<sup>46</sup> on the value of securities at the end of the year: the Investment Grade index achieved a positive change of 8.1% in the US, and 7.4% in Europe since the beginning of the year, while the High Yield index increased by +11.2%.

As regards the Italian BTP, 2023 started with rates and spreads characterised by quite high levels (10-year BTP around 4.70% and BTP-Bund spread around 215 bps)<sup>47</sup> on the widening trend that had affected the latter part of 2022. However, already in the first few days of the year, the trend reversed and there was a gradual narrowing, which led to the levels of the Italian 10-year BTP and the spread touching quarterly lows around mid-January (10-year BTP around 3.75% and BTP-Bund spread around 170 bps)<sup>48</sup> and then closing the first quarter with a marginal widening (10-year BTP around 4.1% and BTP-Bund spread around 185 bps)<sup>49</sup>. In the second quarter, both the yields on the Italian ten-year bond and the BTP-Bund spread fell further to 4.07% and 167 bps respectively on 30 June 2023<sup>50</sup>. In the third quarter, the actions of the central

<sup>44</sup> The service is provided in accordance with Law no. 890 of 20 November 1982 "Notification of documents by post and communications by post connected with the notification of judicial documents".

<sup>45</sup> Source: Refinitiv.

<sup>46</sup> Source: Bloomberg.

<sup>47</sup> Source: Refinitiv.

<sup>48</sup> Source: Refinitiv.

<sup>49</sup> Source: Refinitiv.

<sup>50</sup> <https://www.borse.it/articolo/ultime-notizie/chiusura-borse-oggi-30-giugno-2023#indici-europa-e-italia>.

banks led to a generalised rise in yields, with the yield on the 10-year BTP reaching 4.8% at the end of September, while the BTP-Bund spread remained around 190 bps<sup>51</sup>.

At the end of the year, the yield on the 10-year BTP declined substantially, compared to the same period in 2022, to 3.7%; this change was mainly due to the decline in risk-free rates in the major advanced economies, driven by expectations of a less restrictive monetary policy stance in 2024 and the decrease in uncertainty in the government bond market. At the same time, the BTP-Bund spread also narrowed significantly, settling at 165 bps<sup>52</sup>, benefiting from lower interest expenses on government debt due to the prospective fall in long-term yields, as well as from the favourable ratings on Italian debt issue by the major rating agencies.

Below is a table that represents the precise returns expressed in percentage terms at the end of the period for BTP government bonds and Interest Rate Swaps<sup>53</sup>.

	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec 2023
BTP 10Y	4.72	4.10	4.07	4.78	3.70
SWAP 10Y	3.20	2.96	3.02	3.39	2.49
BTP 15Y	4.75	4.36	4.26	5.04	4.05
SWAP 15Y	3.14	2.96	2.96	3.43	2.56
BTP 30Y	4.79	4.32	4.44	5.25	4.37
SWAP 30Y	2.53	2.50	2.54	3.09	2.33

The following graph shows the trend of the 10-year BTP- Swaps spread in recent years with the values recorded up to 31 December 2023.



### Banking system

Based on available estimates provided by the Italian Banking Association (ABI)<sup>54</sup>, at the end December 2023, customer deposits of all banks in Italy, represented by deposits from resident customers (current accounts, certificates of deposit and repurchase agreements) and bonds, decreased by 1.5% on an annual basis, settling at approximately €2,028 billion (€-31 billion compared to the previous year).

<sup>51</sup> Source: Refinitiv.

<sup>52</sup> Source: Bloomberg.

<sup>53</sup> Source: Bloomberg.

<sup>54</sup> Source: ABI, Monthly Outlook – January 2024.

This trend reflected a significant reduction in deposits from resident customers of around €71 billion (-3.8% y/y), partially offset by a recovery of around €40 billion in bond deposits (+19.1% y/y).

In December 2023, the average cost of bank funding (which includes the return on deposits, bonds and repos from households and non-financial companies) was around 1.16% (0.61% at 31 December 2022).

Bank loans to Italian residents (private sector plus general government net of repos with central counterparties) amounted to approximately €1,670 billion in December 2023, a year-on-year decrease of 3.9%. Loans to households and non-financial companies amounted to €1,296 billion, registering a negative annual change of 2.2%. The decline in volumes is consistent with the slowdown in economic growth, which is depressing the demand for loans: in December 2023, the volume of loans to businesses and households fell by 2.2 % year-on-year.

### Asset Management

Assogestioni data show, at 31 December 2023<sup>55</sup>, total assets of €2,338 billion, up 5.8% on the €2,210 billion at the end of 2022.

With regard to portfolio management, assets amounted to approximately €1,095 billion, up 4.3% from €1,050 billion at 31 December 2022. With regard to Collective asset management, assets went from about €1,160 billion at the end of December 2022 to around €1,243 billion at the end December 2023

(+7.1%). With regard to open-ended investment funds alone, client assets stood at around €1,149 billion at the end December 2023, up 6.9% from roughly €1,075 billion at the end of December 2022.

In terms of net inflows, the asset management industry recorded a negative balance in 2023 of approximately €49.6 billion (compared to a positive balance of €12.9 billion in 2022).

€2,338  
billion

total equity in Italian managed  
asset in 2023

### REGULATORY CONTEXT

Below are the main regulatory initiatives updated in 2023.

#### Bank of Italy

Circular no. 285 of  
17 December 2013

On 31 August 2023, BancoPosta, with reference to the 40th update<sup>56</sup> (of 2 November 2022) of the Circular, submitted a report to the Bank of Italy describing the actions taken in order to comply with the regulatory changes introduced.

On 30 March 2023, the Bank of Italy published the 42nd update of Circular no. 285 of 17 December 2013 concerning the provisions on "Covered Bank Bonds"<sup>57</sup>; this update has no substantial impact on BancoPosta's business.

In December 2023, the Authority published two new updates to the Circular:

- ✓ 43rd update of 5 December 2023, which refers to "Large Exposures" with reference to financial conglomerates<sup>58</sup> and does not have any particular impact on BancoPosta;
- ✓ 44th update of 19 December 2023, which is of particular interest to BancoPosta and is being

<sup>55</sup> Assogestioni, Quarterly Map, published on 20 February 2024.

<sup>56</sup> The new rules mainly require banks to set up a second-level control function for the management and control of ICT and security risks. Specific provisions have also been introduced for contracts with third parties; BancoPosta has completed the updating of existing contracts and is currently reviewing the relevant internal company regulations.

<sup>57</sup> A supervisory regime for covered bank bond (OBG) issuance programmes is established that requires prior authorisation by the Bank of Italy for the launch of new issuance programmes.

<sup>58</sup> These amendments now allow banks that are members of financial conglomerates (financial conglomerates are groups of firms, which are active to a significant degree in the insurance and banking or investment services sectors, include at least one insurance firm and one banking or investment services firm, and are either headed up by a regulated entity or are principally engaged in activities in the financial sector) to exclude from the calculation of large exposure limits those exposures, including in the form of investments, to other entities in their conglomerate that are included in the scope of supplementary supervision in accordance with Directive 2002/87/EC (Financial Conglomerates Directive). Source: Bank of Italy.

verified by the relevant functions. In fact, this update concerns the transposition into national law of the changes defined at European level regarding interest rate risk and credit spread on the banking book (IRRBB<sup>59</sup> and CSRBB<sup>60</sup> respectively). Specifically, the provisions of Articles 84 and 98 of Directive 2019/878/EU (Capital Requirements Directive V - CRD V) are transposed. They relate to:

- the simplified standardised methodology for measuring interest rate risk for the banking book;
- criteria for the identification, assessment, management and mitigation of interest rate risk for the banking book;
- the criteria for assessing and monitoring credit spread risk for the banking book and the regulatory technical standards with regard to supervisory tests for outliers.

**Bank of Italy**  
Other circulars on  
supervisory reporting


On 28 November 2023, the Bank of Italy published the 17th update of Circular no. 272 of 30 July 2008, which introduces new information requirements in supervisory reporting, and the 76th update of Circular no. 154 of 22 November 1991, which amends the supervisory reporting formats. BancoPosta is pressing ahead with the necessary updates.

<sup>59</sup> The Interest Rate Risk for instruments in the Banking Book (IRRBB) is the risk arising from interest rate fluctuations over time and can affect the value of banking assets and liabilities due to differences in their interest rates and maturities.

<sup>60</sup> The Credit Spread Risk in the Banking Book (CSRBB) concerns the risk related to changes in credit spreads on financial instruments held in the institutions' portfolio. Credit spreads represent the difference between the yield of a financial instrument and the yield of a risk-free security with the same maturity.

**Delegated  
Regulation (EU)  
2022/2360****Strong Customer  
Authentication (SCA)**

Following consultation on 5 December 2022, Commission Delegated Regulation (EU) 2022/2360 of 3 August 2022 amending Delegated Regulation (EU) 2018/389 with regard to strong customer authentication and common and secure open standards of communication was published in the Official Journal of the European Union.

The innovations introduced concern, on the one hand, the exemption, under certain conditions, from the obligation of strong authentication (Strong Customer Authentication – SCA ) of the customer for the specific case in which access to the data takes place through an Account Information Service Provider<sup>61</sup> and, on the other hand, that strong customer authentication must be renewed after 180 days from the last time the user had on-line access to information relating to payment account data and strong authentication was applied.

BancoPosta has finalised the appropriate adaptation activities on the CBI Globe - Global Open Banking Ecosystem platform usable by Third Parties<sup>62</sup>, as well as on the systems of the external provider Tink with regard to the BancoPosta Open service<sup>63</sup>.

**ESG  
Investment  
Services Disclosure**

With reference to ESG regulations in the area of investment services, Delegated Regulation (EU) 2022/1288 came into force on 1 January 2023, related to the disclosure obligations for financial operators on sustainability issues in pre-contractual/contractual documents and periodic product reports and websites.

The website pages dedicated to sustainability have been further updated: by way of example, the definition of an eco-sustainable investment and the reference regulatory framework have been introduced, and the list of products offered with sustainability features has been updated to highlight that the Company, in providing the consultancy service, takes into account the main effects of the sustainability factors in line with the methodologies declared by the companies issuing the financial/insurance products.


**ESMA  
Sustainability in  
product  
governance and  
internal reporting**

The enactment of EU sustainability legislation has had an impact on the regulatory framework of MiFID II, which has been amended to take sustainability factors into account in the processes concerning the provision of investment services with particular reference both to the provision of the financial advice service and the related organisational requirements for authorised intermediaries (Delegated Regulation (EU) 2017/565 hence the update by ESMA of the Final Report "Guidelines on certain aspects of the MiFID II suitability requirements" in September 2022), and with reference to the product governance process (Delegated Directive (EU) 2017/593).


<sup>61</sup> Account Information Service Providers (AISP) are financial institutions that have been given access to information about consumers' accounts (with their explicit consent) by their banks.

<sup>62</sup> Third parties are the following entities provided for and regulated by the European PSD2 Directive:

AISP (Account Information Service Providers), which allow the user, the holder of online-accessible payment accounts held with several payment service providers, to obtain an aggregated view of their accounts;

the PISP  (Payment Initiation Service Providers) which allow, with the customer's express authorisation, a payment order to be initiated from an account that the user holds with another payment service provider;

CISP (Card Issuers Service Providers) that issue payment cards settled on a payment account accessible online at another institution and verify with the latter the availability of the funds involved in the transaction.

<sup>63</sup> BancoPosta Open is the open banking  service which allows users to obtain information, directly from the BancoPosta app, on payment accounts held with other payment service providers and to place payment orders on payment accounts held with other payment service providers.



With regard to the latter, the ESMA Final Report<sup>64</sup> "Guidelines on MiFID II product governance requirements" was published on 27 March 2023, with the aim of revising the same 2017 Guidelines in order to integrate sustainability objectives into the forecasts regarding the identification of the reference market by both producers and distributors of financial instruments and structured deposits<sup>65</sup>. The forecasts in the Final Report confirm the Group's alignment with the regulatory framework on sustainability with respect to what is being implemented with reference to the product governance process and the models used to exchange information related to product sustainability with the Group companies<sup>66</sup> that produce investment and insurance products (producers).

ESMA has set the same application date (October 2023) for both Guidelines. The initiatives were implemented in February 2024.

### Bank of Italy Revolving Credit

In April 2023, the Bank of Italy published a document containing supervisory guidelines on "revolving"<sup>67</sup> credit, a form of financing, also associated with credit cards, characterised by high flexibility of use for the customer. The document contains a series of guidelines aimed at drawing the attention of intermediaries to the main problems in customer relations and thus at promoting rule-compliant and correct behaviour towards consumers "Good Practices"), making provision where necessary for the identification of adaptation plans by the end of the year. BancoPosta, together with the financing Partners, have therefore concluded the impact analysis regarding the products falling within the scope of the aforementioned guideline and directly applicable to BancoPosta as a distributor, as well as defined the appropriate actions that will be implemented once the specifications have been received from certain Partners.

### ANAC Guidelines on Whistleblowing

In March 2023, Legislative Decree no. 24 of 2023 was approved, repealing the existing national regulations on Whistleblowing, which encompasses in a single regulatory text - for the public sector and the private sector - the protection regime for individuals who report unlawful conduct of which they have become aware in a work context. In July 2023, ANAC published the new Guidelines<sup>68</sup> on the protection of persons who report violations of EU law and breaches of national legislation (whistleblowers) and the Regulation<sup>69</sup> for the handling of external reports and the exercise of sanctioning powers.

The internal regulations, which incorporate the changes introduced, are currently being issued by Poste Italiane, while the supporting tools (reporting platform) are being updated.

<sup>64</sup> Among the important changes resulting from the new ESMA Guidelines are:

- an indication of any sustainability goals with which a product is compatible;
- identification of the target market by product cluster, rather than by individual product;
- the determination of a compatible distribution strategy when a distributor considers that a more complex product can be distributed as part of non-advised sales;
- the periodic review of products and the application of the principle of proportionality.

<sup>65</sup> Deposits the return on which is linked to indicators such as indices, financial instruments, commodities or exchange rates; variable-rate deposits whose return is directly linked to an interest rate are excluded. Source: Bank of Italy.

<sup>66</sup> This refers to companies belonging to the Poste Vita Group and BancoPosta Fondi SGR.

<sup>67</sup> Revolving credit is a form of financing usually with an indefinite maturity characterised by a high degree of flexibility of use for the customer, who can use a sum of money equivalent to the credit facility granted in one or more instalments; the amount of funds made available is restored in an amount corresponding to the instalments paid to the intermediary by way of repayment of the principal (source: [https://www.bancaditalia.it/compiti/vigilanza/normativa/orientamenti-vigilanza/credito\\_revolving.pdf](https://www.bancaditalia.it/compiti/vigilanza/normativa/orientamenti-vigilanza/credito_revolving.pdf)).

<sup>68</sup> Resolution no. 311 of 12 July 2023.

<sup>69</sup> Resolution no. 301 of 12 July 2023.

**Bank of Italy  
Outsourcing of  
business functions for  
supervised  
intermediaries**

On 1 June 2023, the Bank of Italy published its Provision of 31 May 2023 containing instructions for reporting on the outsourcing of business functions for supervised intermediaries. This report, sent by Bancoposta and PostePay in December 2023, aims to collect information<sup>70</sup> on the outsourcing contracts of supervised intermediaries, service providers and subcontractors, and the type of functions outsourced.

**European  
Parliament and  
Council  
Consumer Code**

On 18 March 2023, Legislative Decree no. 26 of 7 March 2023 implementing Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 (amending previous Directives) for better enforcement and modernisation of Union rules on consumer protection was published; the Legislative Decree contains amendments to the text of the "Consumer Code"<sup>71</sup>. The measure came into force on 2 April 2023 and the relevant BancoPosta personnel participated in specific training events on these regulatory amendments.

**European  
Parliament and  
Council  
Financial service  
contracts  
concluded at a  
distance**

On 18 December 2023, Directive (EU) 2023/2673 came into force, reforming the current rules on distance marketing of consumer financial services contracts by amending Directive 2011/83/EU and repealing Directive 2002/65/EC. This Directive, in order to harmonise the legislation and ensure the same level of consumer protection at European level, makes changes in relation to: *i)* the modalities for exercising the right of withdrawal; *ii)* the content, modalities and timing for the provision of pre-contractual information; *iii)* special rules for the protection of consumers who sign financial services contracts via online interfaces; *iv)* the strengthening of sanctions in the event of violation of the legislation.

Member States are required to adopt the provisions needed to comply by 19 December 2025, in order for these provisions to be applicable from 19 June 2026, the date of repeal of Directive 2002/65/EC.

BancoPosta and PostePay are carrying out the appropriate investigations to assess the impacts of this new regulatory framework, also with the involvement of the financing Partners.

<sup>70</sup> The collection of information is functional to the analysis and monitoring of risks arising from the use of third parties for the performance of functions, services and activities of supervised intermediaries, in order to ensure the stability of the intermediaries themselves and of the banking and financial system. Intermediaries are required to provide, in particular, the following information:

- for all outsourcing agreements: signatories and users of the contracts, service providers, type and characteristics of the outsourced function, certain provisions of the contracts;
- for services provided in cloud computing mode (i.e. the provision of computing resources, including storage, databases and software applications over the internet): the cloud model used and the cloud provider;
- for agreements to outsource essential or important functions (FEI) or important operating functions (FOI): the rationale for the classification as an FEI/FOI, the assessment of the risks arising from the outsourcing, the decision-making body that decided on the outsourcing, the audits performed and planned, the assessment of the level of substitutability of the service provider, the sub-outsourcing and any subcontractors, the country of service delivery and the country of data storage.

<sup>71</sup> New regulatory provisions are planned to strengthen consumer protection in cases of unfair terms, unfair commercial practices, unfair competition or untruthful commercial communications.

**European  
Parliament and  
Council**  
Credit agreements  
for consumers

On 30 October 2023, Directive (EU) 2023/2225 on credit agreements for consumers was published in the Official Journal of the European Union, updating and repealing Directive 2008/48/EC ("CCD - Consumer Credit Directive"). By establishing a common framework for the harmonisation of aspects of the laws, regulations and administrative provisions of the Member States, the measure broadens the forms of credit covered and regulates certain aspects<sup>72</sup>.

The Member States are required to adopt the provisions necessary to comply with the Directive no later than 20 November 2025; the Directive will apply to agreements concluded as from 20 November 2026, without prejudice to the application of the previous provisions of Directive 2008/48/EC to credit agreements in place on 20 November 2026 and until their termination.

BancoPosta is carrying out the appropriate investigations to assess the impacts of this new regulatory framework, with the involvement of the financing Partners.

**ESMA**  
Guidelines on  
certain aspects of  
the MiFID II  
remuneration  
requirements

As of October 2023, the ESMA Guidelines setting out operational guidance on intermediary remuneration policies and practices valid under the MiFID II conduct of business rules and conflict of interest regime requirements came into force. In the aforementioned guidelines, ESMA draws the attention of intermediaries to the need to orient their conduct towards criteria aimed at pursuing the best interests of clients.

BancoPosta, while confirming the solutions and safeguards in place with respect to the issues under consideration, has initiated a round-table work group aimed at addressing some specific activities to strengthen existing controls and regulations.

**2024 Budget Law**  
Due diligence

Law no. 213 of 30 December 2023 (2024 Budget Law) amended art. 17, paragraph 6 of Legislative Decree no. 231/2007, as amended and supplemented, providing for the exclusion of the due diligence obligations in the case of occasional cash withdrawals within the daily limit of €250. Analyses were launched at Group level to assess the impact of this simplification in order to change the current operational processes for withdrawals from payment accounts at LIS Pay affiliated merchants (service started by this intermediary in September 2023).

## OTHER INFORMATION

**Bank of Italy**

Following the initiative, carried out at the turn of the first half of 2023, to cancel cheques belonging to the old materiality (i.e. lacking the new anti-fraud security requirements indicated by the ABI in circular no. 21 of 12 June 2014), contacts were entered into with the Bank of Italy, as a result of reports of unpaid cheques complained of by some intermediaries, which led to specific and additional (with respect to what had already been implemented prior to the initiative itself) customer contact campaigns aimed at returning the materiality to the post office and in any case discouraging its use.

On 20 July 2022, the Bank of Italy provided to Poste Italiane SpA - BancoPosta RFC and PostePay a communication concerning the manner in which the funds received by PostePay in respect of the issuance of electronic money should be managed. It should be noted that

<sup>72</sup> The main aspects concern: (i) pre-contractual information to be provided to customers prior to the conclusion of the credit agreement, reinforcing the relevant marketing practices; (ii) the assessment of the consumer's creditworthiness and access to databases by lenders; (iii) the form and content of agreements; (iv) rules of conduct in the granting of credit, and knowledge and competence requirements for credit intermediaries.

the Supervisory Provisions for EMI provide that such funding may be deposited with a bank authorised to operate in Italy, invested in qualified debt securities or particular units of harmonised mutual funds. Since the creation of PostePay, these sums are deposited in a postal current account (protection account) and contribute to the funds from private customers of Bancoposta RFC, which are invested in euro area government bonds. In this regard, the Authority initiated discussions with BancoPosta and PostePay in 2021, in view of the fact that BancoPosta was not deemed to be an entity that could be assimilated to the concept of "credit institution" under the relevant European legislation. In the face of a proposed alternative approach, aimed at equating the deposit with BancoPosta of the sums collected by PostePay with a direct investment in qualified debt securities, in the aforementioned communication the Authority asked BancoPosta and PostePay for further observations, aimed at identifying an operational solution that would allow full alignment with the relevant regulatory provisions. Upon completion of the further investigations requested, a transitional solution was identified, also on the basis of the discussions with the Authority. This solution was represented to the Bank of Italy in a communication sent jointly by PostePay and BancoPosta on 29 March 2023. Consistent with this solution, a draft of the revolving pledge agreement was prepared and sent to the Bank of Italy on 4 August 2023, supported also by the opinion of an external law firm.

The Bank of Italy, from 14 March 2022 to 15 July 2022, conducted an inspection at Poste Italiane SpA – BancoPosta RFC, on profitability and the business model, governance and control systems, interest rate risk management methods including related internal modelling, new tax credit business and associated risks. For further details, please refer to the chapter "Proceedings pending and principal relations with the Authorities" in the section "Poste Italiane's Financial Statements".

### CONSOB

On 21 March 2023, CONSOB launched a thematic investigation into the processes and procedures adopted, or under development, with regard to ESG. The reply was provided on 19 May 2023.

On 24 July 2023, CONSOB sent a request for specific insights into: i) customer profiling, ii) concentration control, iii) transparency measures on ex post costs and charges, and iv) how to identify off-premises personnel. On 7 September 2023, feedback was provided within the deadline requested by the Authority. On 29 January 2024, CONSOB requested a single response on the different areas of investigation including: i) further update on the issues covered by the above-mentioned response of 7 September 2023, ii) new Customer Service and Portfolio Model. The relevant feedback was provided on 23 February 2024.

### Federconsumatori

Federconsumatori, with a writ of summons dated 14 May 2021, initiated a class action against Poste Italiane pursuant to article 140-bis of the Consumer Code, before the Court of Rome. The value of the dispute to date is approximately €8.5 thousand.

By means of the summons in question, Federconsumatori contests that the capitalisation of interest on 30-year interest-bearing postal certificates (marked with the "Q" series, issued by Cassa Depositi e Prestiti from 1986 to 1995, pursuant to Ministerial Decree 13 June 1986 by the Minister of Treasury, which were subsequently transferred to the Ministry of Economy and Finance, pursuant to the MEF Decree of 5 December 2003) is carried out annually net of

withholding tax (now substitute tax), rather than gross, with the effect of recognising to savers a lower return than that allegedly due.

On 27 July 2021, Poste Italiane appeared before the court, objecting, on a preliminary basis, to the inadmissibility of the class action, on a number of preliminary grounds, as well as to the fact that the plaintiffs' and potential members' claims were time-barred, and contested the merits of the proposed claim.






The Court of Rome, in an order dated 11 January 2022, held that the request submitted by Federconsumatori was manifestly unfounded, recognising, inter alia, the lack of passive legitimacy of Poste Italiane.

Federconsumatori appealed the order of the Court of Rome, and the Court of Appeal deferred the hearing for closing arguments to 22 May 2024.

For the main pending proceedings and further relations with the Authorities, please refer to the chapter "Proceedings pending and principal relations with the Authorities" in the section "Poste Italiane's Financial Statements".

## OPERATING REVIEW

The following table shows the main activities of the Financial Services Strategic Business Unit during the period.


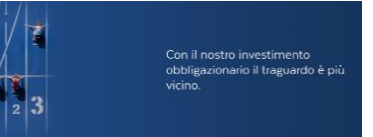

SEGMENT	OPERATING REVIEW	PILLAR
Postal savings	<p>In 2023, a number of offers were launched reserved for Libretto Smart holders, with special promotions dedicated to holders who bring new liquidity<sup>73</sup> into Poste Italiane; the total volume collected through these promotions, amounting to around €8 billion, represents the best annual result ever achieved on products in the segment dedicated to this target group.</p> <p>Moreover, with regard to the Postal Savings Bonds segment, during the year Cassa Depositi e Prestiti made changes by increasing the rates of return on most of the products in its range.</p>	 
Current accounts	<p>The Off-Premises Offering<sup>74</sup> of the <b>BancoPosta Business Link</b> current account was launched via the Single Front End<sup>75</sup> with the aim of consolidating its position in the market of reference and fostering the evolution of the service model of the commercial channels.</p>	
Asset management	<p>In February 2023, the Universo<sup>76</sup> fund range was expanded with the launch of the <b>Fondo BancoPosta Universo Tematico</b>. This fund aims for growth by investing at least 50% of the capital in the shares of companies operating in so-called megatrends, i.e. those that will drive future changes and in which the largest investments will be concentrated at global level, such as, for example, ecology, technological innovation, health. As part of the "Universo line" funds, the <b>Bancoposta Universo Start</b> fund was launched in October: a short-term euro government bond fund that targets moderate growth in the value of the invested capital.</p>	 

<sup>73</sup> New liquidity means all sums contributed exclusively by bank transfer, bank and bank drafts, salaries and pensions, and credited to the Libretto Smart, to current accounts and/or postal savings books bearing the same header as the Libretto Smart chosen to join the offer.

<sup>74</sup> The Off-Premises Offer is aimed at Small Economic Operators (POE) and Business customers and involves sales through the presence of the salesperson at the customer's premises and the use of automated tools for signing contracts.

<sup>75</sup> The Single Front End (FEU) is Poste Italiane's product sales platform that allows the sale of different products to be managed through a single system and render a more efficient service to customers.

<sup>76</sup> Universo funds are flexible, multi-manager funds with an ESG approach, which differ from each other in their equity component.

	<p>The <b>Fondo BancoPosta Obbligazionario Italia 6 Anni II</b> was launched in March 2023. This is an income-distributing bond fund that invests at least 70% of its assets in Italian government bonds and bonds issued by Italian companies and deposits with Italian banks.</p> <p>In March 2023, the <b>Fund Accumulation Programme</b> was launched: a new service that can be activated on the current account, where a remuneration is paid on a sum of money tied up and earmarked for a plan of scheduled payments into Mutual Funds.</p> <p>In June 2023, the <b>Fondo BancoPosta Obbligazionario a 5 Anni</b> was launched: a flexible income-distributing bond fund that invests in government, supranational and corporate</p> <p>"investment grade"  bonds with a minimum of 50% and Emerging Countries and non-investment grade corporate bonds with a maximum of 50%.</p> <p>In September, the <b>Fondo "Bancoposta Obbligazionario 3 Anni"</b> was launched: a bond fund that invests in investment grade bonds of government, supranational and corporate issuers.</p> <p>Both Funds may invest predominantly in Italian issuers.</p>	  
<p><b>Assets under Administration</b></p>	<p>In March 2023, Poste Italiane took part in the placement of the <b>19th issue of the Multi-year Treasury Bond (BTP)  Italy</b>, a security linked to the Italian inflation trend with the change to a <b>5-year</b> duration, with inflows of around €280 million.</p> <p>In June 2023, Poste Italiane took part in the placement of the new <b>BTP Valore</b>, a security with a duration of four years and which provides for the payment of fixed coupons increasing over time and a loyalty premium on the issued capital for those who purchase the security during the placement phase and keep it until maturity. The record collection of Poste Italiane is over €800 million on the first issue of the BTP Valore.</p> <p>In October 2023, Poste Italiane participated in the placement of the <b>second issue of the BTP Valore</b>, (a five-year security) with over €700 million in funding.</p>	  
<p><b>Distribution of loans and other third-party products</b></p>	<p>For <b>loans</b> dedicated to <b>Business customers</b>, in May 2023, the placement of Banca CF+ products was started, thus expanding the range of loans with medium- and long-term products, dedicated to corporations and assisted by the Central Guarantee Fund for SMEs and the Sace-Support Italia guarantee.</p> <p>A new short-term financial product was developed during the second quarter of 2023, for <b>liquidity advance on the basis of the value transacted on POS</b>, assisted by the Central Guarantee Fund for SMEs and dedicated to companies that are current account holders of Bancoposta and have subscribed to the PostePay acquiring service. The placement is scheduled to start during 2024.</p>	 
<p><b>Other assets</b></p>	<p>With regard to the "<b>Quinto BancoPosta<sup>77</sup></b>" product, as of March 2023 the offer was also extended to semi-public employees or employees of state-owned companies.</p> <p>In May 2023, in continuation of the agreement that expired at the end of 2022, was the signing of the new <b>Agreement with the Ministry of Economy and Finance</b> - State General Accountancy Office - regulating treasury services and the movement of funds on behalf of the State. The Agreement has a duration of three years, from 1 January 2023 to 31 December 2025, and mainly defines the mechanisms for the daily settlement of financial flows related to the services performed by BancoPosta on its own account (postal current accounts) or on behalf of other public entities (postal savings, payment and collection services, etc.).</p>	 

<sup>77</sup>It is the loan dedicated to civil servants, para-public employees and retirees, which can be used to carry out new projects, but also to pay off other loans in progress, with a monthly repayment equal to up to one-fifth of the monthly net salary or the monthly net pension.

In July 2023, the disbursement of the first economic measure<sup>78</sup> of **immediate support to the population affected by calamitous events** in Emilia-Romagna began by bank transfer and in cash, at the Post Office network, as provided for in the Agreement signed with the Civil Protection Department at the Presidency of the Council of Ministers.



## 4.5.4 INSURANCE SERVICES STRATEGIC BUSINESS UNIT


### MARKET CONTEXT

#### Life Business

During 2023, the market continued to be affected by the uncertainty related to the war in Ukraine and the Israeli-Palestinian conflict, and by the still high levels of inflation and interest rates, albeit slowing compared to the beginning of the year.

During the year, net inflows in the life segment were negative and amounted to -€22.8 billion, down by about €40 billion compared to the balance recorded in 2022, when the amount was positive and close to €16 billion. This result is attributable to the decline in premiums (-3.2% compared to 2022) linked exclusively to Class III life products and to the increase in outflows (+45%), mainly due to higher lapses related to Class I life policies (a phenomenon attributable to the rise in rates that prompted savers to look for products with higher returns). At the end of December 2023, the lapse rate was 10.63%<sup>79</sup> compared to 6.71% in 2022.

The **new individual life insurance policies** in the Italian market, based on the latest available data<sup>80</sup>, amounted to approximately €74.2 billion at the end of December 2023, a negative change of 3.3% compared to 2022. If new Life premiums reported by EU companies is also taken into account, the figure reached €82.5 billion, down 5.2% compared to 2022.

Analysing the data by line of business, premiums from **Class I**, which confirmed its leading role in the life business with a 76% share of the total at the end of December 2023, amounted to €56.3 billion at the end of December 2023, +11.9% compared to the previous year. The collection of **Class III** products (in the exclusive form of unit-linked  products), at €14.8 billion, was down (-37.5%) compared to the figure at the end of December 2022. Although residual, inflows of capitalisation products amounted to €0.8 billion and decreased by 27.6% compared to 2022. The volumes of new premiums relating to long-term health policies (**Class IV**) continued to be limited (approximately €111 million), and up (+30.6%) compared to 2022.

New contributions relating to the management of **pension funds**  recorded inflows of €2.2 billion, an increase (+39.8%) compared to 2022.

Single premiums continued to be the preferred form of payment for policyholders, representing 95.2% of total premiums written and 60.6% of policies by number.

With regard to the **distribution channel**, 64.7% of new business was brokered through banks and post offices until the end of December 2023, with premium revenue of €48 billion, a decrease (-1.3%) compared to 2022. On the other hand, with regard to the entire agency channel, the volume of new business distributed reached €15.7 billion in 2023, marking an increase in volumes of 1.1% compared to the previous year and with an incidence on total brokered business of 21.1%.

<sup>78</sup> Pursuant to art. 140 of Legislative Decree no. 36/2023.

<sup>79</sup> Source: Report ANIA - Trends in Life Flows and Reserves Year XIII - no. 04 - published on 21 February 2024.

<sup>80</sup> ANIA Report - Year XIX - no. 12 - published on 1 February 2024.

The performance of new business obtained through qualified financial consultants was €9.5 billion, down considerably (-15%) compared with the amount placed in the previous year and with an incidence compared to the total of brokered premiums equal to 12.8%.

Finally, the broker and distance sales channel recorded a decline of 29.6% compared to 2022, with a volume of premiums placed of €1 billion (or 1.4% of the total brokered).

### New individual and collective Life policy production by line of business <sup>(\*)</sup>

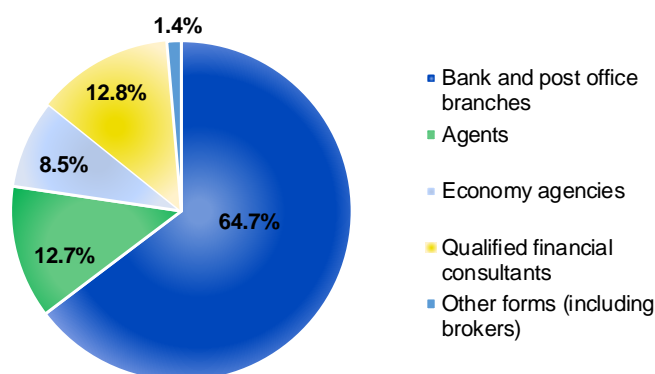
(figures updated to December 2023 in €mln)

Premiums by class/product	Premiums YTD	% change 2023 vs 2022
Life - class I	56,307	+11.9%
Unit - Linked - class III	14,788	-37.5%
Capitalisations - class V	823	-27.6%
Pension funds class VI	2,213	39.8%
Illness class IV	111	30.6%
<b>Italian insurers - non-EU</b>	<b>74,242</b>	<b>-3.3%</b>
<b>EU insurers <sup>(**)</sup></b>	<b>8,238</b>	<b>-19.5%</b>
<b>Total</b>	<b>82,480</b>	<b>-5.2%</b>

<sup>(\*)</sup> Source: ANIA

<sup>(\*\*)</sup> The term "EU insurers" refers to the Italian subsidiaries of undertakings with a registered office in an EU country operating under the right of establishment and freedom to provide services. The figures refer solely to undertakings taking part in the survey.

### New Life individual business by distribution channel



Source: ANIA

### P&C Business

As regards the **P&C insurance market**, based on the available official data<sup>81</sup> at the end of the third quarter of 2023, total direct Italian premiums, also including policies sold by Italian and overseas undertakings, amounted to €31.2 billion, up 7.5% compared with the same period of 2022, when the sector recorded growth of 6.3%. The above-mentioned increase is attributable, in particular, to the development of the Non-Motor sector (+8%). Premiums in the Motor sector rose (+7%), mainly due to the increase in premiums in the **Land Vehicle Insurance business** (+12.1%) and partly also in the **Motor Third Party Liability business**, whose premiums grew by 5.4%.

With regard to the **Non-Motor class**, all the main insurance classes contributed to the aforementioned 8% growth during the period: i) **Health insurance** with a volume of €2,930 million and growth of 13.3%; ii) **Personal injuries** class with premiums of €2,807 million and an increase of 4.3%; iii) **General TPL class** with premiums of €3,668 million and an increase of 7.3%; iv) **Other damage** to property class with an increase of 7.7% and total volumes of €3,022 million; v)

<sup>81</sup> ANIA Report - Year IX - no. 35 - published on 30 November 2023.



finally, **Fire and natural elements class** with a total production of €2,198 million and an increase of 9.1%. Also of note is the growth achieved by the **Credit** and **Legal Assistance classes**, +14.4% and +7.6% respectively, with total premiums of €677 million and €812 million respectively.

As regards the **distribution channels**, the agency channel is confirmed as the leader with a market share at the end of September 2023 of 72.4% in line with the figure recorded in the same period of 2022. Brokers represent the second P&C premium distribution channel with a market share of 9.4% (8.7% at the end of September 2022), while bank and post office branches recorded a market share of 9.2% (9.2% in the first nine months of 2022).

As regards direct sales as a whole (including distance, telephone and internet sales), at the end of September 2023, there was an incidence of 8.5% (down compared to 8.7% in the corresponding period of 2022). The remaining 0.4% (unchanged from the figure at the end of the third quarter of 2022) relates to premiums brokered by qualified financial consultants.

### Direct P&C premiums by class <sup>(\*)</sup>

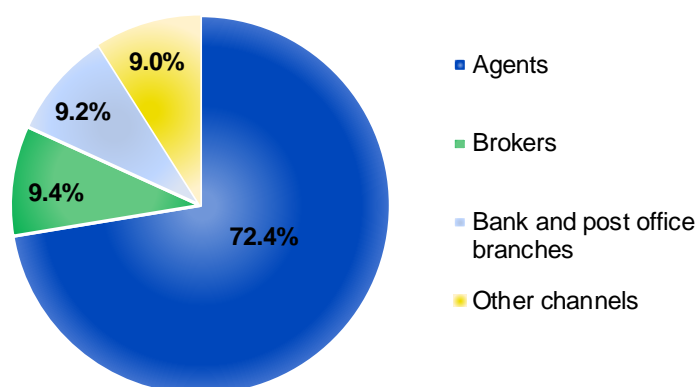
(data updated to September 2023 in €m)

Premiums by class <sup>(**)</sup>	Premiums YTD	% change Q3 2023 vs Q3 2022
Total motor segment	12,747	+7.0%
Other P&C classes	18,460	+8.0%
<b>Total P&amp;C classes</b>	<b>31,207</b>	<b>+7.5%</b>

<sup>(\*)</sup> Source: ANIA

<sup>(\*\*)</sup> Premiums refer to Italian and non-EU undertakings and EU undertakings.

### Distribution of direct P&C premiums by distribution channel <sup>(\*)</sup>



Source: ANIA

<sup>(\*)</sup> Italian insurers and non-EU insurer representatives operating as an establishment.

## REGULATORY CONTEXT

**IVASS  
IFRS 17  
Letter to the market  
of 3 January 2023**

In its letter to the market of 3 January 2023 -IAS/IFRS Consolidated Financial Statements - Disclosures on the Transition to IFRS 17 as per Annex 4 of Reg. no. 7/2007 as amended by Measure 121/2022, IVASS provided guidance on the transition to the new IFRS 17 standard. The current Annex 6 of Regulation no. 7/2007 has been replaced by the new Annex 4 "Report on the consolidated financial statements items relating to insurance contracts", which provides that, with reference to the financial year 2023 only, a disclosure on the transition to the new standard must be provided, distinguishing between insurance contracts issued, outward reinsurance and investment contracts issued with discretionary participation features. This information was submitted to the Institute on 27 October 2023 together with the documentation relating to the consolidated half-year report.

**IVASS - (the insurance regulator)**  
**Dormant Policies**  
Letter to the market of 16 March 2023

With the Letter to the Market of 16 March 2023, which follows the Letter to the market of 6 December 2022<sup>82</sup>, in order to allow the verification of the payment status of the sums relating to the policies resulting from the cross-referenced data, both life and accident, IVASS requested companies to provide a report by 30 June 2023 on the activities carried out for settlement, including an update on the policies cross-referenced in past years. The Insurance Group Companies submitted the required information to the Supervisory Authority in June.

**European Commission**  
**Supervision of insurance companies**  
Regulations 2023/894 and 2023/895

On 4 April 2023, the European Commission adopted two regulations for the information that companies must provide for supervisory purposes:

- Implementing Regulation (EU) 2023/894, repealing Implementing Regulation (EU) 2015/2450, laying down implementing technical standards for the application of Directive 2009/138/EC with regard to the templates for the submission by insurance and reinsurance undertakings to their supervisory authorities of information necessary for their supervision;
- Implementing Regulation (EU) 2023/895, repealing Implementing Regulation (EU) 2015/2452, laying down implementing technical standards for the application of Directive 2009/138/EC with regard to the procedures, formats and templates for the disclosure by insurance and reinsurance undertakings of their report on their solvency and financial condition.

**IVASS - (the insurance regulator)**  
**Survey on collective agreements signed in the health insurance class**  
Letter to the market of 30 March 2023

IVASS carried out for 2023 the fifth edition of the survey on collective agreements underwritten in the health insurance sector<sup>83</sup>, involving companies with their registered office in Italy that have written at least €10 million in direct premiums in the health insurance sector for the financial year 2022.

Poste Assicura submitted the requested data in April and May 2023 in accordance with the timelines and procedures indicated by IVASS.

**IVASS - (the insurance regulator)**  
**Sustainable Finance**  
Measure no. 131 of 10/05/2023

IVASS with Measure no. 131 of 10 May 2023 has adapted the regulatory provisions no. 24 of 6 June 2016, no. 38 of 3 July 2018, no. 40 of 2 August 2018 and no. 45 of 4 August 2020, in order to align with the provisions of the European Legislator, in particular with the Solvency II regulatory framework and the Insurance Distribution Directive "IDD" on sustainable finance. In order to comply with the new regulations, Poste Vita company has recently set up an internal ESG (Environmental, Social, Governance) Working Group, which steered the necessary adjustments.

<sup>82</sup> In its Letter to the Market of 6 December 2022, the Authority requested from companies conducting life insurance and/or accident insurance business, the list of tax codes of insured persons in order to ascertain whether insured persons had died and when.

<sup>83</sup> The data to be reported to IVASS are: the amount of gross premium revenue in 2022, claims expenses for 2022, development by generation of paid and reserved claims at the end of the financial year 2022, number of risk units for the financial year 2022.

**IVASS - (the insurance regulator)**  
**Determination of technical provisions**  
Measure no. 132 of 6/06/2023

With IVASS with Measure no. 132 of 6 June 2023, containing amendments and additions to IVASS Regulation no. 18 of 15 March 2016 concerning the application rules for the determination of technical provisions, two new guidelines of the European Insurance and Occupational Pensions Authority (EIOPA) are introduced concerning the valuation of technical provisions and the determination of contractual limits, applicable from 1 January 2023.

**IVASS - (the insurance regulator)**  
**Unavailable reserve**  
Measure no. 1/2024

Following the issuance of the MEF Decree of 14 September 2023, which extended to the 2023 financial statements the temporary suspension of capital losses already in force for the 2022 financial statements and provided that insurance companies, when preparing their annual financial statements and half-yearly report for the year 2023, for the purpose of calculating the unavailable reserve, should not also take into account the effect of securities write-downs on existing commitments towards policyholders referred to the financial year of the financial statements and up to five subsequent financial years, IVASS made changes with Measure no. 138 of 15 September 2023, amending Regulation no. 52/2022 in order to take into account the aforementioned provisions.

Following the issuance of the MEF decree of 8 February 2024 by which it was stipulated that companies determine the amount of distributable profits by also taking into account the amount already distributed for the financial year 2022, on 23 February 2024 IVASS placed Measure no. 1/2024 under consultation until 9 March 2024 in order to amend IVASS Regulation no. 52 of 30 August 2022.

Poste Vita, Net Insurance Life and Net Insurance will avail themselves of the option introduced by the aforementioned measure by sterilising an amount of value adjustments equal to €2.7 billion, approximately €4 million and approximately €2 million, respectively, before tax effects, for the preparation of their statutory financial statements at 31 December 2023.

**IVASS - (the insurance regulator)**  
**Life Insurance Guarantee Fund**

The 2024 Budget Law<sup>84</sup> established the "Life Insurance Guarantee Fund". The fund is an associative body established between insurance companies and member intermediaries with the aim of intervening to protect those entitled to benefit from the insurance benefits of those companies. It makes payments in cases of compulsory liquidation of member insurance undertakings and, if provided for in the articles of association, also intervenes in transactions involving the transfer of assets, liabilities, businesses, business units, assets and legal relationships that can be identified en bloc. The life insurance guarantee fund settles protected benefits up to a maximum amount of €100 thousand per claimant. The Guarantee Fund is governed by private law and its endowment is constituted by financing made available to its members, so as to reach an amount equal to at least 0.4% of the amount of the life insurance technical provisions at 31 December of the previous year (provisions determined according to Solvency II calculation methods).

The Budget Law specifies that the endowment is to be reached gradually, starting on 1 January 2024 and by 31 December 2035<sup>85</sup> (a term that may be further extended, up to a maximum of two years, by decree of the Ministry of the Economy and Finance) and constitutes an

<sup>84</sup> Law no. 213 of 30 December 2023 "State budget for the financial year 2024 and multi-year budget for the three-year period 2024-2026" published in Official Journal no. 303 of 30 December 2023.

<sup>85</sup> If, after 31 December 2035, the endowment falls below the target endowment, members will be required to replenish it through periodic contributions, to be paid within three years if the endowment falls to less than two-thirds of the required target.

autonomous asset, on which actions by the Fund's creditors and those of the creditors of individual members are not allowed, and is to be invested by the Guarantee Fund in low-risk assets with sufficient diversification.

With regard to the Poste Vita, the amount of the contribution for the year 2024, determined on the basis of the technical provisions at 31 December 2023, is estimated to be around €58 million; Bancoposta RFC will contribute an estimated €16 million to the Fund's endowment for the year 2024.

## OTHER INFORMATION

### IVASS - (the insurance regulator)



With regard to the IVASS inspection of **Poste Vita** concerning the **governance, management and control profiles of investments and financial risks** concluded on 7 May 2021, discussions continued with IVASS during the period and on 25 July 2023, the decision-making phase was concluded by the Supervisory Authority, which notified the Company of the imposition of a fine of €1.8 million. The sanction was imposed as a result of violations of the applicable regulations found by IVASS with particular reference to:

- alleged failures in the governance and management of financial risks as well as in the protection of policyholders' rights for investments made through so-called "multi-asset" funds;
- alleged deficiencies in the process of defining the Risk Appetite Framework.

For the main pending proceedings and further relations with the Authorities, please refer to the chapter "Proceedings pending and principal relations with the Authorities" in the section "Poste Italiane's Financial Statements".

## OPERATING REVIEW



The following table shows the main activities of the Insurance Services Strategic Business Unit during the period.

SEGMENT	OPERATING REVIEW	PILLAR
Life	<p>In the context of <b>Class I</b> investment products:</p> <ul style="list-style-type: none"> <li>• in April 2023, the "<b>Poste Domani Insieme</b>" policy was launched with a duration of 10 years and with the main feature of the New Separately Managed Account  called "<b>Poste Vita Valore Solidità</b>"<sup>86</sup>. The policy includes as ancillary cover the free serious illness policy "Poste protezione Mia"<sup>87</sup>.</li> <li>• in June 2023, a policy called "<b>Orizzonte 5</b>" was launched, with a duration of 5 years with the Separately Managed Account called "<b>Posta ValorePiù</b>" and can only be subscribed to for the potential reinvestment, as part of advisory services, of expired or maturing policies;</li> <li>• November 2023 saw the placement of the new "<b>Poste Prospettiva Valore Gold</b>" policy, a mixed-form life insurance policy with a 10-year term and annual revaluation of the invested capital<sup>88</sup>.</li> </ul> <p>In the context of <b>Multi-class</b> investment products:</p>	

<sup>86</sup> The main feature of the new separately managed account is the presence of the so-called "profit fund": a fund that is established by setting aside net capital gains realised on the sale of assets under the separately managed account.






<sup>87</sup> "Poste Domani Insieme" subscribers aged between 18 and 69 are offered "Poste Protezione Mia", a free serious illness policy provided by Poste Assicura, designed to protect their investment. In the event of the first diagnosis of a serious illness, Poste Assicura shall in fact pay the Policyholder an indemnity equal to 25% of the life premiums paid into the insurance investment product, non-revalued and resulting at the time of the first diagnosis of a serious illness, net of any partial redemptions and releases for other causes.

<sup>88</sup> The policy provides for an annual revaluation of the invested capital, at a certain and predetermined rate for the first 5 years and, during the years following the first 5 years, an annual revaluation, positive or negative, of the consolidated amount based on the performance of the separately managed account fund Poste Vita Valore Solidità.

	<ul style="list-style-type: none"> <li>from July 2023, "<b>Poste Progetto Integrazione Programmata</b>", a mixed-form life insurance contract<sup>89</sup> (build-up component and unit-linked component) is being placed on the market. It is characterised by the provision for decumulation: the customer has access to a plan of automatic and scheduled periodic redemptions of the Invested Capital<sup>90</sup>. The contract duration is 15 years;</li> <li>from November 2023, "<b>Poste Progetto Bonus 4in4</b>", a mixed-form life insurance contract with a duration of 15 years, which provides for the payment of two bonuses of 2% of the premium in the first and fourth year, is being placed on the market. The policy includes as ancillary cover the free serious illness policy "Poste protezione Mia".</li> </ul>	
<b>P&amp;C/Life</b>	From April 2023, the <b>restyling<sup>91</sup> of the "person" coverage policies</b> is available in all post offices, as well as the unique underwriting process with the <b>Poste Protezione Affetti 360</b> life insurance policy.	 
<b>P&amp;C</b>	During the first half of the year, the new version of " <b>Posteprotezione Prestito</b> " was made available at all post offices. Compared to the previous version, the policy includes new covers and services, such as legal protection and job replacement <sup>92</sup> .	 
	During the fourth quarter of 2023, the <b>new insurance "Check Up" service</b> was released, which allowed for a comprehensive consultation to develop the analysis of the needs and requirements of the individual customer in the household.	

## 4.5.5 PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT

### MARKET CONTEXT

The latest available data<sup>93</sup> on the Italian **payment cards** market show significant growth of the total domestic transactions, which in September 2023 surpassed €322 billion, an increase of 17.8% compared to September 2022 due to the rise in inflation rates. The number of transactions grew by 23.2% over the same period last year to 7.2 billion, a sign of an increasingly more consolidated daily use of cards, also thanks to a greater propensity and acceptance of the use of digital payments  by merchants (e-commerce and contactless payments ). **Debit card transactions**  grew by 22% compared to September 2022 and accounted for more than half of the total transactions (59%), with transactions exceeding €187 billion (+15% compared to September 2022). Also prepaid cards  are advancing at a fast pace (+17% of transactions and +13% in terms of value compared to September 2022), for a total amount of more than €52 billion, thanks to the steady development of e-commerce and increased penetration at physical points. The first nine months of 2023 were also positive for credit cards , ending the

>€322  
billion

value of card transactions in  
the first 9 months of 2023 in  
Italy: +17.8% year-on-year

<sup>89</sup> The contract benefits are linked to the Poste Vita's Separately Managed Account Posta ValorePiù and to the value of the units of one of the three available Internal Insurance Funds: Poste Vita Valore Sostenibilità Equilibrato, Poste Vita Valore Sostenibilità Dinamico and Poste Vita Valore Sostenibilità Sviluppo.

<sup>90</sup> The product is aimed at customers who have at least €40,000 in investable assets and whose goal is capital appreciation and growth over a long-term time horizon.

<sup>91</sup> This is a simplification of the purchasing process for insurance products covering the risks for the person, death or permanent disability from illness and accidents.

<sup>92</sup> The job replacement service is aimed at reintegration into the world of work; if a policyholder loses his or her job, a customised training development plan is drawn up for him or her, support is provided in updating his or her CV, and specific motivational learning sessions are organised. At the end of the course, it is assessed which partner companies could represent a valid opportunity for the policyholder to re-enter the labour market and the parties are put in contact, it being understood that in no way, there is a guarantee of eventual employment.

<sup>93</sup> Source: Processing of data from Bank of Italy - Payments System and Annual Report.

period on an upward trend with transactions up 36% and value up 29% compared to September 2022, with a total amount of more than €82 billion.

At 30 September 2023, the number of **active cards** on the market exceeded **93.8 million**, up 1% compared to the stock of active cards at 31 December 2022: the greatest growth was recorded on debit cards, which grew by 1.3% compared to 31 December 2022, totalling more than 49.6 million active cards. The stock of prepaid cards remained stable, the number of which exceeded 30 million (+0.3% compared to the figure at the end of December 2022). Credit cards also grew (+1.3% compared to 31 December 2022), with more than 13.5 million active cards.

The **mobile telephony market**, based on the latest available data<sup>94</sup>, showed a slight increase in the stock of Human-to-Human SIMs<sup>95</sup> compared to 2022, a sign of a market that is now saturated but shows dynamism in the stock of individual operators. In particular, the share of Mobile Virtual Network Operators (MVNOs) grew, eroding the market shares of the other top players, sitting at 16%<sup>96</sup>. Poste Mobile, which accounts for 35% of MVNOs, remained essentially stable (-0.3% compared to December 2022) with a market share of 5.6%. Total lines at 30 September 2023 amounted to 108.5 million (+1.3% compared to the same period in 2022) including 29.7 million Machine to Machine (M2M) SIMs<sup>97</sup> (+3.7% compared to the same period of 2022).

During 2023, the **energy market** experienced a gradual rebalancing after the rise in commodity prices, including primarily gas, with significant repercussions on the electricity market<sup>98</sup>.

In the second quarter of 2023, the gas and electricity market saw a significant reduction in wholesale gas and electricity prices as the risk of gas shortages in the later part of the winter was gradually overcome. In fact, winter temperatures were relatively mild and the diversification of European gas supplies made it possible to get through the winter period while coping with the risk of a shortage of the raw material. In the third quarter of 2023, the stabilisation of prices in the gas and electricity wholesale markets continued, and during this period the filling phase of gas storage took place at a good pace, in preparation for the winter season. At the end of September 2023, the Italian and European stocks were close to full. In the fourth quarter of 2023, the gradual reduction and stabilisation of prices on the gas and electricity wholesale markets continued, thanks to the above-average seasonal temperatures recorded and the low demand for gas on both the residential and industrial and thermoelectric consumption fronts. The balance between gas supply and demand at national and European level was positive in the first part of the winter, which led to a further drop in market prices in the final part of the year. However, the gas market remains characterised by uncertainties stemming from the international geopolitical and economic environment, albeit to a lesser extent than in 2022, resulting in price volatility, which is also reflected in the electricity market.

Against this context, the institutions continued a gradual reduction of the concessions introduced during 2022 to cope with rising gas and electricity wholesale prices.

For more details on the regulatory interventions implemented, see below.

## REGULATORY CONTEXT

Below are the main regulatory initiatives that will be updated in the course of 2023.

<sup>94</sup>Source: Agcom Communications Observatory no. 4/2023, Operators' Report.

<sup>95</sup> H2H (Human-to-Human) SIMs are the ones in everyday use in smartphones that allow calls and data connections.

<sup>96</sup>Source: Internal PostePay SpA estimate on Human to Human SIMs.

<sup>97</sup> M2M SIM make use of technology that enables the integration and dialogue between devices (even of different types) installed at any distance from each other through sensors that send (or acquire) data that are then transmitted to a central server via a network. They are exclusively dedicated to data traffic, the voice area is completely disabled and in its place is a module that allows both control and remote control.

<sup>98</sup> Rising gas prices have also driven up electricity prices, since in Italy and many other European countries the marginal price of electricity is defined by the generation costs of natural gas-fired thermal power plants.

**Electronic money**

Please refer to the regulatory framework of the Financial Services SBU for more details.

**TLC**  
Terminating voice calls

Within the framework of the Regulation, published in the Official Journal on 22 April 2021, regarding a single maximum termination rate for calls to mobile and fixed networks in the European Union, as of 1 January 2023, the rates applicable in Italy are as follows:

- €0.40 cents per minute (excluding VAT) is the maximum mobile termination price, i.e. the amount payable by the originating operator of the call to the mobile telecommunications operator for each voice call terminating on the latter's mobile network (on its customer's terminal);
- €0.07 cents per minute (excluding VAT) is the maximum price payable to the fixed network telecommunications operator for call termination on the latter's network.

PostePay adopted the tariff regime within the time-frame provided by the regulatory framework.

**TLC**  
SMS ALIAS

On 15 May 2023, the Italian Communications Authority (AGCom) published Resolution no. 12/23/CONS "Regulation on the use of alphanumeric characters identifying the sender in corporate messaging services (SMS ALIAS)", approved following the public consultation launched in December 2021<sup>99</sup>, in which PostePay also participated. The new provisions define the obligations and roles of the parties involved in the corporate messaging service chain with the corresponding implementation time frames. As of 3 November 2023, PostePay, in line with the provisions of the Resolution, implemented the blocking of messaging (SMS/MMS) with non-numeric coding from abroad. Further obligations under the Resolution will be implemented following the provision by the Authority of the new platform for SMS management with ALIAS.

**TLC**  
Parental Control

With Resolution no. 9/23/CIR of 25 January 2023, AGCom implemented the normative dictate of Art. 7-bis of Legislative Decree no. 28 of 30 April 2020 on "Systems for the protection of minors from the risks of cyberspace". As of 21 November 2023, electronic communications operators have to provide "Parental control systems or filtering of inappropriate content for minors and blocking of content reserved for an audience over the age of eighteen" for all connectivity services (fixed and mobile). These control systems consist of free, pre-activated services, that can be deactivated only at the request of the adult consumer, account owner. PostePay contracts and offers (in the area of fixed and mobile telephony) can only be subscribed and activated by customers of legal age. PostePay, in cooperation with technology partners, has made available to customers the Parental Control Systems and the associated procedures and instructions for activating, setting up, deactivating, and reactivating them on time.

<sup>99</sup> Resolution AGCom no. 408/21/CONS of 16 December 2021. SMS ALIAS refers to an alphanumerically encoded character string transmitted in SMS communications. PostePay took part in public consultation 408/21/CONS initiated by AGCom, pointing out that the abusive use of aliases in communications directed at certain categories of end users is likely not only to affect the proper provision of electronic communication services, but also the proper use of payment and financial services involving the ancillary and integrated use of electronic communication services.

**TLC****Code of Conduct for  
Call Centre Activities**

On 25 August 2023, with Resolution no. 197/23/CONS, AGCom approved a Code of Conduct in order to regulate contractual and technical relations between electronic communications operators and entities (such as call centres and agencies) that carry out promotional activities and the sale of goods and services (telemarketing and teleselling).

The Code produces direct mandatory effects for operators who subscribe to it and indirect mandatory effects for call centres, insofar as they have been contractually engaged by operators who have subscribed to the Code and who comply with its provisions. The new measures entered into force on 21 February 2024.

PostePay does not currently engage in telemarketing and teleselling activities as defined in the Code of Conduct.

**TLC****Gigabit  
Infrastructure Act**

On 23 February 2023, the European Commission presented the proposal for a Regulation on measures to reduce the cost of deploying very high-speed electronic communications networks (Gigabit Infrastructure Act) in order to enable faster, cheaper and more effective deployment of Gigabit networks in the European Union and which will replace the current Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014.

Discussions are currently under way in the Council of the European Union on the above-mentioned proposed Regulation<sup>100</sup> and, once it is adopted by the Parliament and the Council of the European Union, it will be directly applicable and will not require transposition into national law.

**TLC****Quality of mobile and  
personal  
communications**

On 28 February 2023, the Italian Communications Authority (AGCom) published Resolution no. 23/23/CONS "Provisions on the quality and charters of mobile and personal communication services", which was approved following the public consultation launched in July 2022, in which PostePay also participated. The new provisions define the information that mobile and personal communications service providers must provide to users regarding the quality of their mobile services.

PostePay has completed the necessary activities to adapt to the changes introduced within the timeframe foreseen by the new regulations.

**TLC****Quality and charters of  
electronic  
communication services  
accessible to the public  
from a fixed location**

On 31 July 2023, AGCom approved Resolution no. 156/23/CONS "Provisions on the quality and charters of electronic communications services accessible to the public from a fixed location", following the conclusion of the public consultation<sup>101</sup> in which PostePay also participated. The new provisions define the information that providers of mobile and personal communications services must provide to users regarding the quality of services offered in the area of fixed telephony and fixed location Internet services. PostePay implemented the necessary measures<sup>102</sup> to comply with the changes introduced, which came into force on 27 January 2024, and participated in round-table work groups to update the Guidelines for measuring the quality of Internet service from a fixed location.

<sup>100</sup> <https://eur-lex.europa.eu/legal-content/EN/HIS/?uri=CELEX:52023PC0094>.

<sup>101</sup> Resolution no. 405/22/CONS.

<sup>102</sup> For example: new section of the site dedicated to technical transparency, addition to the contractual kit of a document specifying the technical characteristics of the service provided, etc.



**TLC**  
Customer service  
quality

With Resolution no. 436/22/CONS, AGCom initiated proceedings and a public consultation to revise the regulations and quality indicators for customer care services in the electronic communications and audiovisual media services sector, with a view to aligning them with modern digital assistance technologies and the new Electronic Communications Code with regard to quality indicators (KPIs), transparency of information provided to users, methods for submitting and tracking complaints, measurement of the actual quality achieved, and compliance with minimum standards. PostePay sent in its assessments and comments on the new regulatory proposal.

**TLC**  
Electronic  
communications

The Ministry of Enterprise and Made in Italy (MIMIT) has launched a public consultation concerning the draft legislative decree correcting the Electronic Communications Code - Legislative Decree no. 259 of 1 September 2003<sup>103</sup>.

The outline of the legislative decree put out for consultation tends, from a formal point of view, to update certain regulatory references and make textual changes, while in terms of content, to gather possible contributions and observations on the main issues dealt with by the new European Electronic Communications Code. PostePay sent its comments and MIMIT published a summary of the comments submitted by the operators, reserving the right to supplement the existing regulations.

With Resolution no. 89/23/CONS, AGCom initiated proceedings and a public consultation for the revision and amendment of the "Regulation containing provisions for the protection of users with regard to contracts for the provision of electronic communications services". The initiative is part of the regulatory review activity to protect end users in order to adapt the current provisions to the transposition of the new European Electronic Communications Code. PostePay sent its considerations and at the conclusion of the consultation, AGCom will publish the results and incorporate the comments submitted by the operators who participated in the consultation<sup>104</sup>.

**TLC**  
Copyright

On 26 July 2023, AGCom issued Resolution no. 189/23/CONS approving the amendments to the Regulation on the protection of copyright on electronic communication networks and implementation procedures pursuant to Legislative Decree no. 70 of 9 April 2003. The Resolution, which came into force on 1 January 2024, implemented Law 93/2023 on "Provisions for the prevention and suppression of the unlawful dissemination of copyright-protected content via electronic communication networks" and allows AGCom to order service providers including network access providers, to disable access to unlawfully disseminated content by blocking the Domain Name System (DNS) resolution of domain names and blocking the routing of network traffic to IP addresses uniquely intended for unlawful activities. PostePay, within the prescribed deadlines, has accredited itself on the dedicated "Piracy Shield" platform<sup>105</sup> and - through its access providers - is fulfilling its obligations under the law.

<sup>103</sup> Legislative Decree no. 259 of 1 August 2003 as amended by Legislative Decree no. 207 of 8 November 2021, issued in implementation of Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018, establishing the new European Electronic Communications Code.

<sup>104</sup> The deadlines for the closure of the proceedings were extended by 90 days, expiring in December 2023: AGCom Resolution no. 192/23/CONS published on 6 September 2023.

<sup>105</sup> The Piracy Shield platform, which has been in operation since 1 February 2024, enables the automated handling of alerts following a precautionary order issued by the Italian Communications Authority under Art. 9-bis, paragraph 4-bis of the Regulation.

**ENERGY****Regulatory  
interventions to  
contain prices**

The concessions provided in 2022 for the containment of price increases in the electricity and natural gas sector were partially extended in 2023.

Law no. 197 of 29 December 2022 (so-called Budget Law), has in fact confirmed, for the first quarter of 2023, the cancellation of general system charges for domestic electric customers and non-domestic customers with available power up to 16.5 kW and for natural gas customers. For the latter, the 5% VAT reduction on consumption was also confirmed, and social bonuses for eligible households were also increased.

Further regulatory interventions extended the measures of the aforementioned Budget Law for the whole of 2023 (Law Decree no. 34 of 30 March 2023, converted by Law no. 56 of 26 May 2023, Law Decree no. 79 of 28 June 2023 and Law Decree no. 131 of 29 September 2023), with the exception of the zeroing of general charges for electricity customers, which ceased as of April 2023.

The "Aiuti Bis" Law Decree (Law Decree 9 August 2022, no. 115, converted with Law 21 September 2022, no. 142) also intervened by suspending, until 30 April 2023, the effectiveness of contractual clauses that allow electricity and gas sellers to unilaterally change the general terms and conditions of contracts relating to price definition (changes notified to customers before 10 August 2022 are also rendered ineffective, unless they have already been finalised by that date). The "Milleproroghe" Law Decree (Law Decree no. 198 of 21 December 2022, converted by Law no. 14 of 24 February 2023) extended the deadline to 30 June 2023.

The "Aiuti Bis" Law Decree, in view of the end of regulated gas prices, initially scheduled for 1 January 2023 (Law Decree 176 of 18 November 2022 "Aid Quarter" extended the deadline to 10 January 2024); it also redefined - and narrowed - the perimeter of "vulnerable"<sup>106</sup> customers by stipulating that, as of 1 January 2024, suppliers must make available an offer for the supply of natural gas at contractual and economic conditions defined by the Regulatory Authority for Energy Networks and the Environment (ARERA). In order to make these regulatory provisions operative, ARERA adopted Resolutions 100/2023/R/com and 102/2023/R/com, described later in this report.

**ENERGY****Guarantees of Origin**

In implementation of Legislative Decree no. 199/2021 transposing Directive (EU) 2018/2001 ("Red II"), the Ministry of the Environment and Energy Security (MASE) published Ministerial Decree no. 224, of 14 July 2023<sup>107</sup>, which innovates the regulation of Guarantees of Origin (GO certificates) of the Gestore dei Servizi Energetici (GSE), i.e. certificates attesting to the origin of electricity from renewable sources. Sales companies, like PostePay, that intend to promote the renewable origin of the electricity they sell to their customers are obliged: i) to procure a quantity of GO certificates equal to the electricity they sell, where this is defined

<sup>106</sup> Compared to the current perimeter of "vulnerable" gas customers - which includes all customers with domestic use (not "other uses") and domestic condominiums with consumption below 200,000 smc/year - as of 1 January 2024, only domestic customers in economically disadvantaged conditions, customers with disabilities, customers with utilities on non-interconnected minor islands or in emergency housing facilities following calamitous events, and customers over 75 years of age are classified as "vulnerable".

<sup>107</sup> In the Ministerial Decree, some updates are made concerning: i) the modalities for issuing, transferring, recognising and cancelling Guarantees of Origin (GO) for electricity but - for the first time - also gas, hydrogen and thermal energy; ii) modalities for the use of GO by sellers; iii) criteria and modalities for providing end customers with information on the composition of the energy mix used and the environmental impact of production. The Ministerial Decree also provides for: the establishment of a national GO Register at the GSE; a new formulation of the energy mix; the provision of an indicator concerning the environmental impact of the energy mix used by the seller. In this regard, it is expected that information on the energy mix and environmental impact will be made available to customers at the pre-contractual and promotional stage (as well as on the seller's website, in billing documents on a four-month basis and in the Offer Portal).

as energy produced from renewable sources; ii) to cancel, by 31 March of the year following the year in which the electricity was supplied to end customers, a quantity of GO certificates equal to the electricity sold and declared as renewable and referring to the same year. By the end of 2023, ARERA and the GSE will have to issue the measures to implement the provisions of the Ministerial Decree.

With Resolution 496/2023/R/com<sup>108</sup>, published on 2 November 2023, ARERA updated its measures implementing the above-mentioned Ministerial Decree.

PostePay has, within the regulatory deadline, certified all electricity sold to its end customers in 2022 as being produced from renewable sources.

## ENERGY

### ARERA Resolutions

With Resolution 637/2022/R/com, published on 1 December 2022, ARERA introduced changes to the mandatory information content of end customers' bills, which came into force from April 2023. PostePay has adapted to the regulatory changes.

With Resolutions 100/2023/R/com and 102/2023/R/com, published on 14 March 2023, ARERA implements the provisions of Article 1.59, of Law no. 124 of 4 August 2017 (Annual Law on the Market and Competition) and the provisions of the aforementioned Law Decree no. 115 of 9 August 2022, as converted by Law no. 142 of 21 September 2022 (the so-called "Aiuti bis" Law Decree) regarding, respectively, the passing of regulated natural gas prices and the definition of the conditions for the supply of natural gas to vulnerable end customers, providing for a gradual implementation path of the reform to be completed by January 2024. PostePay complied within the deadline by implementing all actions required by the regulator.

By virtue of the exceptional weather events that occurred in central Italy in May 2023 (mainly in Emilia Romagna and Marche), ARERA, in implementing the Government's provisions<sup>109</sup>, approved Resolution 267/2023/R/com, published on 15 June 2023, "Urgent provisions on the subject of electricity, gas, water services and the integrated urban waste management service, in the territories affected by the exceptional meteorological events that occurred starting from 1 May 2023" by which it provides for the validity of the concessions provided by the Government for 4 months starting from 1 May 2023. Subsequently, with Resolution 390/2023/R/com, published on 4 August 2023, concerning the "Extension of the suspension of payment terms in favour of the populations most affected by the exceptional weather events that occurred from 1 May 2023", ARERA extended the aforementioned provisions to 31 October 2023. PostePay has taken the relevant measures to comply with the requirements imposed on electricity and natural gas sellers.

With Resolution 383/2023/R/eel, published on 7 August 2023, on "Provisions for the identification of vulnerable customers in the electricity market", ARERA lays down the modalities for the identification by the Integrated Information System (IIS) of vulnerable

<sup>108</sup> Resolution no. 496/2023/R/com of 31 October 2023 concerning the "Update of the measures of the Regulatory Authority for Energy Networks and Environment in implementation of Ministry of the Environment and Energy Security Decree no. 224 of 14 July 2023 on guarantees of origin and positive verification of the methods of acquisition, by the Gestore dei Servizi Energetici SpA, of the measurements of the electrical, thermal and/or cooling energy produced and fed into the grid for the purpose of issuing guarantees of origin".

<sup>109</sup> The Council of Ministers approved Law Decree no. 61 of 1 June 2023, on "Urgent interventions to deal with the emergency caused by the flooding events that occurred from 1 May 2023", which provided for a number of concessions in favour of the populations of the municipalities affected by the floods. In particular, it provides - for the citizens of the municipalities for which a state of emergency has been declared - the suspension for 6 months of the payment deadlines for electricity and natural gas bills issued or to be issued and payment notices due from 1 May 2023.

domestic electricity customers<sup>110</sup>. For these customers, the Greater Protection Service is temporarily extended, postponing to a subsequent measure the interventions for its removal. With respect to the new market structure that will result from the regulation of the completion of the liberalisation process of the electricity market, PostePay is currently undergoing the appropriate evaluations.

With Resolution 362/2023/R/eel, published on 4 August 2023, on "Provisions for the rendering of the gradual protection service for non-vulnerable domestic customers in the electricity sector, pursuant to Law no. 124 of 4 August 2017 (Annual Law on the Market and Competition)", ARERA defines the operational modalities for overcoming the "Maggior Tutela elettrica" for domestic customers, the last to be affected by the reform. In fact, it is envisaged that, as of 1 April 2024, non-vulnerable domestic electricity customers who have not chosen a supplier on the free market will be served within the framework of a service of last resort known as the "Servizio a Tutele Graduali" (Gradual Protection Service), the management of which will be assigned through competitive procedures managed by the Single Buyer<sup>111</sup> open to market operators that meet certain requirements.

With Resolution 600/2023/R/eel, published on 20 December 2023, on "Revision of the timing for the activation of the Gradual Protection Service for non-vulnerable domestic customers in the electricity sector pursuant to Law no. 124 of 4 August 2017", ARERA postponed the activation of the "Gradual Protection Service" for domestic customers to 1 July 2024 with respect to the aforementioned deadline of 1 April, following the adoption of Law Decree no. 181 of 9 December 2023 (Energy Decree), which ensures that customers have sufficient time to be informed through an appropriate information campaign to be conducted by the Ministry of the Environment and Energy Security. Customers identified as vulnerable may continue to benefit from the "Servizio di Maggior Tutela".

With Resolution 339/2023/R/gas, published on 28 July 2023, ARERA introduced "Provisions on the communications functional to the permanence of companies selling electricity to end customers in the list of qualified entities, pursuant to the Ministerial Decree of 25 August 2022". The measure, which concludes the proceedings initiated by Consultation 186/2023/R/eel, is intended to allow the verification of certain requirements and indicators that must be met by sales companies in order to remain on the list of entities authorised to sell electricity to end customers, established by the same Decree. In April 2023, PostePay proceeded to register on this public list, which is a necessary condition for being able to engage in the business of selling electricity to end customers.

With Determination 4/2023 of 27 December 2023, in order to guarantee certainty in the relationships between distributors and network users, ARERA standardised the contents and rules for compiling the regulatory documents related to the natural gas distribution service invoice. This standardisation will come into effect as of the distribution invoices of

<sup>110</sup> Compared to the current perimeter of "vulnerable" electricity customers - which includes all customers with domestic use (not "other uses") - as of 1 April 2024 (extended to 1 July 2024), only customers over 75 years of age, customers who are in an economically disadvantaged condition, customers with serious health conditions that require the use of life-saving medical-therapeutic equipment powered by electricity or persons at whose locations persons with such conditions live, customers with disabilities within the meaning of Law 104/92, customers who are in an emergency housing facility following calamitous events, customers who are in a non-interconnected minor island will be classified as "vulnerable".

<sup>111</sup> A public company that was initially set up to supply electricity to customers served under the "Maggior Tutela" regime and that over the years has expanded its scope of activity, in particular by incorporating processes aimed at improving the operation of the energy market (e.g. management of the Integrated Information System and the Offer Portal).

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October 2024 and will allow easier verification of the amounts invoiced to PostePay by individual distributors.

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**ENERGY****ARERA consultations**

Consultation 341/2023/R/gas of July 2023, with the subject "Update of the regulation of the Standard Network Code for the natural gas distribution service on the subject of guarantees". The consultation outlines ARERA's guidelines for supplementing the current regulation of the guarantees that distribution users must give to natural gas distribution companies in order to have access to the networks they operate and to be able to supply customers in their portfolio. The consultation proposes changes to: (i) the timing and handling of the guarantee; (ii) expansion of the list of eligible guarantees; (iii) quantification of the guarantee; (iv) eligibility of insurance sureties; and (v) the deadline for paying invoices.








Consultation 377/2023/R/eel of August 2023 on "Guidelines for the reform of the regulation of conventional withdrawal profiling for settlement purposes and the "residual" energy supply mechanism". The consultation concerns a wide-ranging process of organic revision of the current regulation of electricity settlement, i.e. the process by which Terna determines and consequently assigns to users the physical and economic items relating to the provision of dispatching service on the national transmission grid. The aim of the proposals is to make this process more efficient and in line with the costs borne by the operators, also in view of the abolition of the "Maggior Tutela Elettrica" Service. PostePay is considering adjustments to the new regulations that will mainly impact the profiling of electricity consumption by end customers in the context of electricity dispatching.

Consultation 517/2023/R/com of November 2023, with the subject "Revision of the Bill 2.0 regulation for greater simplicity, comprehensibility and uniformity". The document illustrates ARERA's guidelines for an organic revision of the Bill 2.0 regulation, containing the regulatory provisions burdening sales companies in preparing bills for electricity and gas consumption by end customers. ARERA's proposals are intended to make end customers' bills simpler, easier to understand and more uniform. PostePay is evaluating the impacts of the possible new regulation (e.g. developments with respect to the current layout and content of the bill).

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## OPERATING REVIEW

The following table shows the main activities of the Payments and Mobile Strategic Business Unit for the period.

SEGMENT	OPERATING REVIEW	PILLAR
<b>Energy</b>	<p>The energy offer is characterised by being 100% green for light and 100% compensated in terms of CO<sub>2</sub> for gas.</p> <p>In the first quarter of 2023, the Energy offer was launched on an omnichannel basis in the mass market and the first dedicated communication campaign was carried out. Communication activities continued in the third quarter with an "always on" presence on digital channels and in post offices. In September, in particular, communication on the offer was relaunched with a significant increase on off-line channels such as: TV, print and radio, as well as digital and post office channels; in December, communication activities continued on offline and online channels.</p> 	
<b>Electronic Money/Collections and Payments</b>	<p>As part of the integration process of LIS, which was acquired in September 2022, the expansion of the services offered on the LIS point-of-sale network continued in 2023, with the launch of the "pay and collect" service<sup>112</sup> and the withdrawal service using the Postepay app<sup>113</sup>. These services are accessible from LIS network points of sale operating with Postepay acquiring, in line with the Poste Italiane Group omnichannel strategy.</p> 	
	<p>During 2023, support for government initiatives aimed at supporting specific population groups continued with the production and management of three new cards:</p> <ul style="list-style-type: none"> <li>the <b>Postepay Borsa di Studio Card</b>, which allows eligible persons to spend the amount on certain Merchant Category Codes<sup>114</sup> indicated by the Ministry of Education and Merit.</li> <li>the <b>Dedicata a te Card</b>, promoted by the Ministry of Agriculture, Food Sovereignty and Forestry for the purchase of essential foodstuffs only.</li> <li>the <b>IoStudio PostePay Card</b>, intended for all students attending secondary schools and distributed annually at school.</li> </ul> 	
	<p>In line with the ESG strategic objectives, the migration (renewals, replacements and first issues) of the Postepay card fleet towards cards made of environmentally sustainable material continued in 2023, the stock of which amounted to over 10 million at 31 December 2023.</p>	

<sup>112</sup> With this service, customers can withdraw cash at the LIS point of sale at the same time as a payment transaction with a payment card.

<sup>113</sup> LISPAY's withdrawal service on debit cards issued by PostePay, i.e. the possibility of making a withdrawal using the Postepay app for customers with debit cards linked to a postal current account.

<sup>114</sup> A Merchant Category Code is a four-digit commodity code that classifies the type of goods or services offered by a company.

## 5. STRATEGY

NFS

[INTEGRATING SUSTAINABILITY WITHIN POSTE ITALIANE'S STRATEGY](#)

[POSTE ITALIANE'S SUSTAINABILITY STRATEGY](#)

[POSTE ITALIANE'S SUSTAINABILITY PATH](#)

MAIN RELATED TYPES OF CAPITAL



### 5.1 INTEGRATING SUSTAINABILITY WITHIN POSTE ITALIANE'S STRATEGY

To be sustainable for Poste Italiane means defining a clear strategy on ESG issues and structurally incorporating them within the strategic objectives set in the 2024-2028 Strategic Plan<sup>115</sup>. Within the plan, €4.5 billion of investment is planned in strategic assets over the five-year period, in order to achieve financial objectives. These are augmented by the "Polis Project", launched in 2023 (total investments of €1.2 billion until 2026) which, within the framework of the NRRP (National Recovery and Resilience Plan), aims both to renovate and modernise Post Offices and to enhance the Group's real estate assets with co-working initiatives.

#### Strategic Plan



#### MAIL, PARCELS AND DISTRIBUTION

The strategic objective of the Mail, Parcels and Distribution segment is to accelerate its transformation from a pure mail operator to a full logistics operator, ensuring the economic and environmental sustainability of its operations. Implementation of the strategy is based on streamlining of the distribution networks, consolidation of leadership in the B2C market and growth in the B2B and international segments through the introduction of specific offers and initiatives aimed at improving the customer experience. With this in mind, the strengthening of the contract logistics division to offer end-to-end solutions will continue. Through the implementation of these strategic guidelines, the segment aims to achieve a permanently stable operating profit over the term of the plan.

FINANCIAL OBJECTIVES	OPERATING OBJECTIVES
<ul style="list-style-type: none"> <li>Revenue: €3.9 billion (2023: €3.7 billion), with an increase in revenue from the Parcels segment exceeding the decline in the Mail segment.</li> <li>Revenue of the Parcels segment: €2.0 billion (2023: €1.4 billion).</li> <li>EBIT: €0.1 billion.</li> </ul>	<ul style="list-style-type: none"> <li>369 million parcels in 2028</li> <li>30.000 pick-up/drop-off points by 2028 (&gt;80 million parcels handled).</li> <li>Integrated logistics: 400k square metres of warehouses.</li> </ul>

<sup>115</sup> The financial and operating objectives shown in the tables refer to 2028.



## POSTEPAY SERVICES

The Payments and Mobile area aims to establish itself as a comprehensive and omnichannel platform for its customers, supporting the traditional business lines of payments and telecommunications with an offer dedicated to Energy, a market which the Company will enter by taking advantage of its liberalisation. The acquisition of LIS, from this perspective, helped to enrich the Group's omnichannel strategy. The expansion of the product range, together with the ability to take advantage of physical, digital and third-party network channels,

FINANCIAL OBJECTIVES	OPERATING OBJECTIVES
<ul style="list-style-type: none"> <li>Revenue: €2.2 billion (2023: €1.4 billion).</li> <li>EBIT: €0.7 billion (2023: €0.4 billion), with CAGR of 8%.</li> </ul>	<ul style="list-style-type: none"> <li>Expected Postepay Evolution portfolio of 10.8 million cards issued.</li> <li>Expected card transactions with a CAGR up 11%, to reach €4.6 billion.</li> <li>Customer base 2028 with 0.6 million Fibre and 2.5 million Energy customers.</li> </ul>

makes it possible to fully capitalise on cross-selling opportunities for customers, also through the integrated offer with other Group products, thereby increasing value for Poste Italiane as a whole.



## FINANCIAL SERVICES

Financial Services aims to further evolve its service model to improve the coverage of customers and maximise their value, by combining the traditional physical model with the opportunities provided by technological innovation. The priorities of the Strategic Plan include growth in wealth management, thanks to the diversification of customer portfolios to optimise their risk-return profile, the integration of P&C policies within the advisory model and a renewed focus on loans, with particular emphasis on the salary-backed loan segment, also thanks to partnerships signed with leading operators in the sector. In addition, a commercial focus on the small business segment is expected.

FINANCIAL OBJECTIVES	OPERATING OBJECTIVES
<ul style="list-style-type: none"> <li>Revenue: €5.5 billion (2023: €5.2 billion).</li> <li>EBIT: €0.9 billion (2023: €0.9 billion).</li> </ul>	<ul style="list-style-type: none"> <li>Total financial assets: a rise to €624 billion from €581 billion in 2023, with increased penetration of life products.</li> <li>Loans disbursed: €3.4 billion (2023: €2.6 billion).</li> </ul>



In Insurance Services, Poste Italiane aims to establish itself as an insurance operator capable of serving all customers' investment and protection needs. The



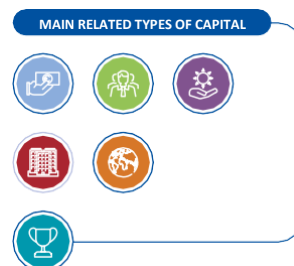
## INSURANCE SERVICES

priorities of the Strategic Plan include strengthening the leading position in Life Investments & Pensions, continuing to offer clients safe and at the same time more profitable and capital-efficient products, with increasing integration of ESG principles into investment policies. Finally, the Protection segment's strategy envisages increasing profitability through the evolution of the modular offering and the integrated advisory model, while also capitalising on the recent acquisition of the Net Insurance Group to increase access channels to the insurance offer (physical networks and third-party digital/insurtech channels).

FINANCIAL OBJECTIVES	OPERATING OBJECTIVES
<ul style="list-style-type: none"> <li>Revenue: €1.9 billion (2023: €1.6 billion).</li> <li>EBIT: €1.6 billion (2023: €1.4 billion).</li> <li>Net profit: 2% CAGR in the period 2023-2028.</li> <li>Solvency Ratio: &gt;200%.</li> </ul>	<ul style="list-style-type: none"> <li>Life Investments &amp; Pension gross premiums: €22.0 billion (2023: €17.8 billion).</li> <li>Protection gross premiums: €1.5 billion (2023: €0.8 billion).</li> </ul>

## 5.2 POSTE ITALIANE'S SUSTAINABILITY STRATEGY

Poste Italiane's Sustainability Strategy consists of the ESG Strategic Plan and a set of Sustainability Policies. The main objective is the achievement of national and international targets for social and environmental development. This Strategy is consistent with Poste Italiane's activities and business criteria, within the broader strategic framework defined by the Group. The ESG Strategic Plan encompasses all the specific objectives and targets, both qualitative and quantitative, that the Group has set for the purpose of continuously improving its sustainability performance. In addition, the policies adopted incorporate all the principles, qualitative objectives and different management methods, regulating in a synergistic manner the various issues that emerged from the materiality analysis and the areas required by Legislative Decree no. 254/2016.



### MATERIAL SUSTAINABILITY THEMES FOR POSTE ITALIANE

Poste Italiane has developed a materiality analysis process aimed at identifying priority issues, based on the significance of their related impacts, to be included in the Group's Sustainability Strategy and to be formalised in terms of policies and targets.

With a view to continuous improvement, in 2023 Poste Italiane continued with the approach initiated in 2021 and subsequently finalised in 2022, aimed at anticipating the application of the principle of double materiality envisaged by the Corporate Sustainability Reporting Directive (CSRD) before its entry into force<sup>116</sup>, set for financial year 2024. Therefore, the Group has maintained the alignment of its materiality analysis methodology to the 2021 update of the GRI standards for impact materiality (inside-out perspective), taking into account the EFRAG provisions, contained in the new

<sup>116</sup> During 2023, the Company initiated an assessment process aimed at analyzing and evaluating the regulatory requirements under the Corporate Sustainability Reporting Directive (CSRD) and the disclosure requirements and KPIs under the European Sustainability Reporting Standards (ESRS) with respect to its sustainability reporting.


sustainability standards<sup>117</sup> and the Double Materiality Guideline, although still in draft form, for financial materiality (outside-in perspective).

The process of defining the material topics, which was finally approved by the Board of Directors, consisted of the following three steps:










To identify current and potential positive and negative impacts, an in-depth scenario analysis was conducted on the Group's activities, its business relations, the sustainability context in which it operates and the expectations of its stakeholders. This analysis took into account the provisions of regulatory sources and the main international sustainability guidelines, the Strategic Plan and the Group's risk management model, as well as the requirements of the main questionnaires prepared by ESG rating agencies and analyses of current industry trends.

In the assessment phase, the materiality of the identified impacts was defined through the direct involvement of stakeholders. Below is the list of impacts submitted for evaluation by the Group's stakeholders.

PILLARS	MATERIAL TOPICS	IMPACTS
<b>Work with transparency and integrity</b> 	<b>Work with transparency and integrity</b>	Increased awareness of the relevance of compliance issues
		Compliance of its internal control system
	<b>Legality and incorporation of ESG criteria within the procurement process</b>	Compliance with social and environmental standards along the value chain
		Raising supplier awareness of ESG issues
	<b>Staff training and</b>	Developing employees' skills

<sup>117</sup> The European Sustainability Reporting Standards, developed by EFRAG in anticipation of the CSRD, were finally adopted by the European Commission on July 31, 2023. The final version of the Delegated Act with the text of the first set of "Sector Agnostic" ESRs was published in the EU Official Journal on December 22, 2023, with entry into force on January 1, 2024.

<b>People development</b> 	<b>development</b>	Employee Engagement
	<b>Staff welfare and well-being</b>	Work-life balance
		Employee satisfaction
	<b>Relations with social partners</b>	Involvement of social partners
		Respect for workers' rights
	<b>Occupational health and safety</b>	Accidents, injuries and occupational illness
Culture of safety		
<b>Diversity and inclusion</b> 	<b>Protection of human rights at the Company</b>	Awareness of human rights issues
		Affirmation of an inclusive corporate culture
	<b>Equal career development opportunities</b>	Supporting parenting
		Gender pay gap
<b>Creating value for the country</b> 	<b>Support for the socio-economic development of local communities</b>	Well-being of citizens
		Social and economic development of local communities
	<b>Dialogue and transparency in relations with the authorities</b>	Opportunities for the country's development and growth
		Supporting institutions
	<b>Financial inclusion</b>	Financial Skills Development
Digitalisation of financial services		
<b>Green transition</b> 	<b>Environmental impacts of real estate facilities</b>	Production of building-related emissions
		Consumption of natural resources and production of waste
	<b>Environmental impacts of logistics</b>	Production of logistics-related emissions
		Consumption of natural resources and production of waste
<b>Quality and customer experience</b>	Customer satisfaction	
	Modernisation of processes and services offered	

<b>Customer experience</b> 	<b>Cybersecurity, IT Security and Privacy</b>	Data leakage and theft
		Breach of privacy
<b>Innovation</b> 	<b>Innovation and digitisation of products, services and processes</b>	Digital transformation of the country
		Development of innovative logistics systems
<b>Sustainable finance</b> 	<b>Integration of ESG factors into investment policies</b>	Sustainable growth of the country through its investing activities
		Responsible investment practices
	<b>Integration of ESG factors into insurance policies</b>	Sustainable growth of the country through its insurance products
		Responsible insurance practices

According to the inside-out perspective, the Company has examined the material current or potential impacts on people and the environment directly related to its activities, products and services, including activities upstream and downstream of its value chain. In addition, from a financial materiality perspective, it considered the sustainability risks and opportunities that may positively or negatively influence future cash flows and thus create or erode corporate value in the short, medium or long term, affecting its development, performance and positioning.

### Stakeholder engagement

With the aim of contributing to the creation of shared value for the Company and all its stakeholders, Poste Italiane also integrates into its Sustainability Strategy the needs expressed by those directly and indirectly involved in the Group's activities. Consideration of stakeholders' requests allows the Group to maintain a relationship of trust and transparency in the social and economic context in which it operates and, at the same time, strengthen its reputation.

In order to identify all the stakeholders who influence or are in turn influenced by the process of achieving the Group's strategic objectives, Poste Italiane has conducted a thorough mapping of the categories of stakeholders with whom it interacts in the course of its activities, in accordance with the AA1000-Stakeholder Engagement International Standard (SES). The analysis enabled the identification of seven macro-categories of stakeholders, namely: Shareholders and Investors, Local Communities (trade associations, media, academia), Customers (consumer associations), Entities and Institutions (regulators, Fondimpresa), Suppliers (business partners), Personnel (Poste Italiane people, trade unions) and the Environment.

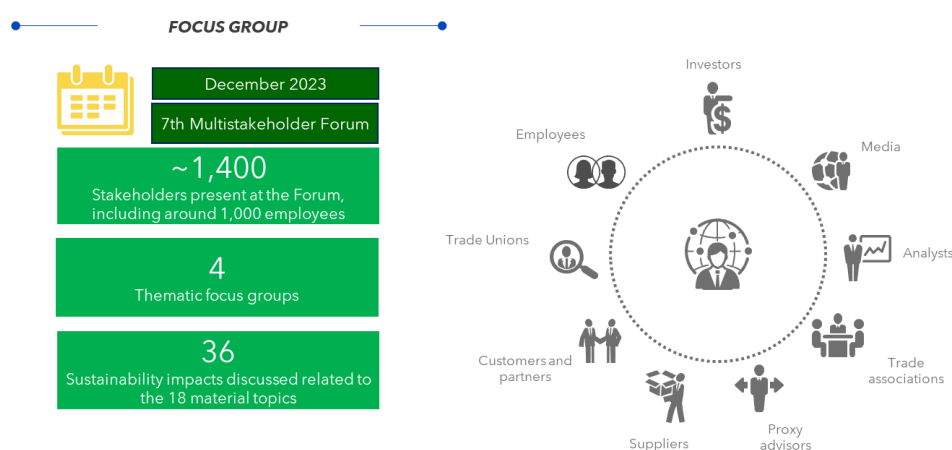
The latter are shown in the following table, which indicates the main methods of engagement and communication related to each of them.

## Poste Italiane's stakeholder engagement methods

CATEGORY OF STAKEHOLDERS	PRINCIPAL ENGAGEMENT METHODS
Shareholders and investors	<ul style="list-style-type: none"> <li>Shareholders' Meetings; Corporate Governance Report; financial reports and periodic presentations; roadshows and dedicated meetings; the Company's corporate website; press releases.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Customer experience systems; periodic customer satisfaction surveys.</li> </ul>
Personnel	<ul style="list-style-type: none"> <li>Internal communication tools (intranet, newsletters, mailing list, Postenews, etc.); internal and external events for staff; periodic meetings; first- and second-level bargaining; periodic satisfaction surveys.</li> </ul>
Suppliers and business partners	<ul style="list-style-type: none"> <li>Dedicated meetings.</li> </ul>
Entities and Institutions	<ul style="list-style-type: none"> <li>Conferences; dedicated meetings; corporate communication; periodic communications; organisation of events.</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Community projects; partnerships; press releases; sponsorships; donations; dialogue with local authorities; contacts during the launch of relevant projects, publication of documents, interviews, events.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Press releases; dedicated events; partnerships; collaborations; conferences.</li> </ul>

### The Multistakeholder Forum 2023

The Multistakeholder Forum is one of the most effective tools to engage and establish dialogue with stakeholders. The event, which takes place annually, represents a crucial opportunity for reflection and discussion on the Group's priority sustainability issues.



The seventh edition of the Multistakeholder Forum, live streamed in order to ensure the widest possible participation, was attended by around 1,400 stakeholders, over 300 more than the previous year, and represented an important opportunity to exchange views with the Group's main stakeholders on strategies, sustainable development issues and the integration of these within the Company's projects defined in the Strategic Plan.

During the event, participants took part in four focus groups related to the eight Pillars of Sustainability. In particular, the first Focus Group, mainly addressed to Employees, explored the "People Development" and "Diversity and Inclusion" Pillars; the second Focus Group, mainly addressed to Suppliers and Business Partners, Entities and Institutions, Community and Territory and Environment, focused on the "Integrity and Transparency", "Green Transition" and "Creating value for the country" Pillars; the third Focus Group, conducted in English and aimed mainly at Suppliers and Business Partners, Shareholders and Investors, focused exclusively on the "Sustainable Finance" Pillar, in order to examine the issue of integrating ESG factors within the Group's insurance and investment policies; the fourth Focus Group, aimed at Customers, focused on the "Customer experience" and "Innovation" Pillars.

Participants in the Forum shared their opinions on material issues for the Company through a digital application accessible from smartphones and PCs that enabled the instant display of the results.



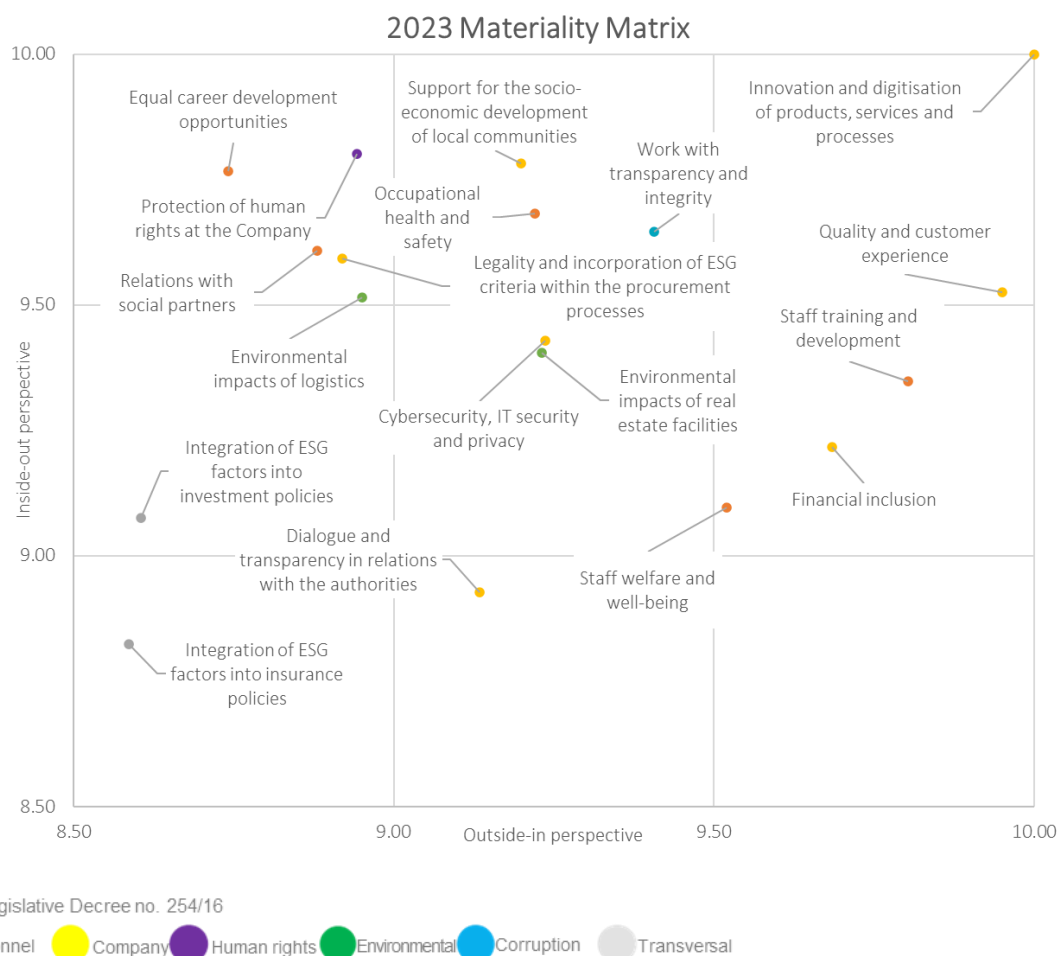
The results of the process of engagement with the Group's main stakeholders showed that impacts related to the following issues were more relevant: Innovation and digitisation of products, services and processes, Protection of human rights in the Company, Support for the socio-economic development of the territory and Equal opportunities in career paths from an inside-out perspective; Innovation and digitisation of products, services and processes, Quality and customer experience, Staff training and development and Financial inclusion based on an outside-in approach.

### Materiality matrix

The materiality matrix, shown below, graphically represents the result of the process of identifying priority issues starting from the assessment of the materiality of the impacts related to them, according to a dual perspective: impact materiality and financial materiality. Each of the 18 material themes is associated with an impact materiality value and a financial materiality value, obtained by multiplying the magnitude and probability of the individual impacts pertaining to the same material theme. The order of priority of the topics was established on the basis of the values obtained and through the definition of a materiality threshold.

This matrix constitutes an effective tool to support the Group's Sustainability Strategy and is the result of the process of alignment to the new GRI provisions for the impact materiality perspective, which is also influenced by the EFRAG provisions, contained in the ESRS standards and the Double Materiality Guideline, although still in draft form, for the financial materiality perspective.

Poste Italiane Group's materiality matrix



Description of material topics

In line with the requirements of the new GRI Standard Universal 3, a list of priority material themes with a description of each theme is given below.

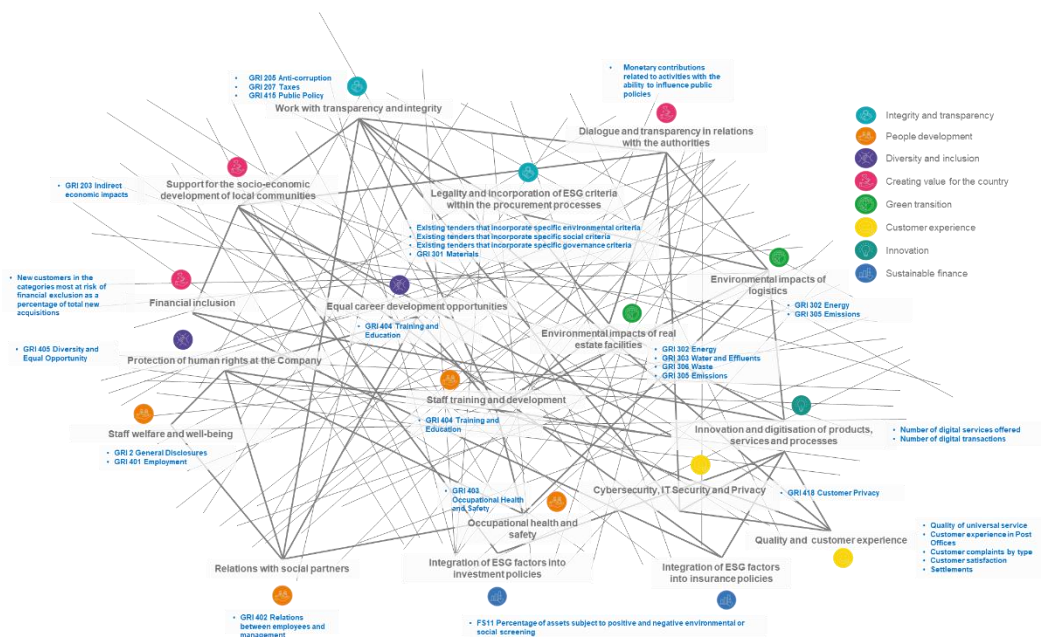
MATERIAL TOPICS	WHAT THIS MEANS FOR POSTE ITALIANE
Innovation and digitisation of products, services and processes	Contribute to the modernisation of Italy and digital and technological evolution through the development of new products and services and the adoption of digital technologies to be incorporated into products, services and business processes, in order to timely respond to changes in scenario, new customer needs and opportunities offered by social and environmental changes.
Quality and customer experience	Respect implementation deadlines and procedures for activities (level of service and performance) and provide customers with a quality experience that goes beyond making use of a traditional product or service. In addition, build a relationship of trust by activating customer engagement channels to be always informed on customers' expectations, needs and satisfaction regarding products and services offered, and correctly handle complaints.
Staff training and development	Guarantee our employees ongoing development of their knowledge and skills and the opportunity to reach their full potential through training courses aimed at ensuring growth and strengthening of know-how in line with the needs they and the market have expressed, also with a view to better managing business and organisational changes.
Work with transparency and integrity	Prepare appropriate internal control measures and spread a corporate culture within the organisation based on integrity, professional ethics and honesty in order to build relationships of trust with its stakeholders and conduct its activities correctly and transparently in every single operation, especially in combating active and passive corruption.



Support for the socio-economic development of local communities	Contribute to Italy's socio-economic well-being through direct, indirect and induced impacts in local areas (e.g. in terms of GDP and employment), and initiate or support social activities that respond to the needs expressed by society, including those identified through dialogue and collaboration with the third sector.
Occupational health and safety	Safeguard our people's health, safety and physical and mental integrity, also in terms of workplace quality, and foster the development of a robust in-company culture in compliance with the highest national and international standards in this regard.
Financial inclusion	Extend the financial products and services offering to traditionally excluded categories, in order to guarantee access to services that are essential for economic livelihoods, and make the customer purchasing experience more aware via financial education initiatives, especially with regard to savings, investment, payments, pensions and insurance.
Protection of human rights at the Company	Guarantee the protection of human rights and the promotion of non-discriminatory behaviours within the Group, including through compliance with recognised standards, incorporation of the risk of violation within the Group's risk assessment model, and development of diversity elements (in terms of differences in age, gender, knowledge and experience) which foster the development of a "corporate culture" and a response to new challenges and market opportunities.
Cybersecurity, IT Security and Privacy	Guarantee the privacy of customers' data, protect intellectual property and provide an effective management system for IT security and cyber security in order to ensure business continuity, protect the information assets of the Company, customers and other stakeholders, and the security of transactions.
Environmental impacts of real estate facilities	Spread a culture of respect for the environment and adopt concrete solutions for the efficient management of energy resources, water resources and waste, from a circular economy standpoint. For example, procurement of renewable energy, installation of renewable energy production plants, building efficiency projects, organisation of separated waste collection, etc.
Staff welfare and well-being	Provide staff with modern, flexible working tools and models that respond to specific personal needs and ensure work-life balance (e.g. smart working initiatives, improved maternity and paternity arrangements, the provision of benefits in the field of healthcare, etc.).
Legality and incorporation of ESG criteria within the procurement process	Procurement processes based on pre-contractual and contractual behaviours aimed at achieving complete respect of legality and transparency, and adoption of selection, assessment and monitoring criteria to measure the social and environmental performance of suppliers, in order to guarantee high levels of functionality and quality for supplies and mitigate ESG risks.
Equal career development opportunities	Ensure equal opportunities in the development of individual careers, by promoting career development paths for all employees regardless of their personal characteristics (age, gender, sexual orientation, disability, ethnic origin, nationality, political opinions and religious beliefs) in accordance with the principles of impartiality and non-discrimination.
Relations with social partners	Consider dialogue with personnel and trade union representatives as essential in finding shared solutions relating to issues that can have significant impacts on the organisation, the business and above all human capital, a vital corporate asset for the Company.
Environmental impacts of logistics	Monitor the environmental impact of logistics activities and encourage a process of change aimed at safeguarding the environment by adopting lower-impact solutions regarding the provision of postal and logistics services, including: the use of hybrid/electric vehicles, rationalisation of distances travelled, correct waste management, development of recharging infrastructure for customers' vehicles.
Dialogue and transparency in relations with the authorities	Promote systematic and transparent dialogue with national and local authorities, based on a quest for shared solutions that makes it possible to respond to communities' social needs, positively affecting the social fabric in the areas in which the Company operates and, at the same time, increasing competitiveness and business continuity.
Integration of ESG factors into investment policies	Incorporate ESG aspects within the investment process in order to better manage non-financial risks and consider new investment opportunities that also support sustainable development and a low-carbon future.
Integration of ESG factors into insurance policies	Incorporate ESG aspects within insurance policies, insurance product development strategies and customer communications.

### Interconnection between material issues and metrics

The integrated approach adopted by Poste Italiane takes into account the combination, correlation and interdependence of issues that have a material impact on the Group's economic, social and environmental performance. In this context, the decision-making process, which includes specific actions aimed at the pursuit of sustainable success, considers the connections and interdependencies between all factors that influence the Company's ability to create sustainable long-term value. To this end, in accordance with the indications of the International <IR> Framework, the interconnections between the material issues for Poste Italiane and the main measurement metrics adopted are shown below.



### THE GROUP'S SUSTAINABILITY POLICIES

The incorporation of sustainability within the Company's regulatory system has led to the definition of the following policies.

#### Sustainability policies adopted by Poste Italiane

POSTE ITALIANE GROUP POLICIES	POLICY OBJECTIVES
Tax Strategy	The strategy is arranged as a set of principles and rules aimed at promoting dissemination of the values of honesty, fairness and compliance with tax regulations, thereby encouraging the development of collaborative and transparent conduct towards the tax authorities and third parties, in order to minimise any substantial impact in terms of either tax or reputational risk.
Occupational Health and Safety Policy	The policy sets out the principles and methods implemented by the Group to protect and promote the physical and mental well-being of people through prevention, a culture of safety and implementation of management systems.
Integrated Policy	The Policy contains a commitment to promptly comply with current regulations: ISO 37301:2021 for compliance management, UNI EN ISO 9001:2015 for quality control, ISO 45001:2018 for occupational health and safety, ISO 37001:2016 to prevent practices that may result in alleged and/or confirmed crimes of bribery, ISO/IEC 27001:2013 and ISO/IEC 20000-1:2018 respectively with respect to the management of data security, and for the management of IT systems which support company processes.

Group policy on community initiatives	The Policy contains a commitment to respond to the social needs of local communities and the country as a whole with integrity and transparency, in accordance with procedures that aim to ensure the effectiveness of supported initiatives, while avoiding any potential conflict of interest.
Policy on personal data protection	The Poste Italiane Group Policy shows that personal data protection is a fundamental value that every Group Company must adhere to in its daily activities. The Group protects and promotes the protection of personal data and the rights of data subjects through information and awareness campaigns and policies for data protection.
Group policy on environmental sustainability	The Policy sets out the general principles, objectives and methods for managing the Group's environmental impact and confirms Poste Italiane's commitment to promoting efficient use of natural resources and focusing on seeking innovative solutions to protect the environment in its value chain.
Responsible investment policy of the Poste Vita Group	In its responsible investment policy, Poste Vita sets out principles that enable inclusion of ESG elements in the management of its investment activities, making a positive contribution to the impact issuers in its financial portfolios have on the community, and concrete adherence to principles and guidelines recognised at national and international level regarding the incorporation of sustainability criteria within traditional investment processes.
Responsible insurance policy of the Poste Vita Group	In its responsible insurance policy, Poste Vita defines principles that enable inclusion of ESG aspects in the management of its insurance activities, and concrete adherence to principles and guidelines recognised at national and international level regarding the incorporation of sustainability criteria within traditional insurance processes.
Responsible Investment Policy of BancoPosta Fondi SpA SGR	In its responsible investment policy, BancoPosta Fondi SGR sets out principles that enable inclusion of ESG elements in the management of its investment activities, making a positive contribution to the impact counterparties in its financial portfolios have on the community, and concrete adherence to recognised principles and guidelines. The Policy was updated in January 2021.
Guideline for investment in sensitive sectors of BancoPosta Fondi SGR	The Guideline for investment in sensitive sectors of BancoPosta Fondi SGR defines measures to identify, assess and monitor exposure to activities that present a material intrinsic risk from an ESG point of view, thus enabling environmental, social and governance aspects to be incorporated into the investment process.
Guidelines on the exercise of voting rights and engagement activities of BancoPosta Fondi SGR	The SGR's Guideline defines measures and procedures to exercise voting rights in accordance with established national and international reference principles and to promote the proper management of ESG issues through beneficial dialogue with issuers of securities in their financial portfolios.
Policy Guideline for Managing Dialogue with Poste Italiane SpA shareholders – Engagement Policy	The objective of the Policy is to regulate the management of dialogue with investors and other market participants adopted by Poste Italiane, with reference to the many forms of engagement that the Company puts in place, whether these concern activities normally managed by the relevant corporate functions (e.g. website maintenance), or involve direct dialogue with members of the Board of Directors ("Shareholder-Director Engagement").
Guideline for investment in sensitive sectors of the Poste Vita Group	The Guideline for investment in sensitive sectors of Poste Vita SpA defines measures to identify, assess and monitor exposure to activities that present a material intrinsic risk from an ESG point of view, thus enabling environmental, social and governance aspects to be incorporated into the investment process.
Guidelines on the exercise of voting rights and engagement activities of the Poste Vita Group	The Company's Guideline defines measures and procedures to exercise voting rights in accordance with established national and international reference principles and to promote the proper management of ESG issues through beneficial dialogue with issuers of securities in their financial portfolios.

Diversity Policy for administrative and auditing bodies of Poste Italiane	The document sets out recommendations regarding aspects of diversity of the members of the Board of Directors and of the Board of Statutory Auditors, such as age, gender, ethnicity, geographical origin, training and professional experience.
Group policy for the protection of Human Rights	The policy sets out a clear approach to the issue of human rights, which is broader than legal requirements and enables monitoring and management of risks and opportunities relating to all forms of human rights, and also confirms the Group's commitment to pursuing socially responsible investment and management activities.
Diversity and Inclusion Policy	<p>The Policy indicates that the Poste Italiane Group is committed to supporting the values of diversity and inclusion through the adoption of corporate, organisational and management mechanisms based on respect for people's rights and freedom.</p> <p>To this end, our plan of action aims to develop the ways in which diversity issues are addressed, moving from an approach designed to protect and integrate diversity to a proactive strategy to overcome cultural stereotypes and to tackle the factors that prevent people from being included in the labour market.</p>
Guideline on Competition and Consumer Protection Compliance	The Guideline aims to ensure compliance with competition and consumer protection rules, to reinforce awareness of the importance of the relevant regulations, to consolidate an operational and control environment aimed at mitigating the risk of anti-trust and anti-competitive offences, to provide a guide to prevent actions, behaviours and omissions that violate competition and consumer protection regulations, and to outline monitoring tools to identify possible violations.
Support for Active Parenting Policy	The purpose of the Policy is to provide a framework to support the female condition in the Company, to help women, before and after the maternity period, with adequate support and development paths through anticipatory plans to enable them to feel fully empowered and supported in expressing their personal and professional abilities. The document aims to outline a people development and management strategy, implement a modern maternity management model and introduce innovative tools for consistent and harmonious support for active parenthood, thereby integrating Poste Italiane's existing human resources development processes.
LGBTQ+Inclusion Policy	The Policy intends to promote policies, solutions and measures capable of improving working conditions by means of inclusive processes for each individual, valuing the different expressions of gender identity of each person, including those of people in gender transition and, in general, to prevent and counter all forms of direct/indirect discrimination related to affective/sexual orientation. The inclusion of LGBTQ+ people is connected to the value of the centrality of the person, the protection of their identity and uniqueness and, in general, their way of being, with an impact on the broader concept of individual and organisational well-being.

## ***The Group's Environmental, Social and Governance (ESG) Strategic Plan***

Poste Italiane's ESG Strategic Plan consists of 8 pillars related to the relevant ESG areas for the Group. The materiality analysis, held during the Multistakeholder Forum in December 2023, enabled the identification of priority topics on the basis of the significance of their related impacts, to be included in the Group's Sustainability Strategy. Each Pillar is based on specific objectives and targets that contribute to the achievement of the United Nations Sustainable Development Goals (SDGs). For further details on the objectives, management methods and performance achieved in the Pillars of the Group's ESG Strategic Plan, please refer to Chapter 7 "Value Creation".

Through the **Strategic Plan**, Poste Italiane aims to achieve responsible growth and accompany the country's path of sustainability and social inclusion. In defining the **investment choices of the Plan**, the contribution of each intervention to the **Group's 8 Sustainability Pillars** was also assessed.

The Company is committed to creating shared value on a daily basis, also in relation to the achievement of the SDGs, and aims to guide the country towards carbon neutrality by 2030. In particular, through initiatives such as the Green Challenge, which includes entering the energy market with an offer 100% from renewable sources and offsetting CO<sub>2</sub> emissions through the development of ad hoc tools, Poste Italiane is able to best communicate the innovative green business philosophy adopted by the Group, i.e. a holistic approach that incorporates all Poste Italiane's products, services and processes.

## 1. INTEGRITY AND TRANSPARENCY



## 2. PEOPLE DEVELOPMENT



**MAIL, PARCELS AND  
DISTRIBUTION**

**2024-2028 ST**

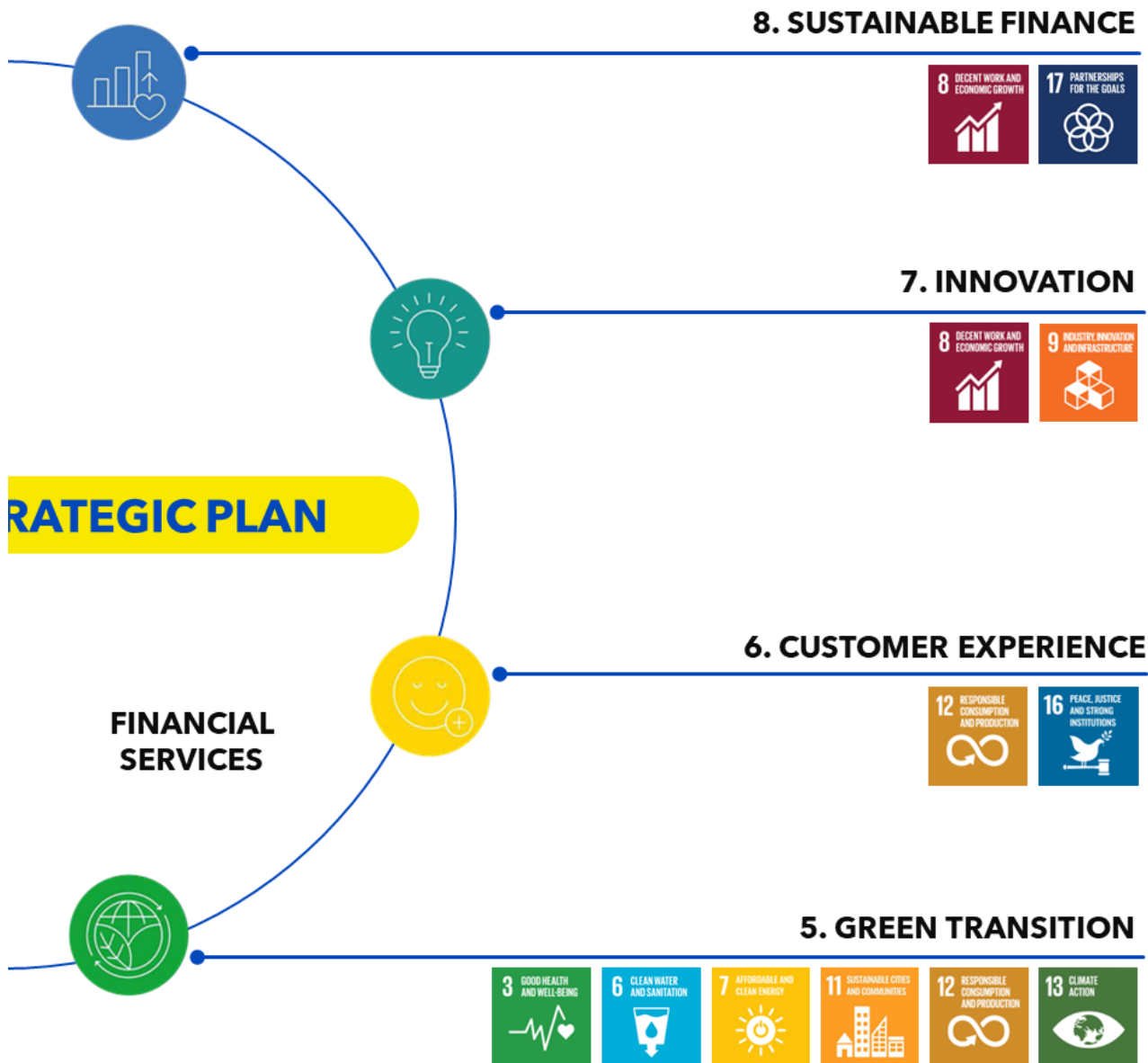
## 3. DIVERSITY AND INCLUSION



**INSURANCE  
SERVICES**

## 4. CREATING VALUE FOR THE COUNTRY





Poste Italiane, being an integral part of a network of associations operating nationally and internationally that aims to seek continuous stimuli and opportunities for discussion on sustainability issues, is able to propose a strategy in step with the evolution of the global context on ESG matters.



UN Global Compact: the largest corporate sustainability initiative in the world. An appeal to companies to align their strategies and operations with universal principles in the areas of human rights, labour, environment and anti-corruption and to take actions that promote society's objectives. It is a universal voluntary initiative to implement the principles of sustainability and adopt measures to support the goals of the United Nations.



Principles for Responsible Investment: the PRIs are a set of six principles that set out the main actions to be taken by investors and provide specific tools (e.g. frameworks, guidelines) aimed at incorporating environmental, social and governance (ESG) factors within traditional investment policies.



Principles for Sustainable Insurance: the PSIs are a voluntary initiative, supported by the United Nations, aimed at addressing risks and opportunities relating to ESG issues in the insurance sector. Launched in 2012, the PSIs are aligned and complement the principles of the UN Global Compact.



*UN Women*: is the UN entity dedicated to gender equality and the empowerment of women and was established to accelerate progress in meeting their needs worldwide. *UN Women* supports UN member states as they define global standards to achieve gender equality and work with governments and civil society to design the laws, policies, programmes and services needed to ensure that the standards are effectively implemented and truly benefit women and girls around the world.



CSR Exhibition: is the most important event in Italy dedicated to sustainability. It is an opportunity to share ideas and find common paths through dozens of meetings, hundreds of speakers and thousands of visitors. The exhibition allows getting to know the companies that have made sustainability a strategic driver, meeting young people, helping build the future of CSR. The exhibition takes place for two days, which are intense thanks to a rich cultural programme, many stimulating appointments, many opportunities for networking.



Sodalitas: established in 1995 on the initiative of Assolombarda, this foundation was the first organisation to promote corporate sustainability in Italy, and aims to contribute to the development of the role of companies as social as well as economic players, and putting the strengths of corporate culture at the service of civil society. A unique organisation in Italy, it brings together the commitment of more than 100 leading companies and a group of volunteer managers, and is a reference point for companies that consider sustainability to be a vital strategic dimension. It has gained respect as a partner of European institutions for implementing the sustainability agenda in Italy, and stands out for its ability to implement multi-stakeholder initiatives for generating shared social value.



Anima per il Sociale: an association that brings together a group of managers and companies with the mission of spreading the culture of corporate social responsibility and Sustainability among local companies, at an economic, social and environmental level. The partnership enables the Group to access the association's network- consisting of large companies, associations, non-profit organisations, bodies and authorities - in order to keep up to date through monitoring, communication and training activities and by participating in Corporate Social Responsibility initiatives and events.





CSR Manager: a network made up of professionals working in all kinds of organisations (companies, business foundations, trade bodies, the Public Administration, non-profit entities) who manage social, environmental and sustainability issues relating to business activities. This network of association provides the opportunity to participate in conferences held, access documents and studies prepared by the network and share best practices with the other members.



Valore D: founded in 2009, this is the first association of companies to promote women's diversity, talent and leadership in support of greater gender balance within its 150 member organisations. This collaboration enables Poste Italiane, as a supporting member since 2012, to actively participate in programmes and workshops organised by the association, as well as to take part in benchmarks and the sharing of best practices regarding the issues of diversity management, achievement of work-life balance and welfare.



ASPHI: an organisation that has been promoting the integration of disabled people in schools, employment and companies via the use of ICT technology for over 30 years. The collaboration with Poste Italiane has been consolidated over several years, in relation to participation in programmes for the inclusion and enhancement of disabled people in corporate environments.

## 5.3 POSTE ITALIANE'S SUSTAINABILITY PATH

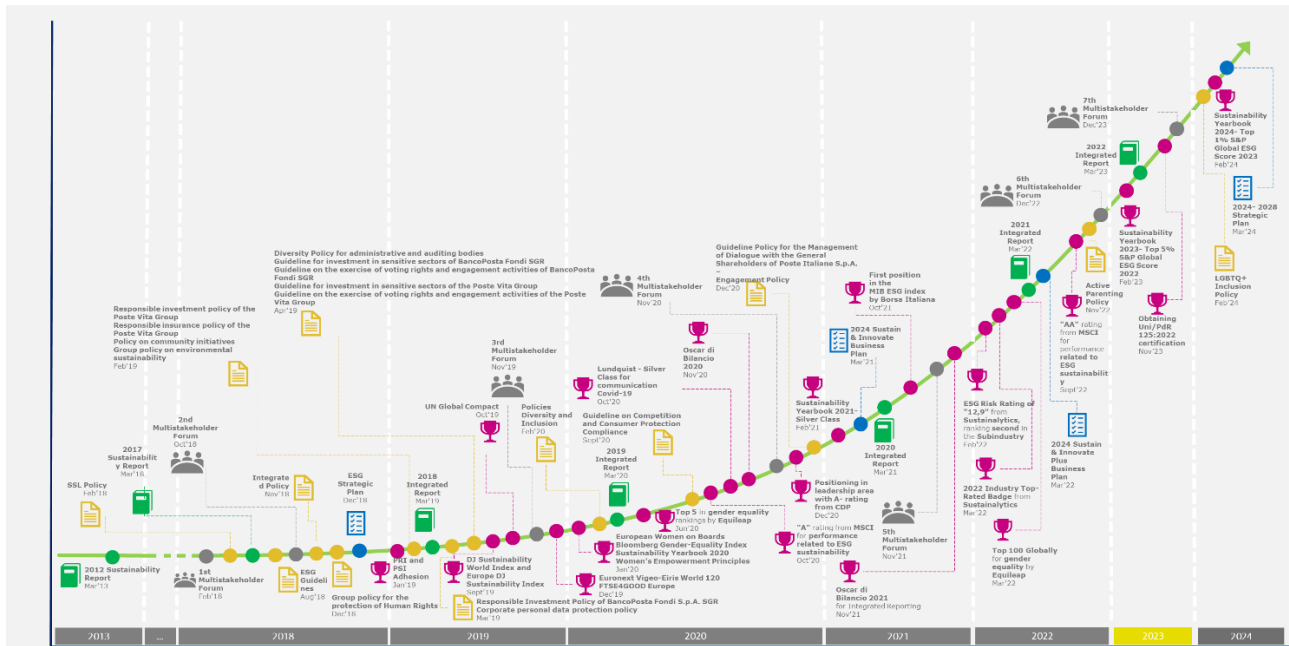
### MAIN RELATED TYPES OF CAPITAL



Being an essential element in the Group's strategic and financial choices, sustainability is an integral component of Poste Italiane's activities, processes and strategy.

Over the past few years, the Group has embarked on an ambitious path to consolidate its Sustainability Strategy, recognising its importance. This strategy, in fact, targets the creation of shared value for Poste Italiane's stakeholders and the improvement of its own reputation.

The Group is therefore committed to disseminating a corporate culture focused on sustainable issues, which are concretely implemented according to three main guidelines - Reporting, Strategy and Governance. From the very beginning, this commitment has allowed the achievement of important evolutionary changes and, at the same time, has enabled Poste Italiane to hit a number of prestigious national and international milestones.













### The value of the reputation and the Sustainability Indices in which Poste Italiane is present

In the current context, the creation of value is increasingly based on intangible resources; therefore, Poste Italiane considers reputation to be a fundamental asset capable of guiding the decisions of its stakeholders. A good corporate reputation not only reinforces trust in the Company but also increases its competitiveness. In line with this objective, the Group has decided to follow up on its commitment by confirming its traditional vocation of being close to the territory and the local community, even more so at a difficult time such as that brought about by the current national and international context.

Thanks to Poste Italiane's significant commitment and the effectiveness of the strategic choices made to consolidate the Group's image and reputation, the Company has received numerous awards and recognitions in recent years.

#### ESG Awards and Recognitions

<p><b>Top Employer Italia 2024</b></p> 	<p>Poste Italiane is Top Employer Italia 2024, winning said award for the fifth consecutive year. The prestigious award was given to Poste Italiane by the Top Employers Institute, the global certification body for excellence in HR practices.</p>
<p><b>Brand Finance Global 500</b></p> 	<p>Poste Italiane re-enters the Brand Finance Global 500. The ranking, which includes the 500 brands with the highest financial value worldwide, places Poste Italiane in 231<sup>st</sup> place in 2024, jumping 52 places from the previous year.</p>
<p><b>Largest company by number of employees to receive "EQUAL-SALARY" certification</b></p> 	<p>The certification, issued by "EQUAL-SALARY", an independent Swiss non-profit organisation in cooperation with the University of Geneva, allows companies to verify and publicise pay equity, for equal work, within the company organisation. Poste Italiane is the first among the companies in the FTSE MIB insurance sector and the largest company by number of employees to have received the "EQUAL-SALARY" certification for the strict application of remuneration policies without gender bias, demonstrating its commitment to creating an inclusive working environment and a corporate culture based on respect and equal opportunities in career paths.</p>



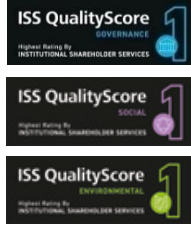




<p><b>Certification for gender equality</b> <b>UNI/PdR 125:2022</b></p>	<p>Poste Italiane obtained UNI/PdR 125:2022 certification for its ability to ensure gender equality in the workplace. The certificate was issued by IMQ, an international certification body, recognising Poste Italiane's ability to guarantee an effective level playing field in the design, direction, control, coordination and delivery of Postal, Logistics, Financial, Insurance and Digital Services.</p>
<p><b>Postepay Digital Product of the year</b></p> 	<p>In 2023, "Postepay Digital" received the "Elected Product of the Year 2023" award in the "Financial Services" category. PostePay Digital is the payment solution for everyone, enabling payments in shops and on-line via smartphone. This award is an important recognition of Poste Italiane's innovative capacity: totally digital, the product can be requested in a few minutes online and via App or SPID.</p>
<p><b>Poste Italiane in 4th position in the</b> <b>Webranking Europe 500</b></p> 	<p>In the twenty-seventh European edition of the "Webranking Europe 500" research, conducted by Lundquist in collaboration with the Swedish company Comprend, on the quality and transparency of companies' digital communication activities, Poste Italiane was placed fourth.</p>
<p><b>NC Awards rewards Poste</b> <b>Italiane's advertising campaigns</b></p> 	<p>At the NC Awards 2023, Poste Italiane was honoured for its advertising campaign for Poste Energia, the offer that marked its entry into the electricity and gas market. The prize, which celebrates the best Italian digital communication projects, was awarded in the category "Integrated Digital Campaigns - Services of Public Interest".</p>
<p><b>Poste Italiane awarded at</b> <b>Media Key Awards</b></p> 	<p>Poste Italiane won another prestigious award, the 20th POP Key Award at the Media Key Awards. In particular, the Poste Energia campaign won the special "Best Engagement Key Award" as the best integrated campaign.</p>
<p><b>2023 Oscar di Bilancio (Financial</b> <b>Statements Oscar)</b></p>  <p><b>Oscar di Bilancio 2023</b> 59° EDIZIONE</p>	<p>Poste Italiane was awarded first prize in the "Large Listed Companies" category in the 59th edition of the Oscar di Bilancio, promoted by FERPI, Borsa Italiana and Università Bocconi. The Group has distinguished itself for the completeness, transparency and innovation of its communication of its financial results to the market and stakeholders.</p>
<p><b>Sustainability Report Award</b></p>  <p>UNIVERSITÀ DI PAVIA</p>	<p>Poste Italiane was awarded first prize in the "Diversity &amp; Inclusion" category at the fifth edition of the "Premio al Report di Sostenibilità" (Sustainability Report Award), promoted by the Department of Economic and Business Sciences of the University of Pavia, distinguishing itself for its mention of activities supporting diversity and inclusion in the company and a healthy gender balance in top positions.</p>
<p><b>Impact Award</b></p> 	<p>Poste Italiane won the "Premio Impatto" (Impact Award), the initiative promoted by the Milan CSR and Social Innovation Trade Show, which recognised the company's social value and ability to plan investments in the fleet overhaul plan, combining the financial framework with sustainability.</p>

In 2023, Poste Italiane affirmed its presence in important sustainability indices, which are valid parameters both in terms of communicating results to stakeholders and for assessing and, if necessary, improving the Group's internal performance.

Sustainability indices, in fact, are used for a twofold purpose: on the one hand, they are used by shareholders and stakeholders as a reference tool for evaluating the Company's sustainability performance compared to other market players, and on the other hand, they are used for internal analyses conducted by company management in order to develop the Group's sustainable investment plans.

### Sustainability indices in which Poste Italiane is present

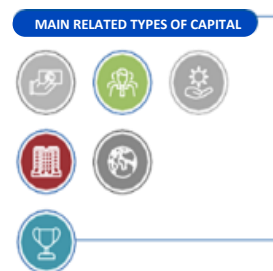
 <p>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA</p>	<p>In 2023, Poste Italiane took first place globally in S&amp;P Global's Corporate Sustainability Assessment, within the "Insurance" sector, achieving a score of 85/100. In 2023, Poste Italiane consequently confirmed its presence in the Dow Jones Sustainability World Index (DJSI) and in the more selective Dow Jones Sustainability Europe Index for the fifth consecutive year.</p>
 <p><b>FTSE4Good</b></p>	<p>Poste Italiane was awarded a rating of 4.2 by the FTSE Russell ESG Rating agency. Poste Italiane has been included for the fifth year running in the prestigious FTSE4Good sustainability indices. The FTSE4Good Europe and FTSE4Good Developed indices include companies that stand out for their transparent management and application of ESG criteria. The Company stood out in particular for its Social and Governance performance.</p>
 <p><b>CDP</b> DISCLOSURE INSIGHT ACTION</p>	<p>The Company is positioned within the "Leadership" band with an A- rating in the annual classification drawn up by CDP (formerly the Carbon Disclosure Project) for the fourth consecutive year. In particular, Poste Italiane distinguished itself in the area of risk and opportunity disclosure, for its risk management system and for defining business strategies that include climate-related objectives.</p>
 <p><b>MOODY'S</b></p>	<p>In 2023, Poste Italiane obtained a score of 79 out of 100 in the ESG Overall Score of Moody's, consolidating its presence in the Euronext Vigeo-Eiris World 120 index and in the Euronext Vigeo Eurozone 120 and Europe 120 regional indices.</p>
 <p><b>EURONEXT</b></p>	<p>As of October 2021, and confirmed also in 2023, Poste Italiane is included in the new Euronext MIB ESG index, ranking first among the best performing companies. The MIB ESG represents the first blue-chip index for Italy dedicated to sustainability, combining elements of economic performance with Environmental, Social and Governance (ESG) values.</p>
 <p><b>EURONEXT</b></p>	<p>As of November 2022, also confirming its position in 2023, the Group entered the gender equality index "Euronext Equileap Gender Equality Eurozone 100", becoming one of the 100 companies in the Eurozone that have demonstrated a strong commitment to improving gender equality in the workplace.</p>
 <p><b>SUSTAINALYTICS</b></p>	<p>In February 2024, the Company was awarded an ESG Risk Rating of 16.9 (Low risk) by Sustainalytics, within the sub-industry Regional Banks.</p>
 <p>ESG INDUSTRY TOP RATED 2024</p>	<p>In 2024 Poste Italiane was recognised by Sustainalytics as a top ESG performer, earning the 2024 Industry Top-Rated Badge.</p>
 <p><b>Bloomberg</b> Gender-Equality Index 2023</p>	<p>For the fourth year running, Poste Italiane has been confirmed in the Bloomberg Gender Equality Index (GEI), the world's leading gender equality index. The Company improved its performance compared to the previous year, once again scoring well above the average score of the companies evaluated within the GEI, which includes 484 companies, belonging to 11 manufacturing sectors with a combined market capitalisation of USD 16 trillion, based in 45 countries and regions.</p>

	<p>In 2023, Poste Italiane was assessed by Equileap for its performance in the area of gender equality. The Group has been recognised in particular for its commitment to supporting paternity and maternity, for obtaining the Equal Salary certification, and for its policies on occupational safety and employee protection.</p>
	<p>Poste Italiane has confirmed its presence in the 2024 edition of S&amp;P Global's Sustainability Yearbook, which assesses the ESG performance of major companies globally. The Group is in the top 1% of the 9,400 companies evaluated for entry into the Sustainability Yearbook, falling into the "Top 1% S&amp;P Global ESG Score 2023" bracket.</p>
	<p>In 2023, the Poste Italiane Group confirmed its rating of 1, considered the highest rating, in the areas of Environment, Social and Governance as part of the Institutional Shareholder Services Inc. (ISS).</p>
	<p>In 2023, Poste Italiane confirmed its corporate sustainability performance and leadership in the sector by earning an "AA" rating from MSCI, one of the leading agencies, for the huge progress made with regard to the social aspect.</p>
	<p>In 2023, Poste Italiane maintained its presence in the STOXX Global ESG Leaders Index, the index that includes around 400 leading global companies in terms of corporate sustainability, which is structured from the basket of companies belonging to the STOXX Global 1800.</p>
	<p>Poste Italiane is among the top three companies in the ranking of the "Integrated Governance Index (IGI) 2023", the index that measures the degree of integration of sustainability policies in corporate strategies.</p>
	<p>Poste Italiane is awarded the prestigious Platinum medal by EcoVadis, which assesses the sustainability of companies along the supply chain, further improving its position from last year's Gold medal by placing within the top 1% of companies assessed by the team of international experts.</p>

## 6. RISKS AND OPPORTUNITIES

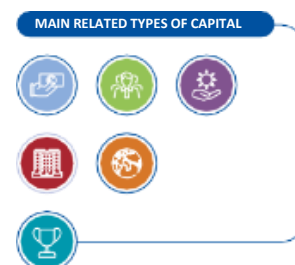
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- POSTE ITALIANE'S INTEGRATED INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM
- RISKS ASSOCIATED WITH MATERIAL TOPICS AND MANAGEMENT METHODS
- POSTE ITALIANE'S COMMITMENT TO MANAGING HUMAN RIGHTS RISKS
- MANAGING CLIMATE CHANGE RELATED RISKS AND OPPORTUNITIES
- MANAGING EMERGING RISKS AND THE RELATED OPPORTUNITIES



### 6.1 POSTE ITALIANE'S INTEGRATED INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In a context characterised by a high level of operational and regulatory complexity and the need to compete more and more efficiently in the reference markets, risk management and the related control systems take on a central role in the decision-making processes, with a view to creating long-term value to the benefit not only of the shareholders, but also in consideration of the interests of the other stakeholders of relevance to the company.



The Poste Italiane's Internal Control and Risk Management System (SCIGR) is a combination of tools, procedures, rules and organisational structures, designed to ensure that the business is managed in a way that is sound, fair and consistent with the corporate objectives, and to pursue sustainable success, through an adequate definitions of players, duties and responsibilities of the various corporate bodies and control functions as well as through the identification, measurement, management and monitoring of the main risks, and through the structuring of adequate reporting lines to expedite the flow of information.

This system is a fundamental element of Poste Italiane's corporate governance system, as it enables the Board of Directors to guide the Company in its pursuit of long-term value creation, defining the nature and level of risk compatible with its strategic objectives, and including in its assessments all elements that may be relevant to sustainable success. In particular, in line with the main leading practices that place particular emphasis on the integration of sustainability into strategies, risk management and remuneration policies, Poste Italiane's SCIGR aims to contribute to the Company's sustainable success by defining ESG roles and responsibilities, information flows between the players involved in the internal control system and towards corporate bodies, and the methods of managing the related risks. Moreover, in order to achieve this objective, the Company has decided to promote dialogue with the relevant stakeholders, in order to ensure a constant exchange of views on business strategies and their implementation.

In line with statutory requirements and the related best practices, the SCIGR consists of three levels of control and involves a range of actors within the organisation. The first level controls identify, assess, manage and monitor the risks within their competence in relation to which they identify and implement specific treatment actions aimed at ensuring the correct performance of the operations. The second-level control units, whose role consists primarily of defining risk management models and carrying out monitoring activities, play a key role in the integration and overall functioning of the Internal Control

and Risk Management System. The third level of control, managed at Poste Italiane by the Internal Auditing function, provide independent assurance on the adequacy and effective operation of the first and second level of control and, in general, on the SCIGR.

### SCIGR assurance activities

The Internal Auditing function, in accordance with internal provisions, international professional standards and the mandate assigned to it, performs third-level audits on the Poste Italiane Group's significant processes in order to express an opinion on the adequacy of the internal control system, i.e. on the Company's ability to contain the risks that threaten the achievement of corporate objectives.

The action of the Internal Auditing function for the year 2023 continued in line with the approach adopted in past years and was inspired by the following strategic lines:

- safeguard the achievement of the objectives of the Business Plan and Sustainability;
- support Group Governance;
- promote value creation, efficiency and agile leadership.

At its meeting of 22 February 2023, the Board of Directors, after consulting the Risk Control Committee and the Board of Statutory Auditors, examined the SCIGR 2022 Evaluation Report and approved it. The Report, which has been prepared in accordance with the requirements of the Corporate Governance Code for listed companies and supervisory instructions, has taken account of the results of audits carried out in 2020 on the basis of the Audit Plans of all the Audit functions involved and the general framework of the Poste Italiane Group's SCIGR, considering the impact of organisational changes adopted, developments and events during the year. The Report provides an overall assessment of the Poste Italiane Group's Internal Control and Risk Management System in terms of "Positive Assurance", noting that, on the basis of the findings at the date of the report and for the period covered by the report, the system is, on the whole, adequate to mitigate the risks that threaten the pursuit of the Group's objectives.

At the same time, the Report provided a process-by-process representation of the main audit findings, the various contributions to strengthening the SCIGR, and a summary of the internal control activities carried out during the reporting year.

On 22 February 2023, Poste Italiane's Board of Directors also approved the **2023 Audit Plan** of the Internal Auditing function, which was prepared, on the basis of a consolidated methodological approach, according to a systemic assessment of the level of potential risk of the main processes (including risks pursuant to Legislative Decree no. 231/01) consistent with the Enterprise Risk Management (ERM) framework and corporate objectives. The 2023 Audit Plan was set up to provide assurance to the Governing and Control Bodies, as well as to support management on internal control issues. This approach ensures an adequate and gradual coverage over time of the processes referable to the Subsidiaries of the Poste Italiane Group, while guaranteeing compatibility and consistency with international standards and best practices on internal control.

The Plan's main strategic orientations include:

- promote the alignment of the Control Systems of the Subsidiaries to the standards of the Parent Company;
- strengthen first-level oversight of Sustainability objectives;
- assisting the Audit functions of Supervised Subsidiaries.

The Audit Plan, on the basis of the reference regulatory developments and company dynamics, also considers in an integrated manner the risks pursuant to Legislative Decree no. 231/01 and expresses the levels of forecast coverage, in a rolling logic, for the three-year period 2021 - 2023 of the processes of Poste Italiane, of the non-supervised Poste Group Companies, of BancoPosta and of the supervised Group Companies, guaranteeing overall high three-year coverage levels

for more than 96% of the processes in the Audit Universe (continuous audit coverage of 24%, high coverage of 39% and average coverage of 33%), many of which are subject to regulatory or supervisory constraints.

The areas involved in the 2023 Plan include the provision of Insurance, Financial and Transactional products/services (with audits at 1,380 facilities), as well as Postal and Logistics processes (around 100 facilities). The planned activities also covered the main resource management processes, including IT (with 17 audit activities on processes/applications), real estate (4 structures) and purchasing (5 Group companies), human resources (6 structures), administrative-accounting processes (15 structures), dispute management processes (6 structures) and various areas of compliance (20 structures). The activities foreseen in the 2023 Audit Plan were carried out ensuring the full saturation of the function's resources.

In order to enhance the effectiveness of the monitoring of the Group control system, the Internal Auditing function has further expanded the verification activities to be carried out on Group companies without their own internal auditing function. In continuity with the logic adopted in recent years, Poste Italiane's Internal Auditing function has signed implementation agreements with the most significant Group companies that do not have their own internal auditing function, i.e. SDA Express Courier, Poste Air Cargo Srl and Postel SpA. In addition, in order to strengthen the effectiveness of the Group's control system and, as mentioned above, strengthen the support towards the Auditing functions of the Supervised Subsidiaries, new implementation agreements were formalised with the companies Nexive and PostePay.

#### [Risk management and risk assessment model](#)

Poste Italiane has adopted a Risk Management model based on the Enterprise Risk Management (ERM) framework, with the aim of providing an organic, integrated vision and an effective, standardised response to the risks to which the Group is exposed. The Group Sustainable Development, Risk and Compliance function ("SSRCG") is responsible for ensuring that these objectives are met. This is primarily done through the definition of an integrated risk management process that relies on the coordinated involvement of all the actors in the Internal Control and Risk Management System, above all the specialist forms of second-level control, the use of standardised models and metrics based on Group-wide criteria, and the design and implementation of shared tools for assessing and managing risk. In this latter regard, the Group implemented an integrated Governance, Risk and Compliance (GRC) platform in 2018 to support the integrated risk management process. This IT tool assesses and manages operational risks, in accordance with Legislative Decree no. 231/01, of fraud, IT security, strategic, ESG, reputational, fiscal, physical security, Integrated Compliance, privacy and corruption as well as compliance with the rules applicable to financial and payment services. Furthermore, during 2023 the platform was further expanded through evolutionary implementations and extension of functionality in relation to the already existing modules. In addition, further work was carried out that strengthened and extended the application integration aspects between the specific GRC system and other systems in the company. This is the tool that has enabled the Group to maximise integration of the risk management process, ensuring that risk assessment methods are shared across all the specialist second-level control functions. At the same time, it has improved communication with senior management and corporate bodies and between the various control functions, minimising the risk of inadequate or redundant information.

Below are the main risk categories associated with the Poste Italiane Group's activities, as identified in the Group's Risk Model.



## Strategic

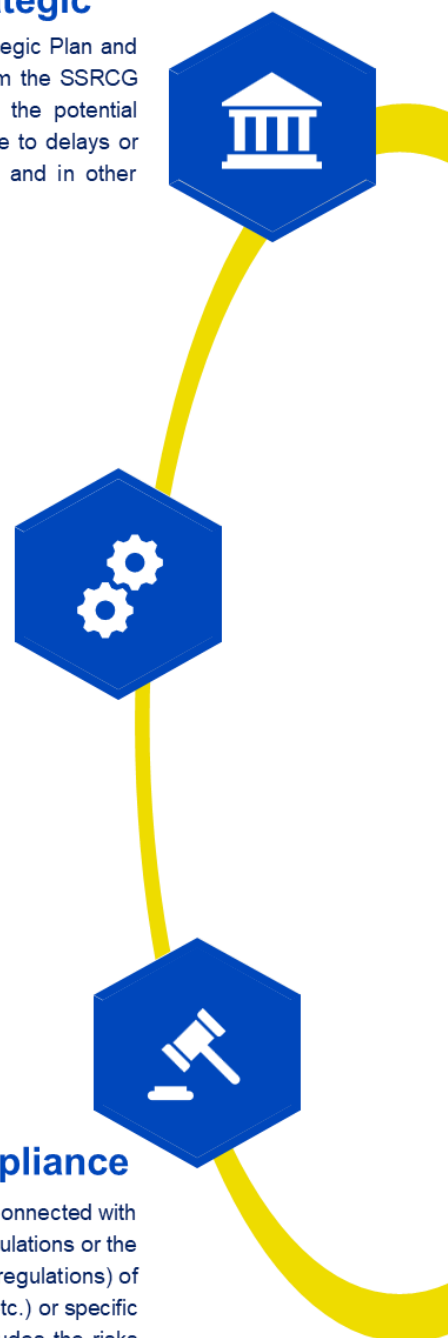
This category of risk could influence achievement of the goals set out in the Strategic Plan and are identified, classified and monitored with the involvement of management from the SSRCG function. This process describes the key nature of the risks, the triggers and the potential consequences or effects, in both financial terms (e.g. losses, increased costs due to delays or the failure to implement restructuring plans and efficiencies, reduced revenue), and in other terms (e.g. customersatisfaction).

## Operational

Operational risks refer to the risk of losses resulting from inadequate or failed internal processes, people and systems at Group level, or from external events. Management of operational risk takes place at both the level of specialist units within the Group (BancoPosta Risk Management and Outsourcing Governance, Poste Vita Group Risk Office and PostePay Risk Management and Compliance), in compliance with the respective supervisory standards, and at an integrated level, involving the SSRCG function. The following risks, among others, are closely monitored: i) IT risk, above all the risk that malfunctions and/or shortcomings in information systems could result in the loss of data integrity, leaks of personal data or breaches of confidentiality, potentially causing disruption to the services provided to customers; ii) health and safety risk, with specific regard to the risk of workplace injury to employees or contractors as a result of operations (e.g. the collection, transport and sorting of parcels and letter post, and the delivery of postal products using motor vehicles); iii) physical security risk, relating to access to the headquarters premises of Group companies, to post offices or other private areas by unauthorised or unidentified persons, and the limited protection of Poste Italiane's assets and property against criminal behaviour (robberies, losses resulting from fraud, theft, ATM attacks, vandalism, etc.). Operational risk also includes disruption and/or obstacles to entry to the Group's operating facilities (mail sorting centres and delivery offices, etc.) due to industrial action or strikes.

## Compliance

This refers to risks of breaches of existing laws and regulations, such as the risks connected with Legislative Decree no. 231/01, Law 262/05, Data Protection and Market Abuse regulations or the introduction of new legislation or regulations (or new interpretations legislation and regulations) of either general importance (e.g. regarding administrative, accounting, tax matters, etc.) or specific to the sectors in which the Poste Italiane Group operates. This risk category includes the risks linked to the introduction of new regulations governing the management and development of universal postal services and the related rates providing a return for Poste Italiane, and the risk of the failure to meet the service quality standards set by the regulator (the Autorità per le Garanzie nelle Comunicazioni or AGCom).



## Reputational

This category regards the risks connected with a negative perception among the Group's stakeholders, in response to which the Group has adopted a stakeholder engagement framework in order to identify and assess this type of risk at source. The main element of reputational risk to which the Group is, by its nature, exposed is linked to market performance and primarily associated with the placement of postal savings products and investment products issued by third-party entities (bonds, certificates and real estate funds) or by Group companies (insurance policies issued by the subsidiaries, Poste Vita and Poste Assicura, and mutual funds managed by BancoPosta Fondi SGR), and those linked to the perceived and effective quality of the services related to letter post and parcel delivery.

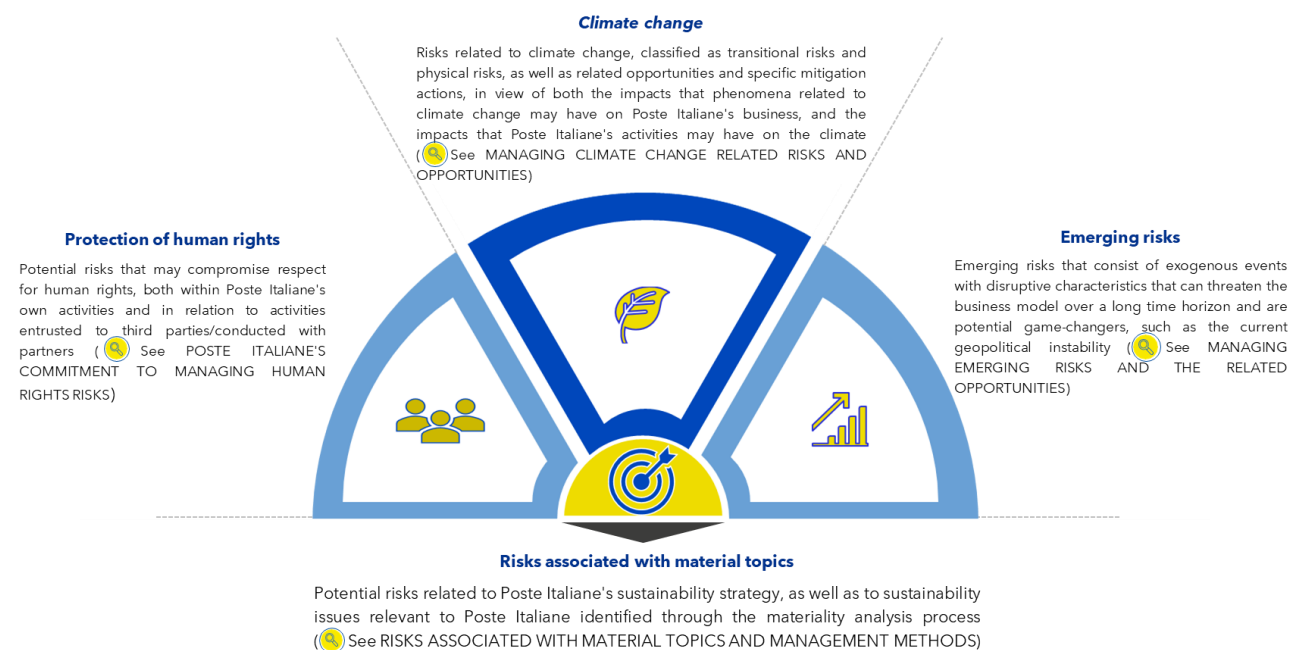
## ESG

Risks arising from factors related to environmental, social and governance issues (in particular, linked to human rights, climate change and sustainable finance).

## Financial and insurance

Financial risks that are regulated and overseen by supervisory authorities (the Bank of Italy and IVASS, the insurance industry regulator) and the responsibility of the Risk Management units belonging to the various business units, coordinated by the function responsible for Sustainable Development, Risk and Compliance at Group level. Financial risks primarily relate to the operations of BancoPosta RFC and PostePay's ring-fenced EMI (the active management of the liquidity deriving from postal current account deposits, and of collections and payments carried out in the name of and on behalf of third parties), asset financing and the investment of liquidity and, as regards the Poste Vita Insurance Group, investments designed to cover contractual obligations to policyholders. Insurance risks derive from the stipulation of insurance contracts and the terms and conditions contained therein (technical bases adopted, premium calculation, the terms and conditions of redemption, etc.). In technical terms, mortality is one of the main risk factors for Poste Vita, i.e. any risk associated with the uncertainty of a policyholder's life expectancy, alongside the risk associated with redemptions.

With specific reference to the assessment of Poste Italiane's main risks, in addition to the customary activity of analysing the internal context, particular attention was paid to the external context, also in consideration of the country's general objectives for a sustainable economic recovery, as well as the current geopolitical context characterised by strong instability, also in light of the humanitarian and energy crisis caused by the conflict between Russia and Ukraine. In particular, the risk assessment activities first focused on the analysis of risks and opportunities related to the management of material topics, and then, on the basis of this analysis, there was an in-depth examination of some types of risks that may have a transversal impact on these topics, such as climate change, human rights protection and emerging risks. In particular, with reference to the different material topics, the following were analysed:













The main risks for Poste Italiane were analysed taking into consideration the forms of financial and non-financial capital that characterise its business model. Furthermore, these analyses were conducted by adopting the common metrics defined by the World Economic Forum, taking into account their impact on the achievement of the Sustainable Development Goals. In particular, each risk was classified on the basis of these metrics, also highlighting their correlation with Poste Italiane's sustainability pillars and the respective material topics. An example of such assessment activity is given in the paragraph on emerging risks.

## 6.2 RISKS ASSOCIATED WITH MATERIAL TOPICS AND MANAGEMENT METHODS



In order to ensure that the environmental, social and governance aspects are effectively integrated into the company strategy and processes, an analysis was conducted of the risks associated with the material topics identified, specifying the stakeholders involved, the impact on Poste Italiane and its stakeholders, the main management methods adopted by the Group and the related financial and non-financial capital.

### Non-financial risks associated with material topics and management methods

PILLAR	MATERIAL TOPIC	RISK EVENTS	STAKEHOLDERS	POTENTIAL IMPACT ON POSTE ITALIANE	POTENTIAL IMPACT ON STAKEHOLDERS	MAIN MANAGEMENT METHODS	POTENTIAL IMPACT ON CAPITAL
 <b>Integrity and transparency</b>	Work with transparency and integrity	Behaviours adverse to proper business management standards	Personnel; Suppliers and business partners; Financial community; Customers; Independent Regulatory and/or Supervisory Authorities	<ul style="list-style-type: none"> <li>Strategic</li> <li>Reputational</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Economic</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of corporate controls on specific issues (e.g. integrated compliance model, integrated risk management model, corporate reliability model, anti-corruption, environment, 231 model, ISO certifications, etc.)</li> </ul>	 <b>Human</b>  <b>Intellectual</b>  <b>Financial</b>
	Legality and incorporation of ESG in the procurement process	Behaviour of suppliers not in line with Poste Italiane's sustainability policies	Suppliers and business partners	<ul style="list-style-type: none"> <li>Strategic</li> <li>Operational</li> <li>Reputational</li> <li>ESG</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>"Open and transparent contracts" portal</li> <li>Centralisation of Group companies' procurement activities within a corporate function</li> <li>Supplier qualification system including from an ESG perspective</li> </ul>	 <b>Human</b>  <b>Social-relational</b>  <b>Financial</b>
 <b>People development</b>	Personnel training and development	Inadequate personnel skills	Customers; Poste Italiane people	<ul style="list-style-type: none"> <li>Strategic</li> </ul>	<ul style="list-style-type: none"> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of annual training plan</li> <li>Promotion of communication, training and information initiatives to increase engagement</li> <li>Consolidation of the Poste Italiane</li> </ul>	 <b>Human</b>  <b>Intellectual</b>

PILLAR	MATERIAL TOPIC	RISK EVENTS	STAKEHOLDERS	POTENTIAL IMPACT ON POSTE ITALIANE	POTENTIAL IMPACT ON STAKEHOLDERS	MAIN MANAGEMENT METHODS	POTENTIAL IMPACT ON CAPITAL
						Development System	
	Staff welfare and well-being	Inadequate planning and/or implementation of staff welfare and well-being programmes	Poste Italiane people	<ul style="list-style-type: none"> <li>Strategic</li> <li>ESG</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Quality of life, well-being</li> </ul>	<ul style="list-style-type: none"> <li>Staff engagement programmes (e.g. NoidiPoste channel, postenews, etc.)</li> <li>Incentivisation of the use of remote working tools</li> <li>Financial and non-financial benefits for personnel</li> </ul>	Human
	Relations with social partners	Labour union disputes	Labour unions; non-recognised workers' organisations; financial community	<ul style="list-style-type: none"> <li>Economic</li> <li>Strategic</li> <li>Operational</li> <li>Reputational</li> </ul>	<ul style="list-style-type: none"> <li>Economic</li> <li>Health and safety</li> <li>Human rights</li> <li>Quality of life, well-being</li> </ul>	<ul style="list-style-type: none"> <li>Constant dialogue with labour union representatives</li> <li>Implementation of restructuring projects in compliance with the regulatory framework (National Collective Labour Contract and laws) which is characterised by governable social impacts</li> <li>Management of resources in line with legal requirements, policies and Company procedures</li> </ul>	Social-relational
	Occupational health and safety	Accidents/workplace injuries involving employees or contractors	Poste Italiane people	<ul style="list-style-type: none"> <li>Economic</li> <li>Strategic</li> <li>Reputational</li> <li>Operational</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Analysis and optimisation of occupational health and safety organisational models (drafting Risk Assessment Document, providing training, etc.)</li> <li>Extension of production models to operational sites (e.g. lean manufacturing)</li> <li>OHSMS certification in the production units of both Poste Italiane SpA and of Group Companies</li> </ul>	Human

PILLAR	MATERIAL TOPIC	RISK EVENTS	STAKEHOLDERS	POTENTIAL IMPACT ON POSTE ITALIANE	POTENTIAL IMPACT ON STAKEHOLDERS	MAIN MANAGEMENT METHODS	POTENTIAL IMPACT ON CAPITAL
<p>Diversity and inclusion</p>	Protection of human rights at the Company	Possible discrimination against Poste Italiane employees (e.g. gender, age, political or sexual orientation, marital status, etc.)	Poste Italiane people	<ul style="list-style-type: none"> <li>Strategic</li> <li>Reputational</li> <li>ESG</li> </ul>	<ul style="list-style-type: none"> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Specific organisational responsibility for diversity and inclusion</li> <li>Identification of possible training initiatives to create "culture" for all development</li> <li>Introduction of control mechanisms for the protection of human rights, equal opportunities, diversity and inclusion</li> </ul>	Human Social-relational
	Equal career development opportunities	Lack of transparency in communication and application of objective assessment drivers in employees' career paths	Poste Italiane people; Labour Unions; Non-recognised workers' organisations	<ul style="list-style-type: none"> <li>Strategic</li> <li>Reputational</li> </ul>	<ul style="list-style-type: none"> <li>Human rights</li> <li>Quality of life, well-being</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of control mechanisms for the protection of human rights, equal opportunities, diversity and inclusion</li> <li>Promoting an inclusive business culture aimed at guaranteeing equal opportunities are respected</li> <li>Ongoing dialogue with Employees</li> </ul>	Social-relational
<p>Creating value for the country</p>	Support for the socio-economic development of local communities	Tensions with local communities	Local authorities	<ul style="list-style-type: none"> <li>Strategic</li> <li>Reputational</li> </ul>	<ul style="list-style-type: none"> <li>Quality of service</li> <li>Economic</li> </ul>	<ul style="list-style-type: none"> <li>Constant structured dialogue with bodies and authorities and agreed community engagement initiatives</li> </ul>	Social-relational
	Dialogue and transparency in relations with the authorities	Failure to take into account authorities' expectations	Independent regulatory and/or supervisory authorities; European and international authorities; national authorities; consumer and trade associations	<ul style="list-style-type: none"> <li>Strategic</li> <li>Reputational</li> </ul>	<ul style="list-style-type: none"> <li>Economic</li> </ul>	<ul style="list-style-type: none"> <li>Constant structured dialogue with bodies and authorities agreed community engagement initiatives</li> </ul>	Social-relational

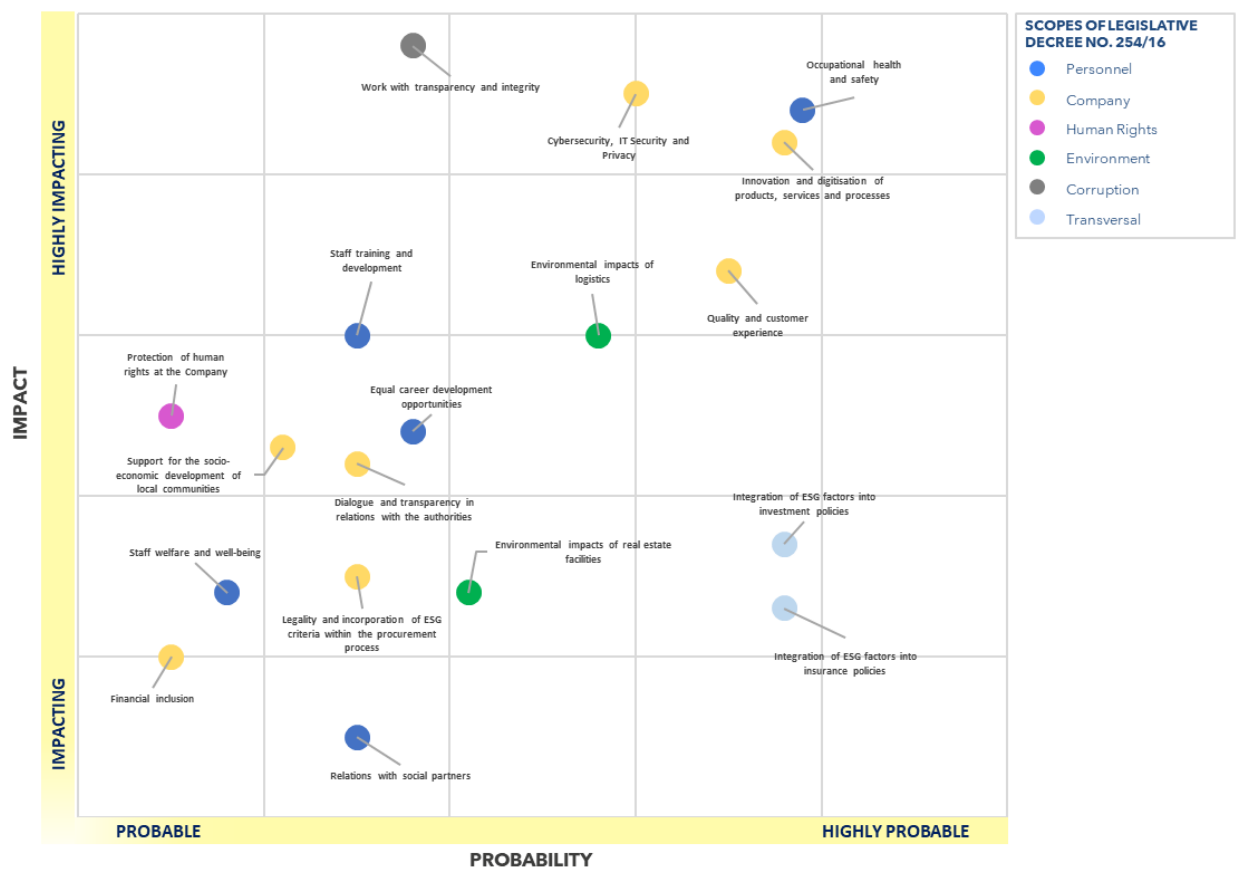
PILLAR	MATERIAL TOPIC	RISK EVENTS	STAKEHOLDERS	POTENTIAL IMPACT ON POSTE ITALIANE	POTENTIAL IMPACT ON STAKEHOLDERS	MAIN MANAGEMENT METHODS	POTENTIAL IMPACT ON CAPITAL
	Financial inclusion	Insufficient consideration regarding access to financial services by specific customer categories (e.g. the elderly, foreigners, etc.)	Financial Community; customers; Entities and Institutions	<ul style="list-style-type: none"> <li>Strategic</li> <li>ESG</li> </ul>	<ul style="list-style-type: none"> <li>Economic</li> </ul>	<ul style="list-style-type: none"> <li>Constant structured dialogue with bodies and authorities and agreed community engagement initiatives</li> <li>Digital and postal financial education programme</li> </ul>	Social-relational Financial
Green transition	Environmental impacts of logistics	Environmental externalities of logistics activities (e.g. production of polluting emissions)	Suppliers and business partners; the environment	<ul style="list-style-type: none"> <li>Strategic</li> <li>ESG</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Making the Postal, Communications and Logistics fleet green, partly with the aim of increasing load capacity</li> <li>Development of the delivery network (e.g. increase in the number of afternoon delivery lines, introduction of deliveries to lockers, Post Offices and third-party networks, smart letter boxes)</li> <li>Specific organisational responsibility for the management of the company fleet</li> </ul>	Natural Physical-structural
	Environmental impacts of real estate facilities	Increased emissions from real estate management (e.g. energy management, waste management, etc.)	The environment; Poste Italiane people	<ul style="list-style-type: none"> <li>Economic</li> <li>Strategic</li> <li>Reputational</li> <li>ESG</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Specific organisational responsibility for management of real estate</li> <li>Adoption of energy efficiency solutions for real estate assets and use of renewables (smart building, LED, photovoltaic panels lighting,..)</li> <li>Implementation of the Environmental Management System for Group companies</li> </ul>	Natural Physical-structural

PILLAR	MATERIAL TOPIC	RISK EVENTS	STAKEHOLDERS	POTENTIAL IMPACT ON POSTE ITALIANE	POTENTIAL IMPACT ON STAKEHOLDERS	MAIN MANAGEMENT METHODS	POTENTIAL IMPACT ON CAPITAL
<p>Customer experience</p>	Quality and customer experience	Deterioration in the levels of quality provided and increases in the number of complaints	Customers; independent regulatory and/or supervisory authorities; financial community	<ul style="list-style-type: none"> <li>Economic</li> <li>Strategic</li> <li>Reputational</li> <li>Operational</li> </ul>	<ul style="list-style-type: none"> <li>Quality of service</li> <li>Economic</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of Company initiatives regarding specific issues (e.g. quality)</li> <li>Improvement of products and services</li> <li>Development of customer assistance model</li> <li>Complaints management</li> <li>Implementation of the Quality Management System</li> </ul>	Social-relational Intellectual Financial
	Cyber Security, IT Security and Privacy	Increase in malfunctions relating to technology infrastructure	Poste Italiane people; Media; Customers	<ul style="list-style-type: none"> <li>Economic</li> <li>Strategic</li> <li>Operational</li> <li>Reputational</li> </ul>	<ul style="list-style-type: none"> <li>Quality of service</li> <li>Economic</li> </ul>	<ul style="list-style-type: none"> <li>Risk and control management model in the scope of privacy, cyber security and business continuity</li> <li>Investments in IT infrastructure modernisation</li> </ul>	
<p>Innovation</p>	Innovation and digitisation of products, services and processes	Insufficient innovation capacity in multi-channel, customer experience and digital areas	Financial community; Customers; Community and territory	<ul style="list-style-type: none"> <li>Strategic</li> </ul>	<ul style="list-style-type: none"> <li>Quality of service</li> <li>Economic</li> </ul>	<ul style="list-style-type: none"> <li>Specific organisational responsibility for digital development</li> <li>Launch of digital initiatives (products, services and business models)</li> <li>Partnerships and collaborations with first mover realities in the digital and technological sector</li> </ul>	Intellectual Physical-structural Financial
	<p>Sustainable finance</p>	Integration of ESG factors into investment policies	Lack of perception of the overall risk of operations and loss of business opportunities	Financial community; customers	<ul style="list-style-type: none"> <li>Financial and insurance</li> <li>ESG</li> </ul>	<ul style="list-style-type: none"> <li>Economic</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Management of risks and opportunities relating to environmental, social and governance (ESG) factors within traditional investment processes</li> </ul>
Integration of ESG factors into insurance policies		Lack of perception of the overall risk of operations and loss of business opportunities	Financial community; customers	<ul style="list-style-type: none"> <li>Financial and insurance</li> <li>ESG</li> </ul>	<ul style="list-style-type: none"> <li>Economic</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Management of risks and opportunities relating to environmental, social and governance (ESG) factors within traditional insurance</li> </ul>	Intellectual Natural



PILLAR	MATERIAL TOPIC	RISK EVENTS	STAKEHOLDERS	POTENTIAL IMPACT ON POSTE ITALIANE	POTENTIAL IMPACT ON STAKEHOLDERS	MAIN MANAGEMENT METHODS	POTENTIAL IMPACT ON CAPITAL
						processes	

Poste Italiane Group's risk matrix



## 6.3 POSTE ITALIANE'S COMMITMENT TO MANAGING HUMAN RIGHTS RISKS

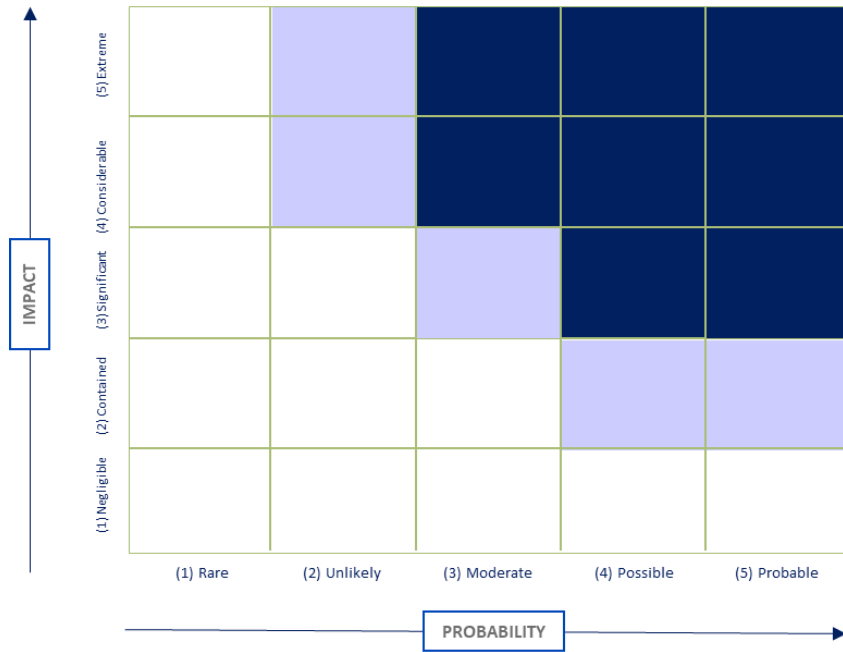


With the aim of monitoring and managing risks and opportunities associated with human rights in all their manifestations, the "Group policy for the protection of Human Rights" is an essential tool for outlining a clear approach in managing activities of Poste Italiane and those delegated to third parties or conducted with partners, demonstrating the Group's commitment to carrying out socially responsible investment and management activities.

In order to encourage a corporate culture based on respect and valorisation of diversity, in line with what has already been stated in the Code of Ethics and in the Company Policy on the safeguarding and protection of Human Rights, Poste Italiane has adopted a specific "Diversity & Inclusion Policy". This policy also aims to define the methods of creating value within working environments, promoting diversity in all its facets and evaluating the risks associated with the occurrence of discrimination within the Company. Through the application of risk assessment procedures, the Group's risk management model also provides for the periodic identification of business activities and organisational areas that could entail a risk of human rights violations. This process is carried out at least annually, as well as on the basis of specific requirements (e.g. prior authorisation of any corporate transaction) and is structured as follows:

- Identification of human rights risk drivers (e.g. freedom of association, dignity and respect for human rights, discrimination, equal pay, forced labour, human trafficking, child labour, etc.);
- Identification and analysis of the most relevant drivers with respect to Poste Italiane's business;
- Carrying out an assessment to:
  - Identify the areas most at risk of human rights violations;
  - Identify measures to mitigate this risk (e.g. certification, guidelines, policies, contractual agreements, due diligence, training, audits, etc.);
  - Define potential action plans in case such measures are absent or inadequate;
  - Monitor the implementation of action plans.
















The outcome of this activity is reported within the following risk heatmap in order to prioritise possible courses of action according to the risk level of each area analysed.





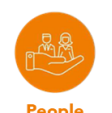











In particular, these activities are identified both according to their direct impacts, i.e. generated directly by the Company, and according to their indirect impacts, i.e. generated by third parties that collaborate with the Company. The analyses focus on one hand on Poste Italiane's own operations, with reference to the protection of the human rights of its employees and other stakeholders, and on the other hand, on the activities carried out by third parties connected to the Company, such as suppliers, sub-contractors, customers, local communities, and the financial community. Analyses are also carried out upon approval of new business relationships and corporate transactions, such as mergers, acquisitions, joint ventures and partnerships.

Listed below are the various drivers that have been identified as particularly significant with respect to Poste Italiane's business. These factors were considered in order to identify and analyse human rights risks, both direct and indirect, in relation to different material topics and financial and non-financial capital, as well as for the identification of specific mitigation actions.



RISK DRIVERS	MAIN RISK MANAGEMENT ACTIONS AND TOOLS	PILLAR	MATERIAL TOPICS	CAPITALS IMPACTED
1. Dignity and respect	<ul style="list-style-type: none"> <li>Group Code of Ethics</li> <li>231 Model</li> <li>Whistleblowing guidelines</li> <li>Whistleblowing portal</li> <li>Achievement of ISO 37002 "Whistleblowing"</li> </ul>	 Diversity and inclusion	Protection of human rights at the Company	 Human  Intellectual
2. Freedom of association and protection of the right to organise	<ul style="list-style-type: none"> <li>Constant preventive dialogue with social partners</li> <li>Dissemination of national agreements at local level</li> <li>Study and monitoring of regulatory and doctrinal developments in the field of labour law</li> <li>Whistleblowing guidelines</li> <li>Whistleblowing portal</li> <li>Achievement of ISO 37002 "Whistleblowing"</li> </ul>	 People development	Relations with social partners	 Social-relational  Intellectual
3. Freedom of association and collective bargaining				
4. Discrimination	<ul style="list-style-type: none"> <li>Group Code of Ethics</li> <li>Diversity and Inclusion Policy</li> <li>Equal opportunities initiatives (e.g. percentage of women in positions of responsibility, enhancement of disabled personnel, supporting vulnerability)</li> <li>Initiatives to protect workers (e.g. violence against women)</li> <li>Achievement of ISO 30415 "Human resource management - Diversity and Inclusion" certification</li> <li>Whistleblowing guidelines</li> <li>Whistleblowing portal</li> <li>Achievement of ISO 37002 "Whistleblowing"</li> <li>Certification for Gender Equality according to UNI/PdR 125:2022</li> </ul>	 Diversity and inclusion	Protection of human rights at the Company  Equal career development opportunities	 Social-relational  Intellectual  Financial
5. Salary conditions and working hours	<ul style="list-style-type: none"> <li>Group Code of Ethics</li> <li>Signing of new employment contract which provides for remuneration negotiated with the labour unions and uniform conditions for all workers</li> <li>Supplementary pension schemes</li> <li>Welfare platform</li> <li>Incentive and reward schemes</li> </ul>	 Diversity and inclusion	Protection of human rights at the Company  Equal career development opportunities	 Human  Intellectual  Social-relational  Financial

RISK DRIVERS	MAIN RISK MANAGEMENT ACTIONS AND TOOLS	PILLAR	MATERIAL TOPICS	CAPITALS IMPACTED
	<ul style="list-style-type: none"> <li>Counterparty due diligence (suppliers, partners, companies involved in mergers/acquisitions, etc.)</li> <li>Social policies</li> <li>In addition to the ethical and social principles set out in the Code of Ethics, formal acceptance of anti-corruption and human rights principles by the Group's suppliers, sub-contractors and partners</li> <li>Whistleblowing guidelines</li> <li>Whistleblowing portal</li> <li>Achievement of ISO 37002 "Whistleblowing"</li> </ul>	 Integrity and transparency	Legality and incorporation of ESG in the procurement process	
6. Training	<ul style="list-style-type: none"> <li>Training initiatives and individual training plans for Poste Italiane employees, regarding both processes and products</li> <li>Training and skills development courses, processes and services</li> <li>Gathering feedback from training sessions to optimise the offering</li> <li>Promotion of communication, training and information initiatives to increase engagement</li> </ul>	 People development	Personnel training and development	 Human  Intellectual
7. Occupational health and safety	<ul style="list-style-type: none"> <li>Supervision with responsibility regarding occupational health and safety and the environment (HSE)</li> <li>Communication plan and actions</li> <li>Dissemination and updating of knowledge/techniques and regulations as well as behavioural standards</li> <li>Monitoring of accidents and analysis of their causes</li> <li>Specific audits at suppliers' premises to verify the conditions declared in the contract</li> </ul>	 People development	Occupational health and safety	 Human  Intellectual
	<ul style="list-style-type: none"> <li>Development of occupational health and safety supervision (achievement of UNI ISO 45001 certification, implementation of the "Integrated Management System", etc.)</li> <li>Health and Safety portal for the management of occupational health and safety issues, as well as references to the main new legislation and case law</li> </ul>	 Integrity and transparency	Legality and incorporation of ESG in the procurement process	

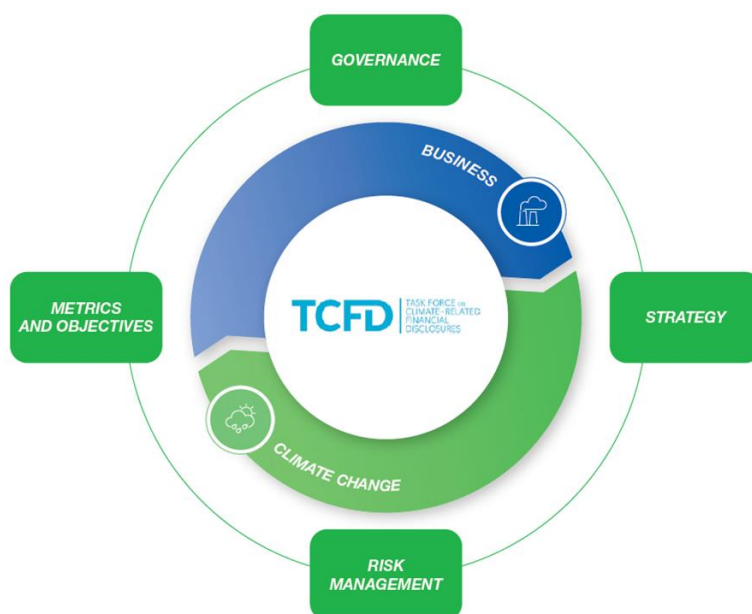
RISK DRIVERS	MAIN RISK MANAGEMENT ACTIONS AND TOOLS	PILLAR	MATERIAL TOPICS	CAPITALS IMPACTED
8. Privacy	<ul style="list-style-type: none"> <li>• Consent management</li> <li>• Compliance relating to application of the General Data Protection Regulation (GDPR) and personal data protection legislation</li> <li>• Actions in the area of personal data protection (e.g. personal data protection assessment, adaptation plan for European Privacy Seal certification, etc.)</li> <li>• Communication with the Italian Data Protection Authority in order to provide information and clarifications</li> <li>• Definition and standardisation of contractual requirements for compliance with laws</li> </ul>	 Customer experience	Cyber Security, IT Security and Privacy	 Social-relational  Intellectual
9. Counterparties working conditions	<ul style="list-style-type: none"> <li>• Tenders conducted on the basis of social criteria</li> <li>• Supplier and partner due diligence</li> <li>• Counterparty due diligence in the case of new corporate transactions (e.g. mergers, acquisitions, etc.)</li> <li>• Check that specific requirements are in place based on supplier sustainability audits</li> </ul>	 Integrity and transparency	Legality and incorporation of ESG in the procurement process	 Human  Intellectual

## 6.4 MANAGING CLIMATE CHANGE RELATED RISKS AND OPPORTUNITIES



Poste Italiane recognises the importance that it itself assumes in terms of capillarity within the territory in which it operates. As a result, the Group is committed to reducing its environmental impact, steering the country's economy towards a low-carbon transition.

Given the potential economic implications arising from risks related to climate change, the Group adopts a responsible approach in carrying out its activities. This commitment is in line with the new edition of the "Global Risks Report" published by the World Economic Forum in January 2024. The paper tracks perceptions of global risks among industry experts and world leaders at various levels, examining them in five categories: economic, environmental, geopolitical, social and technological. The report illustrates that the top four global risks to be addressed over the next decade are all environmental. To the side is the ranking of the "5 Top Global Risks" identified in the report.



In compliance with the main regulatory developments and in response to the growing requests of the financial community and main stakeholders, Poste Italiane provides information regarding climate change following the sectors defined by the Task Force on Climate-related Financial Disclosures (TCFD): Governance, Strategy, Risk Management, Metrics and Objectives. The TCFD, established in 2015 by the Financial Stability Board (FSB), published a set of recommendations to assist companies in reporting on the risks and opportunities that climate change may pose to corporate performance, in a transparent and comprehensive manner.

This section complements and supplements the information on the commitment, approach and initiatives to reduce environmental impact in the Pillar "Green transition".

## Governance



The organisational and governance structure reflects the Group's commitment to the adequate management of environmental issues, and provides for specific roles and responsibilities.

- The Poste Italiane SpA's Board of Directors approves the Sustainability guidelines and strategies on the basis of assessments that consider, among other things, the risks and opportunities related to climate change that may be relevant in terms of reputation for the Group.
- The Sustainability Committee (CSost) collaborates with the Board of Directors, performing investigative, propositional and advisory functions to promote sustainable success. This includes support in assessments and decisions related to environmental, social and governance factors, with a focus on climate change.

Specifically, the CSost carries out an activity specifically dedicated to climate change as part of its functions. In fact, the Committee examines, evaluates and makes proposals on the Group's environmental, social and governance (the latter with reference to Sustainability) strategy, including climate change strategies, annual targets and deliverables, considering potential projects related to these topics and monitoring their implementation over time. The CSost also monitors climate-related risks and opportunities and all initiatives taken by the Company to address these issues, coordinating with the Control and Risk Committee and reporting to the Board of Directors. At management level, the Chief Executive Officer and the Group Sustainable Development, Risk and Compliance function manage the main functions related to environmental issues. In fact, the CEO of Poste Italiane SpA has the task of establishing, maintaining and ensuring the effectiveness of the Internal Control and Risk Management System (SCIGR), as well as formulating the Sustainability strategies connected to environmental issues and overseeing their implementation, continuously monitoring their adequacy and effectiveness, always considering the assessment of related risks and opportunities.

The Group Sustainable Development, Risk and Compliance function of Poste Italiane SpA:

- defines, in collaboration with the departments involved, the guidelines and objectives of Sustainability and corporate social responsibility for the Company, using a set of indicators for monitoring Sustainability performance, and specific metrics to monitor climate-related risks and opportunities, in line with best practices and related international guidelines;
- is the single point of reference for the governance and management of all risks, involving the specialist units directly reporting to the Group ("direct controls"), as well as other risk controls ("indirect controls") present in Poste Italiane and in Group Companies.

Finally, to correctly identify and manage climate-related risks and opportunities also for investment and insurance processes, additional controls were put in place. In particular, BancoPosta Fondi SGR and Poste Vita have set up committees responsible for periodically analysing and assessing the ESG risk (including, therefore, also the environmental risk) of the portfolios and the evaluation criteria of the issuers' ESG profiles. As far as insurance processes are concerned, Poste Vita's Risk Office function is responsible for identifying, analysing and assessing the signs of change deriving from the various dimensions of the external environment, with particular attention to factors linked to climate change. The



identification of these signals takes place jointly with the "Products Committee - ESG Assessments", which periodically examines and evaluates the criteria for defining the ESG profiles and the Group's product catalogue.

Poste Italiane assesses several risk drivers, attributable to the two macro-areas transition risks and physical risks, in relation to climate change. After associating the risks to each driver, the Company connects the material issues and the capitals involved, defines opportunities and potential related negative impacts and identifies specific mitigation actions. In the risk assessment process, Poste Italiane considers direct activities, upstream and downstream operations, also including customers as the main beneficiaries of the Company's products. The Group has developed activities and actions for the business with respect to short (0-3 years), medium (3-5 years) and long term (5-10 years) perspectives, considering the time frame 2019-2030.

Poste Italiane contributes to the transition towards a low-carbon economy by reducing emissions in commercial operations envisaged by the Business Plan, with the aim of achieving Carbon Neutrality by 2030, supporting the Paris Agreement to limit global warming to 1.5°C.

As far as transition risks are concerned, the Group updated its analysis by conducting a review of various scenarios considered by the International Energy Agency (IEA) in order to obtain a complete picture of potential future developments. In particular, after an evaluation of the possible alternatives, Poste Italiane used two scenarios, NZE and IEA B2DS, considered the most relevant for assessing transition risks and opportunities and in line with the Group's objectives of maintaining the global temperature at 1.5°C.

The NZE (Net Zero Emissions by 2050) scenario is a regulatory scenario that, through appropriate global climate policies within the energy sector and the deployment of a broad portfolio of clean technologies, enables the achievement of zero CO<sub>2</sub> emissions by 2050, while also contributing to the achievement of the following Sustainable Development Goals of the 2030 Agenda: ensure health and well-being for all and all ages (SDG 3), ensure universal access to affordable, reliable, sustainable and modern energy systems (SDG 7) and take urgent action to combat climate change and its consequences (SDG 13). The scenario is supported by a detailed analysis of the timeframe of clean energy technology projects and considers global cooperation to be crucial in facilitating the development and adoption of ambitious policies, lowering the costs of technologies and financially supporting emerging and developing economies on this path. With this in mind, the Poste Italiane Group has set itself the goal of achieving Carbon Neutrality by 2030, implementing specific initiatives aimed at increasing energy efficiency, such as using 99% of its electricity from renewable sources certified as Guarantee of Origin, expanding the photovoltaic project, continuing the Smart Building project, installing around 85,000 LED lighting fixtures, the replacement of gas boilers with heat pumps, and the implementation of a Fleet Renewal Plan for the complete replacement of the entire vehicle fleet with low-emission models. Furthermore, as regards the sale of energy and offsetting emissions related to the consumption of natural gas sold by Poste Italiane, the electricity sold by the Group in 2023 was derived 100% from renewable sources produced in Italy and carbon dioxide emissions were offset through the purchase and cancellation of an equivalent volume of Voluntary Carbon Credits. In terms of the Poste Italiane Group's business strategy, this scenario analysis has led to the definition of objectives aimed at mitigating this specific risk in the short to medium term, such as: reducing absolute CO<sub>2</sub> emissions by 30% by 2025; reducing the Group's Scope 1 and 2 emissions by 42% by 2030, in line with the science-based methodology; achieving Group Carbon Neutrality by 2030; and replacing the entire corporate fleet with vehicles with a reduced environmental impact by 2024.

The IEA B2DS scenario, on the other hand, focuses on the hypothesis of the development of climate and technology policies aimed at reducing GHG emissions and was taken into consideration by the Poste Italiane Group in order to establish GHG emissions reduction targets. The relevance of this scenario is also underlined by the SBTi (Science Based Target Initiative) and, in this perspective, Poste Italiane has officially committed to setting science-based targets for its greenhouse gas emissions.



Scenario describing an energy pathway with the goal of limiting the average global temperature increase to 1.5° C



Scenario used by SBTi to set targets for reducing greenhouse gas emissions by limiting the temperature to below 2°C

The scenario analysis conducted by the Company, in addition to considering the basic assumptions of the models, took into consideration the trends in the transport sector and the estimate of forecasts and development in the coming years. The Group then made projections of its business in order to identify related risks and opportunities. The scope of the analysis involved the logistics sector, thus including transport, buildings and facilities, key assets for the Company's business and for the Carbon Neutrality objective.

Following the various analysis activities, the transition risks identified by Poste Italiane are as follows:



## 1. REGULATORY DEVELOPMENTS

RISK	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT ACTIONS AND TOOLS
<p>Increased severity in legislation in consideration of climate change-related targets</p> <p><b>Time frame:</b> Medium-term</p> <p><b>Pillars impacted</b></p> <p> Integrity and transparency Working with integrity and transparency.</p> <p><b>Capitals impacted:</b></p> <ul style="list-style-type: none"> <li> Human</li> <li> Intellectual</li> <li> Financial</li> </ul>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>Failure to respond in a timely manner to regulatory environmental requests, in view of the complexity and operational heterogeneity of the Poste Italiane Group</li> <li>Potential penalties for non-compliance with applicable regulations</li> <li>Growing impact of non-compliance with regulations on reputational risk, also in view of Poste Italiane's economic and social role in the local area</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Potential regulatory amendments to benefit the business</li> <li>More timely than competitors in complying with complex regulations</li> </ul>	<p>As part of the Integrated Compliance process, Poste Italiane continuously monitors the external regulations relevant to the Group and translates the set of regulatory principles into the body of rules required to ensure their application. The inventory of all regulations relevant to the Group is managed in an integrated manner on the dedicated GRC platform.</p> <p>Poste Italiane also takes part in technical and working groups on regulatory developments, in order to ensure analysis of changes in the regulatory framework, guaranteeing its correct implementation, and represent the Company's position on these issues to national and international bodies, in order to support the Group's business.</p>



## 2. MARKET DEVELOPMENT

RISK	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT ACTIONS AND TOOLS
<p>Evolving market demand, focusing increasingly on environmental issues, which require substantial adjustments to the services and products offered by the Group</p> <p>Time frame: Long-term</p> <p>Pillars impacted</p> <p><b>Sustainable Finance</b></p> <ul style="list-style-type: none"> <li>Integration of ESG factors into investment policies</li> <li>Integration of ESG factors into insurance policies</li> </ul> <p>Capitals impacted:</p> <ul style="list-style-type: none"> <li>Human</li> <li>Intellectual</li> <li>Financial</li> <li>Socio-relational</li> <li>Natural</li> </ul>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>Inadequacy of the products and services offered with respect to the demands of customers, investors and other stakeholders, increasingly driven by Sustainability issues</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Increased business opportunities due to changes in consumer needs (e.g. development of low-emission services; development of investment and insurance products for climate adaptation)</li> <li>Launch of products that encourage prevention and responsible behaviour (e.g. ethical investment solutions)</li> <li>Redirection/creation of new business areas</li> <li>Possible access to new markets and new customer segments requiring insurance coverage</li> <li>Investments in sectors that contribute to the Sustainable Development Goals ("SDGs") promoted internationally by the United Nations</li> </ul>	<p>Poste Italiane is actively engaged in developing existing products/services with alternatives that take ESG criteria into account (e.g. investments, insurance) in order to ensure an increasingly wide range of products and services that integrate high ethical standards and environmental criteria.</p> <p>The portfolios of BancoPosta Fondi SGR and Poste Vita are periodically subjected to ESG analysis to assess their degree of social responsibility, and carbon footprint, with the aim of mitigating any risks. An example can be seen in the development of insurance solutions that, on the one hand, encourage the adoption of sustainable and responsible behaviour by its policyholders and, on the other, contribute to mitigating ESG risks. The results obtained both for BancoPosta Fondi SGR and Poste Vita, are higher than the ESG performance of reference benchmarks.</p> <p>In addition, as of 2022, the Group entered the energy market with a 100% green offer for electricity and 100% CO<sub>2</sub>-compensated offer for gas. As part of the Poste Italiane Group's strategy for pursuing its Sustainability objectives, the integration of ESG principles into its investment processes is also of particular importance, with investments in sectors that contribute to the Sustainable Development Goals ("SDGs") (e.g. investments in bonds in the "Green", "Social" and "Sustainable" categories in line with the standards and principles defined by the International Capital Market Association).</p>



## 3. TECHNOLOGICAL DEVELOPMENT AND INNOVATION

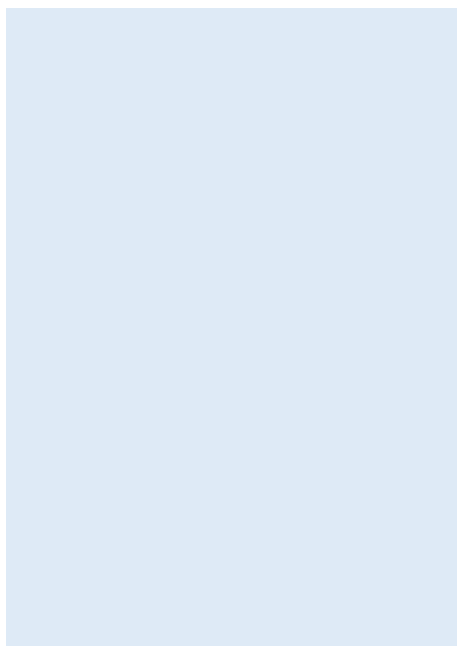
RISK	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT ACTIONS AND TOOLS
<p>Failure to adjust its business model in line with the technological developments needed to contain climate change-related phenomena</p> <p>Time frame: Long-term</p> <p>Pillars impacted</p> <p><b>Green transition</b></p> <p>Environmental impacts of logistics</p> <p><b>Creating value for the country</b></p> <p>Support for the socio-economic development of local communities</p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>Limited availability of "green" vehicles suitable for carrying out Poste Italiane's logistics and delivery activities</li> <li>Use of polluting vehicles that may have a negative impact on the environment and on Poste Italiane's reputation</li> <li>Investments in innovative solutions that, nonetheless could have negative impacts on the environment, in terms of polluting emissions and energy consumption</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Leaner and more efficient management of operations</li> <li>Reduce the Group's total energy consumption from non-renewable sources (e.g. fossil fuels)</li> <li>Reduction of emissions related to the use of the vehicles that make up the company fleet</li> <li>Cost reduction</li> </ul>	<p>Poste Italiane's support in the transition to a low-carbon economy is driven by its commitment to set targets to reduce emissions and the environmental impact generated by its activities, achieving Carbon Neutrality targets by 2030. With this in mind, starting in 2019, the Group has implemented a Fleet Renewal Plan that envisages replacing the entire fleet of vehicles used for the delivery of postal products with green vehicles. The results of this policy are evident, as the Company has gone from 11% green vehicles in 2016 to 44.4% in 2023, with the aim of replacing the entire company fleet with low-emission vehicles by 2024.</p> <p>Poste Italiane has also expanded its range of services by entering the energy sector, with a 100% green product, produced exclusively in Italy from renewable sources and certified through guarantees of origin. This project allows the Group to correlate green transition issues with those of innovation and digitalisation, while representing a major opportunity for sustainable development at national level.</p> <p>Finally, the new Polis Project envisages the implementation at Post Offices of interventions aimed at environmental sustainability and social growth of</p>

**Innovation**  
Innovation and digitalisation of products, services and processes.

**Customer experience**  
Quality and customer experience.  
Cyber Security, IT Security and Privacy

Capitals impacted:







- Intellectual
- Financial
- Physical-structural
- Socio-relational
- Natural

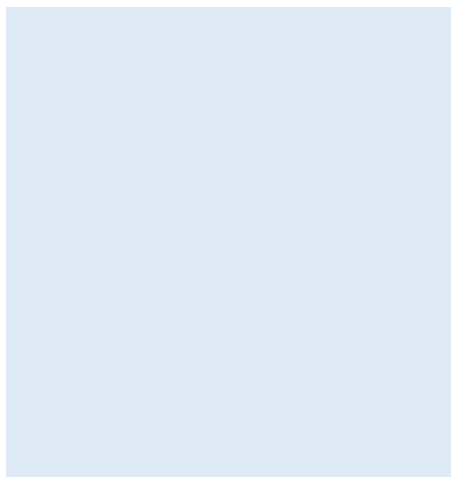


communities. In particular, it is planned to install 5,000 thousand charging stations for electric vehicles and 1,000 photovoltaic systems that will contribute to the reduction of CO<sub>2</sub> emissions, 1,000 outdoor spaces equipped to host cultural, health and wellness initiatives, and 4,800 smart building systems and environmental monitoring sensors. In addition, by providing the possibility to access public administration services from a One-Stop Shop and through the creation of co-working spaces, the movement of citizens and the consequent congestion of roads and public offices will be reduced, allowing the reduction of CO<sub>2</sub> emissions. As of 29 February 2024, there were 1,190 Post Offices in municipalities with less than 15,000 inhabitants and 31 co-working spaces established.

**4. REPUTATION**

RISK	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT ACTIONS AND TOOLS
<p>Activities carried out by the Company or counterparties that could impact negatively on climate, with consequent damage to its reputation</p> <p>Time frame: Long-term</p> <p>Pillars impacted</p> <p><b>Integrity and transparency</b> Working with integrity and transparency</p> <p> Legality and incorporation of ESG criteria in the procurement process</p> <p><b>Creating value for the country</b> Support for the socio-economic development of local communities Dialogue and transparency in relations with the authorities</p> <p><b>Green transition</b> Environmental impacts of real estate facilities.</p> <p>Capitals impacted:</p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Investments that may have negative impacts on the environment</li> <li>• Using suppliers that provide goods/services with negative impacts on the environment</li> <li>• Focusing attention on the macro-economic and geo-political context, with reputational impacts due to reduced commitment to environmental issues</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Subscribing to international initiatives aimed at climate change-related issues</li> <li>• Greater responsiveness compared to competitors in maintaining a high level of attention to environmental issues despite the context of uncertainty</li> </ul>	<p>As part of the risk management model, the Group considers both the possible impacts that climate change-related phenomena may have on the business of Poste Italiane (indirect impact) and those that the Company's activities may have on the climate (direct impact). The process of identifying and assessing risks and environmental management methods also extends to counterparties (suppliers, business partners, other companies), impacting the procurement processes and any extraordinary finance transactions, providing, among other things, for the identification of suppliers and partners that may present risks related to environmental protection, also through a multi-dimensional analysis that takes into account parameters such as: possession of environmental, quality and energy performance certifications and adoption of environmental management systems, ethical standards of conduct and Minimum Environmental Criteria (MEC).</p> <p>The correct identification and assessment of climate-related risks and opportunities is also ensured by listening to stakeholders, who are periodically involved in the Multistakeholder Forums organised by Poste Italiane. They are also provided with a reporting system that allows them to bring any perceived risks to the attention of the Company.</p> <p>Poste Italiane, in line with the decarbonisation strategy and in implementation of the guidelines for the exercise of the right to vote and engagement activities and for investment in sensitive sectors, has confirmed the collaborations through its subsidiaries Poste Vita and BancoPosta Fondi SGR with the climate change networks Land Use &amp; Climate, of the international Ceres network, and Climate Action 100+, an international collaborative engagement initiative to raise awareness of the largest emitters of greenhouse gases worldwide on climate change issues. In addition, the aforementioned companies consider the Principal Adverse Impacts (PAIs) on sustainability factors brought about by investment decisions, and during 2023, developed an initial approach for monitoring and managing PAIs, both at the entity and individual investment product level, in</p>

-  Human
-  Intellectual
-  Financial
-  Physical-structural
-  Socio-relational
-  Natural



compliance with regulatory requirements and existing internal regulations, aimed at identifying possible negative impact mitigation actions to be implemented.

Poste Italiane is focused on pursuing sustainable development by continuing to invest in projects aimed at strengthening ESG initiatives. In order to reduce the direct impact that Poste Italiane's activities may have on the climate, the Company is making constant progress in using energy sources that do not use fossil fuels (e.g. solar energy from photovoltaic panels on buildings) and in reducing energy consumption (e.g. replacing neon lights and using LEDs), partly in order to deal with potential sudden changes in energy prices. Among other things, Poste Italiane, in line with its adhesion to the Paris Agreement and the New Green Deal, has set itself the ambitious goal of making its contribution to the achievement of international carbon neutrality objectives by 2030, well ahead of the timeframe defined by the European Union.

With regard to the assessment of physical risks, Poste Italiane's Governance dedicated to risk and sustainability, in line with what the IPCC has developed worldwide on climate projections, has updated its climate and water risk assessment methodology to have a clear picture of the risk and assessment of potential physical risks and opportunities. In this sense, the Company has conducted a precise assessment, including in the analysis all the Group's production and sorting sites located in different areas of Italy.

Specifically, Poste Italiane, following an extensive analysis process that included the evaluation of the main Representative Concentration Pathways (RCP) of greenhouse gases, and the consistency of these pathways with the duration of assets and activities, identified and selected two scenarios: RCP 2.6 and RCP 8.5. The Group selects RCP 2.6 as the reference scenario, in line with the ambitious nature of the risk mitigation activities envisaged in the Business Plan in relation to the landscape identified by the IPCC. RCP 2.6 scenario envisages a peak in emissions at an early stage, followed by a subsequent decrease caused by the active removal of carbon dioxide within the atmosphere. RCP 2.6 is also known as RCP 3PD, in relation to the mid-century peak of  $\sim 3W/m^2$ , which will be followed by a significant decline. With the goal of zero greenhouse gas emissions by 2100, this scenario uses massive regulatory and policy intervention, leading to an almost immediate reduction in greenhouse gas emissions (GHG). The Company also considers the IPCC's RCP 8.5 scenario, as it provides an example of the worst-case scenario, i.e. the condition of a continuous increase in emissions during the course of the 21st century. RCP 8.5 pathway results from insufficient emission reduction efforts and represents a failure to stem warming by 2100. Regarding the climate projections for the two scenarios, in fact, for RCP 8.5, areas of the Mediterranean will experience an increase in temperature and a decrease in rainfalls, which will intensify in the second half of the century with an increasing trend until 2100. According to the RCP 2.6 scenario, on the other hand, there will be similar but smaller effects in the first half of the century, with a decreasing trend in the second half. This leads to a clear difference between the two scenarios in 2100.



More ambitious scenario aims to limit the average global temperature to 1.5°C compared to pre-industrial levels



Business-as-usual scenario with no mitigation action leading to atmospheric CO<sub>2</sub> tripled or quadrupled by 2100 compared to pre-industrial levels

Poste Italiane carried out a risk assessment with the aim of assessing the potential impacts of physical events related to climate change on the business. The risk assessment considered the extent of the risk already existing at the sites and the future risk up to the year 2024 (medium-term scenario), under RCP 2.6 and RCP 8.5. In addition to the basic assumptions of the chosen models, the company also conducted a further study on the data from the rainfalls and main temperature parameters of the different scenarios, then comparing them with current data with the aim of determining the significance of the variation with respect to the existing risk at the sites examined, in line with the RCP 2.6 scenario and taking into account the possible implications of the RCP 8.5 worst case scenario. Future projections of changes in physical risk levels related to natural disasters are relevant in strategic terms, although in most cases there is still no certainty. On the other hand, excessive reliance on what is already known from climate science must be avoided. Therefore, Poste Italiane's risk assessment is appropriate to the increasing level of risk in its business and operations.

The assessment of physical risks covers the entire revenue generated by the Group, amounting to €12 billion of existing operations in 2023, mainly from Post Offices and hubs, which are potentially most impacted by extreme weather conditions. Furthermore, with a view to a long-term time horizon, in line with the Business Plan and the 2030 Carbon Neutrality target, all new operations are subject to risk assessments that also take into account physical climate risks.

The product result of the risk assessment is then converted into potential days of business interruption and then multiplied by the value in terms of lost revenue (€) of one day of business interruption. The main risks that emerged from the scenario analysis are those related to extreme weather events and changes in rainfall patterns. The greater severity of extreme weather events such as rain, storms, snowfalls and possible floods or frosts, with consequent landslides and floods, could cause interruptions in production, sorting and therefore logistics activities, as well as damage to sites and higher logistics costs. The negative impact of acute physical damage and interruptions in energy distribution is reflected on the financial performance of the group, influencing results and cash flows and leading to a deterioration of reputation [with consequent worsening of reputation] and loss of customer trust. One example of this was the severe flooding that occurred during the year in the regions of Emilia-Romagna and Tuscany, following which the Group cooperated with national and local institutions. These events caused damage to Poste Italiane's Post Offices, leading to the suspension of services. Precisely in consideration of a possible interruption of the activity, Poste Italiane carried out an analysis based on its production and sorting plants located in different areas of Italy. In this way, the Group was able to assess the potential financial impacts associated with climate events, compared to 2024. The sites with the highest potential financial impact due to flooding in 2024 are located in the regions of Northern Italy. In particular, the new hubs of Bologna and Landriano have been identified among the sites at greatest risk and which would lead to substantial loss of revenue in the event of business interruption, due to their operational importance. With reference to physical risks, the Group envisages specific mitigation measures in response to extreme weather conditions (e.g. landslides, avalanches, floods, etc.), which are detailed below.



## 5. EXTREME WEATHER CONDITIONS

RISK	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT ACTIONS AND TOOLS
<p>Limited production, sorting and logistics, damage to sites and higher logistic costs due to extreme weather events such as rain, storms, snowfalls and possible floods or frost, with consequent mudslides and flooding</p> <p>Time frame: Medium-term</p> <p><b>Pillars impacted</b></p> <ul style="list-style-type: none"> <li> <b>Integrity and transparency</b> Working with integrity and transparency</li> <li> <b>Creating value for the country</b> Dialogue and transparency in relations with the authorities</li> <li> <b>People development</b> Occupational health and safety</li> </ul> <p><b>Capitals impacted:</b></p> <ul style="list-style-type: none"> <li> Human</li> <li> Intellectual</li> <li> Financial</li> <li> Socio-relational</li> </ul>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Limitations company operations due to extreme weather events, with consequent losses in revenue</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Advantages deriving from the greater reliability of the supply chain and Poste Italiane's improved ability to operate in various conditions compared to its competitors</li> </ul>	<p>As part of its risk management model, the Group considers both the possible impacts that climate change phenomena may have on the business of Poste Italiane, identifying the main ways of managing them.</p> <p>In order to guarantee business operations even in the event of extreme weather conditions, Poste Italiane has adopted business continuity and disaster recovery plans in addition to actions aimed at preventing physical damage to structures.</p> <p>UNI EN ISO 14001 certification was maintained, providing for the systematic management of environmental aspects inherent to processes, from the perspective of improving environmental performance and making it more efficient, thus gaining significant benefits, also in terms of sustainability.</p> <p>Furthermore, to prevent additional possible damage caused by extreme weather conditions, the Group has identified the regulatory perimeter for activating an environmental monitoring system, to determine the average annual concentration of radon gas in the air, based on assessing the risk of exposure to ionising radiation.</p> <p>Finally, for the coordination of emergency and recovery activities, Poste Italiane maintains dialogue with institutions (e.g. Civil Protection, Civil Defence) as well as interfacing with relevant bodies and international protection and defence organisations (e.g. participation in drills or other initiatives, etc.).</p>

With a view to continually improving the management of climate and environmental factors and their impact on the various prudential risks, in early 2023, BancoPosta Fondi, PostePay and LIS Pay, as non-banking financial intermediaries, aligned themselves with the Bank of Italy's recommendations regarding "Supervisory Expectations on Climate and Environmental Risks". The three institutions therefore started working on an action plan to integrate climate and environmental risks (physical and transitional) into their governance and control systems, business model and strategy, organisational system and operational processes, risk management system and market reporting.

## 6.5 MANAGING EMERGING RISKS AND THE RELATED OPPORTUNITIES



### MAIN RELATED TYPES OF CAPITAL



Poste Italiane deemed it necessary to include and manage emerging risks within its risk management processes, given their significance. Emerging risks considered are exogenous, disruptive events that can threaten the business model over a long-term horizon (up to 20 years) and are potential game changers for the industry and the context in which organisations operate. They are usually characterised by elements, such as:

- **uncertainty and visibility:** lack of data useful to analyse the phenomenon and difficulty in finding skills, knowledge and awareness of the potential effects that they have on the business model;
- **timing of the changes:** the changes derive from radical changes in the external reference context (social-environmental, legislative, technological, habits, etc.), which alter the processes from various points of view, in a destructive and unpredictable way over time;
- **management complexity:** increasing complexity of management methods, linked to the absence of immediate response actions to events resulting from highly interconnected exogenous factors with strong systemic dependencies and time accelerations.

Failure to adapt to these trends will result in missed business opportunities, reduced revenue, qualitative-quantitative repercussions in terms of the mix of its employees, and sanctions by regulatory and supervisory authorities. The tables below summarise the trends for each emerging risk arising from exogenous factors, the potential significant impact on the Company (based on SBUs information, risk categories, sustainability pillars and financial and non-financial capital potentially impacted, and on the basis of breaking down the main negative impacts and opportunities) and the main ways of managing them.



### DEMOGRAPHIC AND SOCIAL CHANGES:

Changes in size, growth and demographic and social composition (e.g. increased longevity combined with low birth rate) resulting in unfavourable changes in the generational distribution and needs of Poste Italiane's customers.

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>Changes in population size, growth and composition can generate impacts on socio-economic structures related to factors such as population ageing, birth rate, fertility, generational changes and centralised urbanisation.</p> <p>The process of ageing population is a phenomenon that is already clearly visible in the economies of the Eurozone and is destined to become more accentuated in the coming decades, with a reduction in the working-age population compared with the older population, which will instead tend to increase. In Italy, in particular, there is a higher longevity in good health and a lower birth rate, together with a reduction in the number of women of childbearing age.</p> <p>The expansion of said phenomena may lead to economic challenges, including an increased financial burden on social security and health</p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Inadequacy of product offers and postal services (e.g., excessive digitisation of services) for changing consumer needs</li> <li>• Increase in insurance costs borne by the Group relating to care, assistance and welfare expenses for the elderly</li> <li>• Difficulty in developing reliable forecasting models that allow the Group to predict market developments</li> <li>• Difficulties in offering financial and insurance products that are attractive to both older and younger generations</li> <li>• Difficulties in offering different products and/or services according to urban areas and their characteristics</li> <li>• Decline in demand for traditional services, such as paper mail, in favour of digital alternatives</li> </ul>	<p><b>Longevity and maturity:</b></p> <p>Aware of the opportunities linked to the ageing of the population and considering the strong impact of demographic trends on its services, the Group has developed specific products for segments of the population with evolving needs such as, for example, the insurance product "Postaprotezione Infortuni Senior Più" specifically dedicated to people aged between 59 and 79. Each product offered by the Company is accompanied by clear and usable information to all types of customers in order to allow them to always make informed choices.</p> <p>Poste Italiane is constantly seeking innovative solutions aimed at reducing the digital divide and increasing financial inclusion, with a particular focus on the most fragile and at-risk groups, supporting and sustaining the different population groups within the communities in which it operates. In this context, Poste Italiane promotes digital education initiatives, also aimed at seniors, to enable full and conscious use of the tools made available to them.</p>



care systems, increased demand for health and welfare services, and a reduction in the available workforce with implications for economic growth and the sustainability of pension systems.

From a social point of view, the economic and employment insecurity of younger people, aggravated by geopolitical instability, calls for more and more support and assistance policies that could generate increased demand for mortgages and investment loans.

Moreover, in recent years, there has been an increase in the rate of depopulation of the peninsula's more inland areas, in favour of more urbanised and developed cities. The increase in urban population may overload existing infrastructure, lead to environmental problems and cause socio-economic disparities between urban and rural areas.

However, the rise in life expectancy and the increase in average age could support the emergence of new markets and new businesses.

**Trend:** Increasing

**Risks impacted:**

- Operational
- Financial and Insurance

**SBUs impacted:**

- Insurance Services
- Mail, Parcels and Distribution
- Payments and Mobile
- Financial Services

**Pillars and material topics impacted**

**Diversity and inclusion**



Protection of human rights  
Equal career development opportunities



**Innovation**

Innovation and digitisation of products, services and processes



**Creating value for the country**

Support for the socio-economic development of local communities



**Customer experience**

Quality and customer experience



**People development**

Personnel training and development

**Opportunities:**

- Increased business opportunities due to changes in consumer needs, based on meeting the needs of the more mature population
- Increased demand for life and P&C insurance products
- Possibility of implementing staff welfare and well-being plans (e.g. promoting active parenthood) in order to increase labour market attractiveness
- Possibility of accessing funds and contributions for the realisation of initiatives benefiting peripheral urban areas, also taking advantage of the widespread presence in Italy that allows for visibility of the products and services offered throughout the country

In particular, the programme "Silver Economy Technology and Ageing" dedicated to seniors, aims to represent the main trends in ageing and to explore some specific topics, with a special focus on new technologies. The purpose of this programme is to propose a package of financial and savings, insurance, telephony, shipping and delivery services, ideal solutions tailored to specific customers, positioning Poste Italiane as a single interlocutor capable of satisfying different needs and, at the same time, helping to improve knowledge of financial and digital tools, through a training course conducted by Poste Italiane's financial and digital experts.

**Generational changes:**

Poste Italiane promotes integrated strategies in favour of intergenerational dialogue and an exchange between generations within the Company, also on the basis of demographic forecasts and the relative impact on turnover. To this end, the Group promotes the cross-fertilisation of different social, cultural and work experiences, as well as the different skills, knowledge and competences typical of each generation, encouraging discussion in a logic of complementarity and openness necessary to foster the exchange of experiences in support of inclusion and employment possibilities.

In particular, as part of its actions in support of intergenerational exchange within the Organisation, it promotes the "Generazioni connesse" (Connected Generations) survey, an initiative in continuity with the "FishBowl generation" project, which aims to focus on the languages, working styles and needs of the main generations present in the Company in order to identify and enhance shared actions capable of stimulating generational alliance.

In addition, the "Next Generation" Project has made it possible to bring the new generations closer together, to develop their potential and aspirations, creating a bridge between young people and the world of work.

**Natality:**

Support for active parenthood through the promotion of various projects and initiatives aimed at supporting parents employed by Poste Italiane, such as, for example, the *Lifed* project aimed at making the parenting experience a "master" in transversal skills, which are also essential for professional growth.

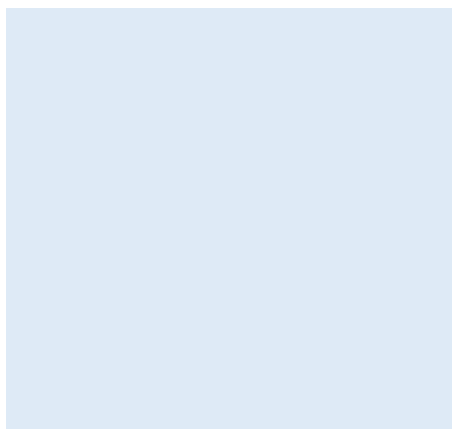
Policy dedicated to supporting mothers and fathers employed by Poste Italiane (Active Parenting Support Policy) and alternative maternity and paternity leave.

**Support and development of peripheral urban areas:**

Poste Italiane participates in the NRRP Complementary Plan with the Polis Project - Digital Citizenship Services Houses, promoted by the Government. The aim of the Polis Project is to promote the economic, social and territorial cohesion of the country and to overcome the digital divide in small towns and inland areas. In particular, the Polis Project includes initiatives aimed at simplifying the lives of citizens in smaller and less accessible centres and ensuring equal opportunities between the inhabitants of large and small centres.

**Capitals impacted:**

- Financial
- Human
- Physical-structural
- Social-relational
- Intellectual



**REGULATORY AMENDMENTS:**

Increased severity in the reference legislation applicable to the business with particular reference to environmental variables

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>The increase in the level of detail and complexity of the regulatory obligations required by the competent authorities in relation to the regulations issued requires a growing cultural change within companies, which are called upon to review their operational activities in order to adapt to the increasingly frequent and pervasive amendments in the applicable national and international regulations.</p> <p>Regulatory developments are particularly influenced by the implications of the geopolitical context, technological innovations, sustainability and climate change issues, which are increasingly being addressed by national and international legislators.</p> <p>Frequent changes in regulations can make it complex for companies to adapt and plan long-term strategies, leading to increased uncertainty and volatility, as well as instability in the markets, affecting the decisions of investors and companies.</p> <p>The recent international sanctions resulting from the Russian-Ukrainian conflict play a crucial role in a global context strongly polarised by geopolitical factors. These measures aim to economically and strategically weaken those involved in the conflict in order to undermine their ability to sustain the ongoing invasion campaign. The impacts of such sanctions on the political and economic scenario of the coming years will be significant and diverse: politically, they could intensify international tensions and influence the balance of power between the nations involved; economically, sanctions could have significant effects on the economies of the countries involved, as well as on</p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Failure to respond in a timely manner to regulatory requests (for example, regarding governance structures, responsible finance, etc.), partly in view of the complexity and operational heterogeneity of the Poste Italiane Group</li> <li>• Potential penalties for non-compliance with applicable regulations</li> <li>• Growing impact of non-compliance with regulations on reputational risk, also in view of Poste Italiane's economic and social role in the local area</li> <li>• Limitation of trade relations with subjects/countries affected by international sanctions</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Launch of products that encourage prevention and responsible behaviour (e.g. ethical investment solutions)</li> <li>• Potential regulatory amendments to benefit the business</li> <li>• More timely than competitors in complying with complex regulations</li> <li>• Redirection/creation of new business areas</li> <li>• Increased security and awareness in the use of technologies that make use of artificial intelligence components</li> </ul>	<p>In view of the complexity of Poste Italiane and the numerous business sectors in which the Group operates, as well as the legal and reputational impacts, the Company has defined an integrated compliance process at Group level, with the specific aim of monitoring - in a structured way for each level of the company and in a manner appropriate to each business sector - the risks of non-compliance to which the Group is exposed, fully implementing the principles of integrity, transparency and legality.</p> <p>As part of the Integrated Compliance process, Poste Italiane continuously monitors the external regulations relevant to the Group and translates the set of regulatory principles into the body of rules required to ensure their application. The inventory of all regulations relevant to the Group is managed in an integrated manner on the dedicated GRC platform.</p> <p>Poste Italiane also takes part in technical and working groups on regulatory developments, in order to ensure analysis of changes in the regulatory framework, guaranteeing its correct implementation, and represent the Company's position on these issues to national and international bodies, in order to support the Company's business.</p> <p>For constant compliance with environmental regulations, also in line with the needs of consumers who are increasingly attentive to sustainability issues, Poste Italiane is progressively adapting its products to regulatory requirements in the ESG area (sustainable investment products, responsible investment products, etc.).</p> <p>The Poste Italiane Group's Integrated Compliance process, as opposed to traditional models based on control systems structured by single specialist, is based on a structured and coordinated approach to compliance that combines multiple needs, through the integration and rationalisation of existing risks and controls. The activities of this process are carried out in such a way as to ensure, for example, the in-depth examination of the context, including the monitoring of the national and international political agenda, the views of legislators and regulators, and the position of competitors. The latter involves the definition of the company's interest and position, including the formulation of proposals for regulatory changes and additions, as well as the preparation of documentation representing strategic business choices for institutional stakeholders and authorities. At the same time, the analysis of regulatory</p>

global supply chains and international financial markets.

The legislator will also have to take into account another impactful subject in the evolution of regulation: Artificial Intelligence. Some jurisdictions have already introduced specific laws and regulations to address the ethical, social, economic and legal challenges associated with the use of AI, while others are still defining their regulatory approaches. However, it is important to balance the need for regulation with innovation and technological development in order to promote safe and ethical use of AI without holding back innovation and progress.

Global regulations can also influence efforts to achieve sustainable development goals. Unclear or conflicting regulations can hinder the international collaboration needed to tackle crucial environmental and social challenges such as climate change, poverty and inequality.

**Trend:** Increasing

**Risks impacted:**

- Compliance
- Operational
- Reputational
- ESG

**SBU's impacted:**

- Mail, Parcels and Distribution
- Payments and Mobile
- Financial Services
- Insurance Services

**Pillars and material topics impacted:**



**Integrity and transparency**

Working with integrity and transparency

**Capitals impacted:**



**Financial**



**Human**



**Intellectual**

requirements involves an investigation to understand whether or not new regulations or significant changes to existing regulations are applicable to the operations of the business and/or the activities performed by the Group.

Confirming the centrality of the Group's principles of integrity and transparency, Poste Italiane was the first Italian company to obtain certification on Compliance Management Systems - ISO 37301, for the management of Integrated Compliance to oversee the processes of design, development and delivery of Postal, Financial and Logistics Services in the areas of administrative, accounting and fiscal responsibility.



## PANDEMIC AND INFECTIOUS DISEASES:

Negative effects on Poste Italiane's business from the spread of new pandemics globally

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>In an increasingly globalised world, the emergence or mutation of viruses and bacteria can have serious impacts on the macroeconomic environment, disrupting national economies and undermining the health of the population, with consequent impacts on business operations and consumer behaviour.</p> <p>In particular, globalisation and the interconnectedness of peoples, climate change, accelerated urbanisation and overcrowding in urban areas, as well as large migration flows, favour the rapid spread and proliferation of infectious diseases. In addition, antimicrobial resistance is increasing due to the overuse and misuse of antibiotics. Finally, global food trade can contribute to the spread of disease through the transport of contaminated food.</p> <p><b>Trend:</b> Stable</p> <p><b>Risks impacted:</b></p> <ul style="list-style-type: none"> <li>• Strategic</li> <li>• Operational</li> <li>• Compliance</li> <li>• Reputational</li> <li>• Financial and Insurance</li> <li>• ESG</li> </ul> <p><b>SBU's impacted:</b></p> <ul style="list-style-type: none"> <li>• Mail, Parcels and Distribution</li> <li>• Payments and Mobile</li> <li>• Financial Services</li> <li>• Insurance Services</li> </ul> <p><b>Pillars and material topics impacted:</b></p> <p><b>Innovation</b> Innovation and digitisation of products, services and processes</p> <p><b>Creating value for the country</b> Dialogue and transparency in relations with the authorities</p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Possible economic repercussions from a global recession, resulting in a reduction in consumption of the products offered by Poste and difficulties in dealing with recovery</li> <li>• Adoption of new work models, which can create greater exposure to cyber attacks and fraudulent use of data</li> <li>• Difficulties in the timely management of new pandemics and inability to guarantee business continuity in the provision of its services</li> <li>• Amplification and acceleration of the effects of the main existing or emerging risks (e.g., disruption of the supply chains needed to carry out Poste Italiane's business activities and remote management of personnel)</li> <li>• Focusing attention on the development of the pandemic, with reputational impacts due to reduced commitment to ESG issues (e.g. reduction of environmental investments)</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Increased efficiency and productivity due to the adoption of remote working models and digital solutions to support the business</li> <li>• Acceleration of the transition to digitisation, with a consequent increase in demand for the digital products offered by Poste Italiane</li> <li>• Increased business opportunities due to changes in consumer needs, based on meeting the needs determined by the effects of the pandemic on the evolution of the socio-economic context</li> <li>• Cost reduction (e.g. travel; property management)</li> </ul>	<p>The experience gained in the management of the health emergency resulting from the spread of Covid-19, has allowed the Group to develop operating methods that have significantly reduced the potential impact on business continuity (e.g. organisational measures to reshape operations for the branch network and logistics-postal activities; purchase of laptops and software to carry out activities in smart working mode; expansion and strengthening of tools for remote connection, managing travel). In particular, the Group has been actively involved in constantly monitoring the evolution of the virus, which has allowed proactive management of its effects, also in the long term, through investments in new technologies, in the security of IT infrastructures and in personnel training, making it possible to provide services in compliance with the security protocols necessary to combat the spread of Covid-19.</p> <p>The controls implemented during the pandemic may represent useful resources for the management of any future emergency conditions.</p> <p>In particular, the Covid-19 pandemic has fostered the implementation of business models based on an omnichannel strategy, forcing companies to adopt liquid and open operating models that combine technological innovation, data management at the service of the ecosystem, and digital and customer-oriented operations to successfully cope with sudden changes in the market. In fact, the omnichannel strategy has transformed Poste Italiane into a platform company, resilient to the pandemic and the financial upheavals produced by the war in Ukraine and the Israeli-Palestinian conflict.</p> <p>With regard to the eventual management of new emergency measures and/or a new pandemic, the Group can leverage some specific strengths linked to the diversification of its activities, its multi-channel approach and the growth of its digital business, which ensure the service is also provided outside traditional Post Offices. The majority of the Group's overall revenue will not be linked to short-term commercial activities and the business model of BancoPosta is capital light, not assuming credit risk.</p> <p>Moreover, the pandemic has accelerated the Group's digitalisation path, which has, therefore, not only developed digital products and services, sustainable over time, in the postal, insurance, financial and payment areas, but has also introduced new ways of selling and communicating with customers, such as the introduction of the customer care service intermediated by artificial intelligence via voice (voicebot) and chat (chatbot and appbot), with the aim of promoting a radical cultural, organisational and technological change in the assistance model, relieving operators of the most repetitive tasks, allowing them to dedicate themselves to activities requiring human intervention and to the management of more complex and emerging situations.</p> <p>In addition, Poste Italiane, in response to the health emergency, pursues sustainable development by continuing to invest in projects aimed at strengthening ESG initiatives, as identified in the Sustainability strategy.</p>

Support for the socio-economic development of local communities



**Customer experience**

Quality and customer experience



**People development**

Occupational health and safety

Personnel training and development

**Capitals impacted:**



**Financial**



**Physical-structural**



**Social-relational**



**Intellectual**



**TECHNOLOGICAL INNOVATIONS:**

Adverse consequences for people, businesses and ecosystems due to the development of innovative technological solutions (e.g. digital inequalities, digital market concentration, etc.)

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>Digital transformation and technological advances have not only created a wide range of benefits for companies, but have also amplified the risks that need to be understood and managed. In particular, the development of technology is a process that generates impacts that move in a dual direction: positive, for innovations that allow us to pursue more efficient, sustainable and flexible solutions; negative, due to the consequences that robotics and data centres can have in terms of potential cyber threats, polluting emissions and energy consumption.</p> <p>In addition, due to the widespread adoption of agile working, the boundary between work and private life becomes more blurred and there is greater isolation of people, while at the same time requiring companies to implement upskilled and reskilled programmes with regard to digital skills for workers. In view of the activities carried out by Poste Italiane, it is necessary to consider that the e-substitution is drawing a new market perimeter, produced by the exceedance of the digital market (electronic communications) and the Parcels segment (especially due to the spread of e-commerce), as well as changes in the habits and behavioural patterns of the population.</p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Inability to maintain attractiveness, due to the excessive digitisation of the products and services offered, towards part of Poste Italiane's traditional customers and/or potential target customers not reachable due to the <i>digital divide</i></li> <li>• Inadequacy of standard products for changing consumer needs</li> <li>• Difficulty in responding in a timely manner to the digital drive in the sectors in which Poste Italiane operates</li> <li>• Interruption of digital services provided by Poste Italiane</li> <li>• Inability to provide employees with the same levels of IT security both in agile mode and at company facilities</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Development of products in line with different consumer needs, also leveraging technological innovations</li> <li>• Development of new technologies to strengthen Poste Italiane's processes</li> <li>• Greater ability than competitors to understand customer needs, also with reference to targets in the "digital divide"</li> <li>• Increased demand for the products offered by Poste Italiane, thanks to customer confidence in its handling of privacy and sustainability issues</li> <li>• Development and growth of Poste Italiane employees in terms of digital skills</li> </ul>	<p>For Poste Italiane, innovation and digitalisation are two central drivers of strategic progress and enable it to guarantee its customers innovative technological solutions, also through the integration of its own products and services with those of third parties.</p> <p>Poste Italiane has embarked on a digitalisation process that has influenced both its offer and business processes through the evolution of its omnichannel distribution model, which allows the Company to deliver services in an agile manner and in step with needs of customers.</p> <p>Through a digitalisation of services, Poste Italiane intends to make integrated digital solutions available.</p> <p>Communication channels with customers are also constantly evolving, which has led to the development of Artificial Intelligence solutions. These solutions have several positive impacts for both customers and the Company, as they allow for a 24-hour customer service 365 days a year, which contributes to bringing part of the population closer to and familiarising them with advanced technological systems.</p> <p>Among the actions aimed at reducing the digital divide, in recent years, Poste Italiane has undertaken a path of digital education of citizens, carried out through the organisation of several training sessions with the aim of providing a valuable contribution to the digitisation of Italy and by expanding the dedicated section of the website with video clips, games, infographics, podcasts and a glossary.</p> <p>Through the programme, the Group has adopted a highly inclusive approach in order to facilitate and simplify the use of new technologies to all its customers and beyond.</p>

**Trend:** Increasing

**Risks impacted:**

- Operational
- Strategic
- Compliance
- Reputational

**SBUs impacted:**

- Payments and Mobile
- Financial Services
- Insurance Services
- Mail, Parcels and Distribution

**Pillars and material topics impacted:**

**Innovation**  
Innovation and digitisation of products, services and processes

**Creating value for the country**  
Support for the socio-economic development of local communities

**Customer experience**  
Quality and customer experience  
Cyber Security, IT Security and Privacy

**Capitals impacted:**

- Financial**
- Physical-structural**
- Social-relational**
- Intellectual**

Poste Italiane set up the "Smart Letter Box" project to renovate classic letter boxes and equip them with IoT technologies and sensors. In addition to sensors for detecting mail, Poste Italiane's new Smart Letter Boxes have been equipped with sensors capable of detecting certain parameters such as temperature, humidity, atmospheric pressure, particulate matter and nitrogen dioxide. More than 550 second-generation Smart cassettes were installed throughout Italy in 2023, which when added to the letter boxes installed in 2022 will total 707.

The Group has identified human capital as a vital resource for innovation. This is why, in addition to continuing its policy of open innovation and inorganic growth by acquiring or taking majority stakes in some of the most innovative companies and start-ups, it is also implementing a policy of "reshoring", hiring and bringing back home several "brains" that had emigrated for work. In this way, the company contributes to the digitalisation and modernisation of the country and combines the virtualisation of services with a constant and qualified presence on the territory.

In order to coordinate and contribute to the direction of initiatives aimed at increasing the profitability, impact and future sustainability of the Poste Italiane Group, the "Open Innovation" team was formed, a group with diverse multi-industry experience and areas of expertise united by a passion for innovation. In particular, the team aims to disseminate knowledge of the most innovative trends in technology and business performance within the Group, as well as to identify valuable partners to improve current products and services. By defining the positioning of the medium- and long-term target on innovation issues, the aim is to seize the challenges in advance to bring about changes in the Group's operational and business areas.

Moreover, with the new Polis Project, Poste Italiane intends to foster the economic, social and territorial cohesion of the country and overcome the digital divide in small towns and inland areas, making a widespread, concrete and resilient contribution to the missions aimed at digitising the country and ensuring greater social inclusion and cohesion. In particular, the creation of an innovative technological infrastructure for the provision of services to citizens and the accompaniment of PA, citizens and businesses in the adoption of the necessary digital skills, reducing the gaps that exist today, offer the tools to compete globally and boost the local economy.

The Polis project, SPID, the launch of fibre connection services and the entry into the energy market show how Poste Italiane is a facilitator of the country's technological transformation.



**CYBER RISK:**

Risk of incurring economic/financial losses and/or reputational damage as a result of the occurrence of accidental events or malicious actions relating to the security of the information system (hardware, software, databases, sensitive data, etc.), also in view of the constant increase in the use of information systems

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
	Negative impacts:	Managing cyber security risk is a key priority for the Group, considering the increasing number of cyber

The technological evolution of the business and the wider use of innovative digital solutions, requires increasing attention to the aspects of **cyber security**. Attacks on IT systems can compromise IT infrastructure, allowing company and customer data to be stolen or used, or malware to be planted, in order to access company funds and/or damage the reputation and brand.

The increasing demand for personal identification and authentication, including through the use of biometric identifiers, may increase the risk of fraud and identity theft.

In relation to cyber security, there is a proliferation of regulations aimed at ensuring the security of products with digital components, governing the design and development phases of the products themselves, as well as their entire life cycle. This implies the creation of a comprehensive cyber security regulatory framework that facilitates compliance for hardware and software manufacturers. The ultimate goal is to improve transparency regarding the security features of digital products in order to enable both companies and consumers to use them safely.

It is also essential to consider technological advances in the field of Artificial Intelligence, which could potentially lead to new forms of cyber attacks capable of overcoming the preventive and defensive measures implemented by Poste Italiane.

#### Trend: Increasing

#### Risks impacted:

- Operational
- Strategic
- Compliance
- Reputational

#### SBUs impacted:

- Payments and Mobile
- Financial Services
- Insurance Services
- Mail, Parcels and Distribution

#### Pillars and material topics impacted:



#### Customer experience

Cyber Security, IT Security and Privacy

- Removal of sensitive information for Poste Italiane, with economic, reputational and compliance impacts (e.g. removal of biometric data of customers acquired for the management of payment systems)
- Service disruptions caused by attacks on information systems and/or communication networks
- Deletion or deterioration of data

#### Opportunities:

- Higher IT infrastructure security levels than competitors
- Increased customer confidence in the robustness of Poste Italiane's IT structure to protect sensitive data
- Increased efficiency and productivity due to the adoption of tools to guard against cyber attacks
- Increased awareness of Poste Italiane employees on cyber security issues through specific training programmes

threats and the sensitivity of the data managed. Poste Italiane is committed to protecting company data with the aim of safeguarding its customers and all its stakeholders through technologically advanced protection systems and in accordance with the measures set out in the relevant regulations.

The function responsible for IT security assesses the cyber risk on a monthly basis, based on technical security checks conducted on three applications:

- Vulnerability Assessment: the process of identifying, measuring and prioritising system vulnerabilities, performed with special tools twice a year for each application;
- Code Review (Static and Dynamic): process of checking the source code of an application to verify that the correct security controls are in place and that they are working as intended. By means of special tools, the verification is carried out of both the source code ("Static CR") and of the code in execution ("Dynamic CR");
- Penetration Test: process of evaluating the security of a system or a network through the simulation of attacks that aim to gain undue access to the system, performed on a specific perimeter of applications.

These precautionary measures combine with other two essential parameters to ensure effective and efficient management of potential IT risks in the Company: patching and hardening.

Poste Italiane has also undertaken a series of additional initiatives:

- developed Security Planning, defining and implementing a methodology for planning technical security audits deriving from regulatory/contractual requirements and from the Security By Design process;
- extended the scope of Cyber Risk analysis to include BancoPosta, PostePay, PosteVita, Poste Assicura, Poste Welfare Servizi and other compliance/security areas;
- set up the Information Security Committee - DTO, a periodic working table between the Information Security and Digital, Technology & Operations functions with the aim of jointly planning and directing security activities and identifying areas for improvement;
- established the Fraud Prevention Centre, which plays a key role in protecting the company's customers from financial fraud and scams, using advanced monitoring systems, risk analysis, collaboration with the relevant authorities and awareness-raising to prevent and counter fraudulent activities.

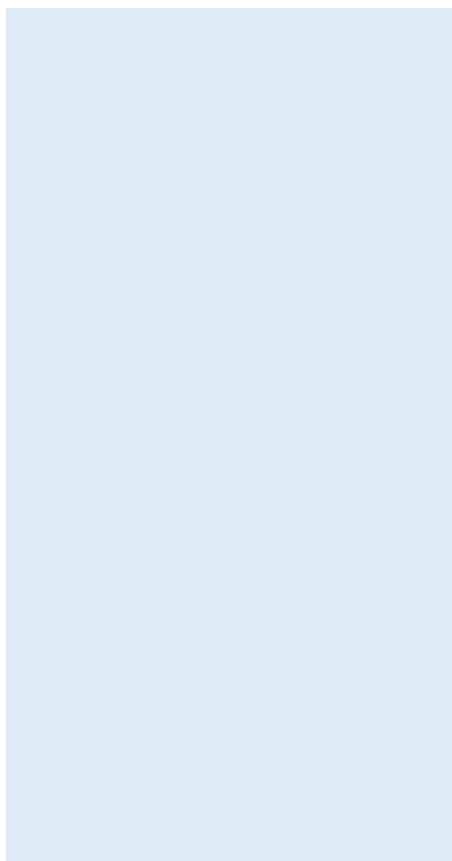
In relation to the Russian-Ukrainian crisis, Poste Italiane has raised the levels of monitoring and attention to security events and strengthened cyber intelligence activities, in order to prevent and/or intercept potential cyber attacks against the Group. In addition, several training initiatives were launched for internal staff in order to minimise human factor risks and their impacts.

In the area of cyber security, Poste Italiane has obtained the following certifications:

- ISO/IEC 27001/2013, standard for establishing and managing an information security management system. The standard also includes the requirements for assessing and dealing with IT security risks, which are customised according to the needs of each organisation.
- ISO 2000-1/2018, the international standard for IT Service Management, focusing on the quality of these services. It is based on risk management, with the aim of minimising the risks associated with increasingly harsh customer reactions in situations of "discrepancy" with their expectations, needs and requirements, including incident management, requests, continuity, accessibility, service level, service catalogue and service capacity.

**Capitals impacted:**

- Financial
- Physical-structural
- Social-relational
- Intellectual



In order to guarantee Group-wide supervision of cyber security and data protection activities, and to actively combat cybercrime, in 2021, Poste Italiane set up CERT (Computer Emergency Response Team). The team is made up of IT security experts who carry out their duties by operating in real time 24 hours a day to prevent risks, manage IT incidents affecting company systems and develop actions in response to cyber events, reinforcing in this way the defence capability of the entire Company. Moreover, Poste Italiane collaborates with CNAIPIC (National Centre Against Cybercrime for the Protection of Critical Infrastructure) of the Postal Police.

In order to ensure adequate levels of confidentiality, integrity and availability of data, information and services provided to customers, Poste Italiane has also developed and adopted a specific Privacy framework. The Privacy function ensures a single Group-wide oversight for all responsibilities related to privacy issues and oversees the development of the framework. Poste Italiane envisages the figure of the Data Protection Officer, as a privacy expert who assumes responsibility for observing, evaluating and directing the management of personal data processing, in accordance with GDPR. The Privacy Service Centre operates within this function and is in charge of representing a single point of reference on privacy matters for customers, as well as of collecting and managing in an efficient and centralised manner all requests received from them.

In order to make the entire corporate IT structure secure and resilient to possible cyber attacks, Poste Italiane has implemented specific training programmes aimed at employees on cyber security issues, so as to educate them on the behaviour to adopt in the event of cyber attacks.



**CLIMATE CHANGE:**

Possible negative impacts of climate change phenomena on Poste Italiane's business and reputation.

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>In the coming decades, a rise in average temperatures of 3 degrees Celsius compared to pre-industrial times could trigger disastrous chain effects. Phenomena such as rising sea levels, ocean acidification and loss of biodiversity, as well as hurricanes, floods, forest fires and droughts, become more frequent and intense, altering terrestrial and marine ecosystems.</p> <p>Such events have catastrophic effects on local communities, causing enormous damage to infrastructure and natural resources with long-term economic consequences; financial losses are often significant, especially in the agricultural, tourism, and insurance sectors.</p> <p>Climate change can destabilise societies and accentuate socio-economic inequalities, contributing to political tensions and internal and external conflicts. Moreover, the need to mitigate and adapt to climate change requires political and diplomatic action at national and international level, not helped by the geopolitical instability of recent years.</p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Restrictions on Poste Italiane's business operations due to extreme weather conditions</li> <li>• Inadequacy of the products and services offered with respect to the demands of consumers increasingly driven by sustainability issues</li> <li>• Underestimating sustainable development and not actively pursuing decarbonisation can lead to serious consequences in terms of corporate reputation, with negative impacts on stakeholder trust, market opportunities and overall company value</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Increased business opportunities due to changes in consumer needs (e.g. development of low-emission services; development of investment and insurance products for climate adaptation)</li> <li>• Possible access to new markets and new customer segments requiring insurance coverage</li> <li>• Advantages deriving from the greater reliability of the supply chain and Poste Italiane's improved ability to operate in various conditions compared to its competitors</li> </ul>	<p>Poste Italiane analyses, among others, the risks related to climate change also in relation to the long term.</p> <p>Specifically, the risk management model adopted by the Group considers both the possible impacts that climate change-related phenomena may have on the business of Poste Italiane (indirect impact) and those that Company's activities may have on climate (direct impact).</p> <p>The process of identifying and assessing risks and environmental management methods also extends to counterparties, impacting the procurement processes and any extraordinary finance transactions, providing, among other things, for the identification of suppliers and partners that may present risks related to environmental protection, also through a multi-dimensional analysis that takes into account parameters such as: possession of environmental, quality and energy performance certifications and adoption of environmental management systems, ethical standards of conduct and Minimum Environmental Criteria (MEC).</p> <p>In order to classify climate-related risks and opportunities, Poste Italiane takes different drivers into consideration referring to two macro-areas (transition and physical risks). In addition to defining the associated opportunities, the Group provides for specific mitigation measures to respond to the risks identified and associated with each driver. Poste Italiane defined a perimeter in the risk assessment process that takes into consideration not only direct activities, but also</p>



The combat against climate change, therefore, is not an option but a must. It is therefore necessary to consider these aspects when defining the strategies and operational activities of companies.

**Trend:** Increasing

**Risks impacted:**

- Reputational
- Operational
- Strategic
- Compliance

**SBUs impacted:**

- Mail, Parcels and Distribution
- Payments and Mobile
- Financial Services
- Insurance Services

**Pillars and material topics impacted:**

**Creating value for the country**



Dialogue and transparency in relations with the authorities

Support for the socio-economic development of local communities

**Green transition**



Environmental impacts of logistics

Environmental impacts of real estate facilities

**Sustainable Finance**



Integration of ESG factors into investment policies

Integration of ESG factors into insurance policies

**Capitals impacted:**



**Financial**



**Human**



**Natural**



**Physical-structural**



**Social-relational**



**Intellectual**

downstream and upstream operations, including customers in the final analysis, given that they are the main beneficiaries of Group products.

The correct identification and assessment of climate-related risks and opportunities is also ensured by listening to stakeholders. They are periodically involved in the Multi-stakeholder Forums organised by Poste Italiane and have a reporting system that allows them to bring any perceived risks to the attention of the Company.

With reference to physical risks, such as extreme weather events and changes in rainfall trends, Poste Italiane has adopted a continuity business plans and measures aimed at preventing physical damage to structures, to ensure business continuity. In addition, for the coordination of emergency and recovery activities, the Group maintains a dialogue with institutions (e.g. Civil Protection, Civil Defence) as well as interfacing with relevant bodies and international protection and defence organisations (e.g. participation in drills or other initiatives, etc.).

Furthermore, with regard to Poste Italiane's direct impacts, and considering its widespread presence within the country and consequent environmental impact resulting from carrying out its normal activities, Poste Italiane adopts a responsible approach aimed at reducing its environmental footprint and contributing to the country and economy's low-carbon transition.

In line with its decarbonisation strategy and in implementation of the guidelines for the exercise of voting rights and engagement activities and for investment in sensitive sectors, Poste Italiane, through its subsidiaries Poste Vita and BancoPosta Fondi SGR, has joined Climate Action 100+, an international collaborative engagement initiative to raise awareness of climate change issues among the world's largest greenhouse gas emitters.

The portfolios of BancoPosta Fondi SGR and Poste Vita are periodically subjected to ESG analysis to assess their degree of social responsibility, and carbon footprint, with the aim of mitigating any risks. The results obtained both for BancoPosta Fondi SGR and Poste Vita, are higher than the ESG performance of reference benchmarks.

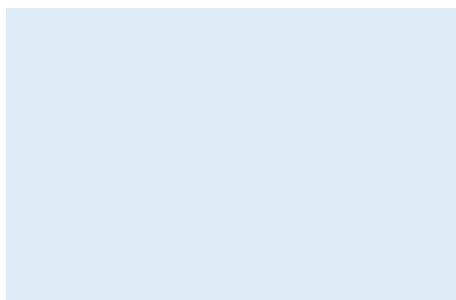
As part of the Poste Italiane Group's strategy for pursuing its Sustainability objectives, the integration of ESG principles into its investment processes is also of particular importance, with investments in sectors that contribute to the Sustainable Development Goals ("SDGs") (e.g. investments in bonds in the "Green", "Social" and "Sustainable" categories in line with the standards and principles defined by the International Capital Market Association).

Poste Italiane, in accordance with the main regulatory trends and in response to the growing requests from the financial community and the main stakeholders, reports information regarding climate change on the basis of the areas defined by the TCFD: Governance, Strategy, Risk Management, Metrics and Objectives. For further details,

reference is made to the paragraph "MANAGING CLIMATE CHANGE RELATED RISKS AND OPPORTUNITIES"

In order to reduce the direct impact that Poste Italiane's activities may have on climate, the Group is making constant progress in using energy sources that do not use fossil fuels (e.g. solar energy from photovoltaic panels on buildings) and in reducing energy consumption (e.g. replacing neon lights and using LEDs), partly in order to deal with potential sudden changes in energy prices (already 99% of the Poste Italiane Group's electricity needs come from renewable sources).

In addition, over the years, Poste Italiane has inaugurated photovoltaic plants for energy production



and undertaken a series of initiatives to ensure that its buildings are increasingly sustainable, including initiatives to reclassify sorting centres, with a view to decarbonising buildings.

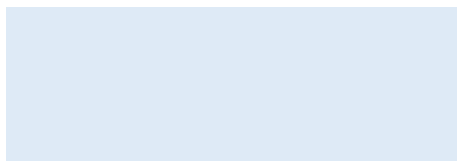
Among other things, in line with having subscribed to the Paris Agreement and the New Green Deal, Poste Italiane has committed to reducing its emissions by 30% by 2025 and has set itself the ambitious goal of making its contribution to achieving the international carbon neutrality objectives by 2030, well ahead of the timeframe defined by the European Union.



**EVOLUTION OF THE PAYMENT SYSTEM:**

Negative change in consumer purchasing behaviour for Poste Italiane in relation to the payment instruments to be used (e.g. cryptocurrencies, fintech, etc.) also due to the introduction of new payment methods

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>Internet access and the use of electronic payments is spreading worldwide. Consumers who shop on-line are also looking across borders for the products and services they want, and are developing new habits and needs geared towards the use of electronic payment solutions.</p> <p>The payments industry is undergoing major changes related to the advent of new technologies and the development of Artificial Intelligence, as well as the proliferation of relevant legislation and regulations (e.g. the European Payment Services Directive - PSD2).</p> <p>Companies must be ready to adapt and innovate in order to capitalise on new opportunities and mitigate the associated risks.</p> <p><b>Trend: Increasing</b></p> <p><b>Risks impacted:</b></p> <ul style="list-style-type: none"> <li>Operational</li> <li>Strategic</li> <li>Reputational</li> <li>Compliance</li> </ul> <p><b>SBUs impacted:</b></p> <ul style="list-style-type: none"> <li>Payments and Mobile</li> </ul> <p><b>Pillars and material topics impacted:</b></p> <p><b>Innovation</b> Innovation and digitisation of products, services and processes</p> <p><b>Customer experience</b> Quality and customer experience</p> <p><b>Capitals impacted:</b></p> <ul style="list-style-type: none"> <li><b>Financial</b></li> <li><b>Physical-structural</b></li> </ul>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>Poste Italiane's untimely response to emerging payment trends resulting in loss of market share</li> <li>Inability to maintain attractiveness to traditional customers, potentially more averse to digital channels, for Poste Italiane's electronic payment services</li> <li>Increase in Poste Italiane's competitors in the payments sector (e.g. organisations introducing new payment systems)</li> <li>Increased digital transactions and increased risk of fraud and security breaches</li> <li>Entry of new players in the payment industry</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Adoption of strategies to increasingly personalise the offer of payment services</li> <li>Adoption of new technologies that can be extended to the current customer target of Poste Italiane</li> <li>Segmentation and differentiation of the offer, through the expansion of Poste Italiane's customer target (e.g. young people)</li> <li>Creation of a specific offer for Poste Italiane's digitally evolved customers</li> <li>Launch of new products (e.g. platforms and instruments for cryptocurrency payments)</li> </ul>	<p>In order to provide new payment solutions and respond to the changing needs of its customers, Poste Italiane is developing new digital payment services, intercepting and driving customer habits in the context of digital transformation, through the creation of innovative products and services that simplify everyday life, such as:</p> <ul style="list-style-type: none"> <li>PostePay Connect, first integrated payment and mobile product that allows managing, through a single app, telephony and payment services in an intuitive and secure way;</li> <li>PostePay app, the e-wallet that allows paying for purchases directly with a smartphone in all stores that accept contactless payments, thanks to the recent introduction of the Google Pay service in the App;</li> <li>Codice PostePay, an app that allows buying in stores using a QR Code and getting discounts and benefits at affiliated partners. During the year, the user experience of the Code payment mode was evolved through the launch of "QR Code Web", the solution that allows the cardholder to frame the automatically generated QR code on the payment page, without additional clicks;</li> <li>Collaboration agreements with start-ups for the development of innovative solutions in the financial services and payments area;</li> <li>With a view to expanding its services, PostePay SpA has made available the possibility of making contactless payments also to customers with iPhones, Apple Watch, iPads and Macs via Apple Pay, giving them the option of adding their PostePay card, whether prepaid or debit card associated with their BancoPosta current account, to the Apple wallet.</li> </ul> <p>In addition, Poste Italiane established the Fraud Prevention Centre, which plays a key role in protecting the company's customers from financial fraud and scams, using advanced monitoring systems, risk analysis, collaboration with the relevant authorities and awareness-raising to prevent and counter fraudulent activities.</p>



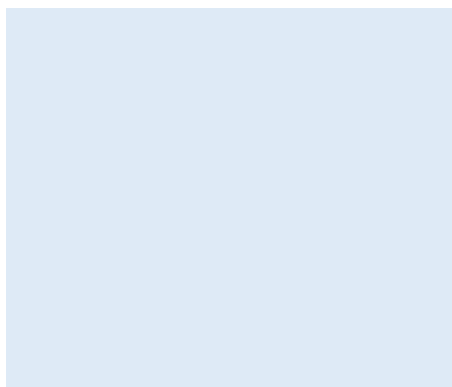
**MOBILITY REVOLUTION:**

Need to review business models and delivery operations due to the introduction of new mobility models, technological evolution of vehicles, sharing mobility.

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>The transport sector is undergoing significant transformation, driven primarily by technological innovations and the impact from digital on the habits, needs and preferences in terms of mobility of passengers and companies.</p> <p>Over the years, the revolution in mobility and automation of machines and processes will lead to a radically different world, characterised by greater efficiency, sustainability and connectivity. However, it will be essential to address the social, economic and regulatory challenges that accompany this transformation to ensure that its benefits are fairly distributed and its potential risks mitigated.</p> <p>In addition, the shift towards more sustainable modes of transport, the control of polluting emissions, the environmental Sustainability of major works are issues that increasingly guide the preferences of citizens and the choices of transport operators.</p> <p><b>Trend: Increasing</b></p> <p>Risks impacted:</p> <ul style="list-style-type: none"> <li>Operational</li> <li>Reputational</li> <li>Compliance</li> </ul> <p><b>SBUs impacted:</b></p> <ul style="list-style-type: none"> <li>Mail, Parcels and Distribution</li> </ul> <p><b>Pillars and material topics impacted:</b></p> <ul style="list-style-type: none"> <li><b>Integrity and transparency</b> Legality and incorporation of ESG in the procurement process</li> <li><b>Creating value for the country</b> Support for the socio-economic development of local communities</li> <li><b>Green transition</b> Environmental impacts of logistics</li> </ul>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>Restrictions on Poste Italiane's operations, with particular reference to deliveries, due to traffic restrictions (e.g. restrictions on polluting vehicles)</li> <li>Limited availability of "green" vehicles suitable for carrying out Poste Italiane's logistics and delivery activities</li> <li>Negative impacts on the environment and on Poste Italiane's reputation due to the use of polluting vehicles</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Reduce the Group's total energy consumption from non-renewable sources (e.g. fossil fuels)</li> <li>Reduction of emissions related to the use of the vehicles that make up the company fleet</li> <li>Leaner and more efficient management of operations</li> <li>Cost reduction</li> </ul>	<p>Poste Italiane, aware that the vehicles used to carry out its logistics and delivery activities do not lend themselves to any type of optimisation, has been replacing them with equivalent electric-powered vehicles in recent years, improving its fleet in order to reduce atmospheric pollution. Among companies in the utility sector, Poste Italiane has one of the largest fleets of 100% electric commercial vehicles in the country.</p> <p>During the year, Poste Italiane continued to implement sustainability initiatives, with particular reference to reducing the environmental impact of the corporate fleet, through the use of additional alternative fuel vehicles (electric, methane and LPG).</p> <p>The Fleet Renewal Plan, which had already been activated in 2019 with the aim of replacing the entire fleet of vehicles used for the delivery of postal products with green vehicles, was continued in 2023 through measures to reduce energy consumption, lower atmospheric emissions, increase safety and increase load capacity for delivery. Poste Italiane demonstrated its commitment to pursuing the plan for the complete renewal of its vehicle fleet, increasing the green component of the fleet itself, through the introduction of electric and hybrid cars and motorbikes in line with ESG targets of a 40% reduction in emissions. In this regard, 14,189 alternatively fuelled vehicles (electric, natural gas and LPG) are already deployed in the fleet. The Company has gone from 11% green vehicles in 2016 to 44.4% in 2023, with the aim of replacing the entire company fleet with low-emission vehicles by 2024.</p> <p>The total number of vehicles with reduced environmental impact introduced from 2019 is 26,225, and during the year, Poste Italiane completed the inflotment of 2,169 electric vehicles, 750 hybrid electric or methane vehicles, and 696 low-emission vehicles. The interventions are in line with the goal of reaching 27,800 vehicles by 2024.</p> <p>As regards the purchase of logistics services, Poste Italiane maintains conduct consistent with sustainability issues, selecting and rewarding suppliers in line with the environmental, social and governance issues that the Poste Italiane Group promotes. In particular, the Company verifies the technical and professional suitability of its suppliers by requesting, for qualification purposes, the possession of specific requirements, including composition and type of vehicles in the fleet.</p>

**Capitals impacted:**

-  **Financial**
-  **Human**
-  **Natural**
-  **Physical-structural**
-  **Social-relational**



**CHANGING CONSUMERS' PURCHASING AND INVESTMENT CHOICES ACCORDING TO THE MACRO-ECONOMIC SCENARIO:**

Changes in consumer purchasing habits as a function of the macro-economic scenario and customer needs and expectations

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>In addition, the current macro-economic context - characterised by high instability, volatility and persistent inflation - affects consumers' purchasing power and investment choices (e.g. as a function of market rates).</p> <p>In particular, during periods of economic instability or uncertainty, consumers tend to be more cautious in their spending: they might avoid impulsive purchases or risky investments, preferring to buy cheaper products and services or concentrate their spending on essential goods and services, such as food, basic commodities and health services.</p> <p>Moreover, rising low interest rates and volatile financial markets may influence the choices of investors, who may prefer investments that are considered safe or less volatile, such as certificates of deposit or government bonds.</p> <p>With regard to the financial services offered by Poste Italiane, if consumers perceive a favourable economic situation and feel secure about the future, they may be more inclined to take financial risks. Conversely, if consumers are pessimistic about the economy and fear for their financial security, they might reduce investment activities or direct them towards lower-risk products.</p> <p>Changes in consumer purchasing and investment choices in response to the macroeconomic scenario can have a significant impact on the economy and market dynamics in the long run, influencing consumption through changes in consumption patterns, changes in investment sectors and overall economic growth.</p> <p><b>Trend: Increasing</b></p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Loss of customers due to Poste Italiane's failure to adapt its products/services to customer needs</li> <li>• Difficulty in developing reliable forecasting models that allow the Group to predict market developments</li> <li>• Reduction in purchasing power and change in consumers' investment choices that could have negative effects on Poste Italiane's margins and liquidity, as well as on the attractiveness of the products offered</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Increased business opportunities due to changes in consumer needs, including through the adoption of strategies of increasing customisation of the offer</li> <li>• Greater ability than competitors to understand customers' needs</li> <li>• Development of socially and environmentally oriented products and services</li> </ul>	<p>In addition to distinguishing itself through a diversified business structure that allows it to benefit from a constant physiological balancing effect between the trends affecting its businesses, the Poste Italiane Group has historically demonstrated resilience in times of economic uncertainty and financial turbulence, indeed establishing itself as a "safe haven" for savers, thanks to a portfolio of financial offerings characterised by products with low risk exposure and volatility.</p> <p>In response to growing consumer awareness of environmental issues, the range of BancoPosta and Poste Vita investment products has been increased, with investments oriented towards assets with strong sustainability characteristics.</p> <p>As far as the evolution of the range is concerned, BancoPosta Fondi SGR's objective is to carry out over time a gradual transformation of the existing funds as well, integrating environmental, social and governance sustainability criteria into the investment policy of each.</p> <p>Poste Italiane continued its efforts to expand its proposal of financial products that promote environmental or social characteristics, with a view to channelling an ever-increasing amount of capital in favour of sustainable development and meeting the demands of savers and investors attentive to the creation of positive social-environmental value through the investment products they subscribe to. This commitment was shared by both BancoPosta Fondi SGR and Poste Vita, which, with reference to its range of insurance investment products, finalised the configuration and launch of a product with a strengthened profile in terms of ESG integration in its investment activities.</p> <p>Poste Italiane has equipped itself with a Web Opinion Monitoring (WOM) Service, through which it collects and analyses data from the desired sources of interest, such as social networks, App stores, reviews of Post Offices on Google Maps, public on-line information sources, blogs, forums, in order to generate real-time reporting on all topics of interest. The service responds to the needs of different member structures and consolidates in a single solution the services used by the various functions of Poste Italiane and Group companies. The areas for improvement that have emerged in relation to customer feedback constitute an important stimulus for process assessment and revision activities, together with the support activities functional to maintaining quality</p>

**Risks impacted:**

- Strategic
- Operational

**SBUs impacted:**

- Insurance Services
- Mail, Parcels and Distribution
- Payments and Mobile
- Financial Services

**Pillars and material topics impacted:****Innovation**

Innovation and digitisation of products, services and processes

**Customer experience**

Quality and customer experience

Cyber Security, IT Security and Privacy

**Sustainable Finance**

Integration of ESG factors into investment policies;

Integration of ESG factors into insurance policies.

**Capitals impacted:****Financial****Human****Natural****Physical-structural****Social-relational****Intellectual**

certifications and those identified by the "inter-functional communities".

Finally, Poste Italiane pays particular attention to the quality of the products and services it offers with a view to constantly improving customer satisfaction, by carrying out a dual monitoring process, considering both the quality delivered and the quality perceived, on the basis of a KPI system, built around the individual business units. It constantly monitors the objectives and performance of the services provided and provides progress and trends to the top management through regular reporting.



## GEPOLITICAL INSTABILITY

Possible negative impacts on Poste Italiane's business due to geopolitical tensions and international conflicts and related escalations

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>The geopolitical context, characterised by phenomena such as the return to protectionism, military conflicts, large-scale migrations, increased perception of social inequality and populism, is provoking extremist movements and potentially endangering international cooperation, which could lead - according to the most extreme scenarios - to military (also in light of the Russian-Ukrainian and Israeli-Palestinian conflicts) biological, chemical, cyber and/or physical attacks.</p> <p>The current geopolitical context has had major impacts on the macro-economic context, putting pressure on global supply chains and commodity markets and fuelling inflationary dynamics on a global scale. In the major advanced economies, the slowdown in economic activity is attributable to weakening demand and the start of a cycle of tightening monetary policies adopted by the major central banks to counter rising inflationary pressures.</p> <p>In a dynamic and globalised world, local crises quickly become global crises, with huge economic, social and geopolitical repercussions and resulting in new priorities in terms of countries' domestic policies. We could see a de-globalisation of the economy with consequent reshoring of the supply chain.</p> <p>Geopolitical instability exposes countries to new risks from attacks on strategic infrastructure or digital infrastructure (communication networks, data centres or key government systems). When such infrastructure is damaged, there are major repercussions in economic terms, as well as potential reputational impacts.</p> <p><b>Trend: Increasing</b></p> <p><b>Risks impacted:</b></p> <ul style="list-style-type: none"> <li>• Strategic</li> <li>• Operational</li> </ul> <p><b>SBU's impacted:</b></p> <ul style="list-style-type: none"> <li>• Insurance Services</li> </ul>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Difficulty in developing reliable forecasting models that allow the Group to predict market developments</li> <li>• Increased raw material costs and procurement difficulties (e.g. oil, gas)</li> <li>• Business activities being suspended in areas involved in the conflict (e.g. international shipments stopped) and/or restrictions on international trade relations (e.g. Trade Compliance bans)</li> <li>• Substantial changes to aggregated market demand due to possible price inflation, making forecasts in company strategic plans less remunerative</li> <li>• Poor company liquidity due to difficulties in securing credit lines or it becoming impossible to utilise existing loans</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Acceleration in the energy transition</li> </ul>	<p>Poste Italiane continually monitors the political, social and macro-economic context and regulatory aspects that could impact on its business, so as to identify and prioritise the response measures to be undertaken based on the different macro-economic scenarios and geopolitical projections.</p> <p>In particular, as part of the Integrated Compliance process, Poste Italiane continuously monitors the external regulations relevant to the Group and translates all the regulatory principles into the body of rules necessary to guarantee their application, also with reference to legislation applicable to international trade relations.</p> <p>In addition, Poste Italiane carries out checks on counterparties in order to assess their legal, technical and professional requirements, financial stability and identify variables with an impact on revenue and costs, also in consideration of geopolitical scenarios.</p>

- Payments and Mobile
- Financial Services

**Pillars and material topics impacted:**



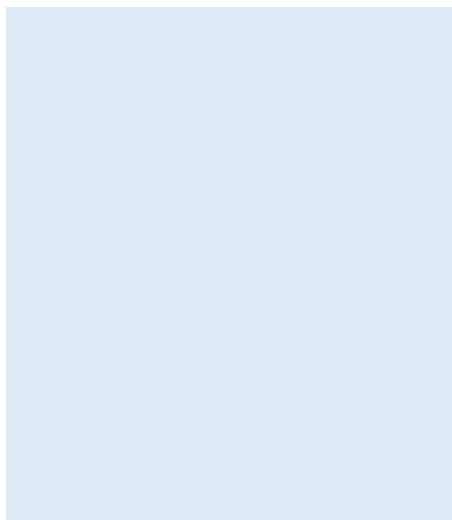
**Integrity and transparency**

Working with integrity and transparency

**Capitals impacted:**



**Social-relational**



**EVOLUTION OF HEALTH AND WELL-BEING**

Growing demand for customised health services due to the increasing focus on health protection and safeguards

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>In the aftermath of the Covid-19 health crisis, there has been a steady increase in the focus on forms of health protection and safeguards in which welfare and improved quality of life play a key role, resulting in a greater demand for personalised health services. Increased life expectancy is, however, accompanied by an increased incidence of chronic diseases that have replaced infectious ones.</p> <p>However, in Italy, the presence of private healthcare provision is still limited compared to other countries, while the costs of the public healthcare system are increasing at a faster rate than overall spending. There is a progressive movement towards a system in which citizens supplement public social security and health services with private insurance policies in order to guarantee themselves a level of care appropriate to their needs, with the ever-increasing risk of under-insurance of the weaker sections of the population who cannot afford such services.</p> <p>In this context, the insurance activity carried out by the Poste Italiane Group through the Poste Vita insurance group can play a fundamental role, as the company, through the offer of flexible and modular protection solutions based on the identification of the lifelong needs of its customers, aims to expand its market share in a sector, that of health insurance, which is constantly growing and increasingly competitive. Furthermore, for the Poste Vita Insurance Group, it is essential to align itself with corporate objectives, and therefore define and market its products, pursuing the objectives of enhancing the social role of insurance</p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Inadequacy of the insurance products offered with respect to the growing consumer demand for health care that is defined on the basis of the specific needs arising in different periods of life</li> <li>• Inability to maintain attractiveness in a constantly growing and competitive health insurance market</li> <li>• Underestimation of population trends and failure to take into account the increased incidence of factors associated with the incidence of chronic diseases</li> <li>• Increased personnel costs related to healthcare</li> <li>• Inability to provide employees with adequate health care facilities</li> <li>• Inability to align with Group objectives of supporting and sustaining territories and including weak population groups</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Growth opportunities by exploiting the potential of a rapidly changing market and increasing demand for healthcare</li> <li>• Opportunities to ensure the accessibility of protection also to the weaker sections of the population by contributing to sustainable development</li> </ul>	<p>Through correct and effective implementation of risk management processes, the Poste Vita Insurance Group is committed to contributing to the protection of the community and the sustainable development of society. The Poste Italiane Group is, in fact, committed to defining and marketing its products taking into account the company's objectives, but also the enhancement of the social role of insurance protection and economic inclusiveness. During the development phase of the offer, the Group focuses on the inclusion of more vulnerable social groups, such as young people, the elderly and people with special pathologies. Furthermore, in risk coverages such as term life or health policies, which play a crucial social role, the Group seeks to expand the potential number of policyholders by adopting inclusive underwriting criteria. A tangible example of this commitment is Poste Assicura, which is dedicated to bridging the insurance gap by providing cover for companies and their employees on a consistent basis, in line with the Company's social responsibility.</p> <p>In order to adequately respond to consumer expectations, the Group monitors its initiatives and the products and services offered by promoting continuous and structured dialogue initiatives. The purpose is to monitor the needs of the reference community and the degree of satisfaction with the products and services offered. Poste Italiane uses principles of seriousness, reliability and elasticity in providing dedicated offers to all categories of customers to whom it caters, also on the basis of specific needs. In this sense, "Poste Vivere Protetti" represents one of the insurance offers offered by Poste Assicura in the area of protection that is most recognised by customers and aims to provide an integrated and modular protection and assistance solution.</p> <p>With regard to its own people, Poste Italiane is committed to promoting activities aimed at improving the well-being and health of its employees also through prevention initiatives. Regarding this last aspect, Poste Italiane organised, in collaboration with the Veronesi Foundation, a series of informative meetings aimed at employees and their families on issues related to ethics, healthy lifestyles and scientific disclosure with content proposed from an intergenerational perspective. Finally, the Group ensures the health care of its employees also</p>

protection and inclusiveness through facilitating economic accessibility.

Finally, the Poste Italiane Group considers the health and well-being of its employees to be a priority element of its human resources management strategy and, in light of the context described above, considers the risk of increased costs related to the growing need for care for its employees who cannot rely on the public health service.

**Trend: Increasing**

**Risks impacted:**

- Strategic
- Reputational

**SBUs impacted:**

- Insurance Services
- Payments and Mobile
- Financial Services
- Mail, Parcels and Distribution

**Pillars and material topics impacted:**



**People development**

Staff welfare and well-being;  
Occupational health and safety.



**Creating value for the country**

Support for the socio-economic development



**Customer experience**

Quality and customer experience;  
Cyber Security, IT Security and Privacy.

**Capitals impacted:**



**Financial**



**Human**



**Social-relational**



**Intellectual**

thanks to the activities of Poste Centro Medico, the center of excellence dedicated to the care and prevention of Poste Italiane workers, their family members and pensioners with the aim of strengthening the medical support for employees through the provision of health care and prevention services.





## ARTIFICIAL INTELLIGENCE AND PROCESS AUTOMATION

Adverse consequences for employees, consumers and the environment due to the impact of artificial intelligence-based technologies

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>Artificial intelligence (AI) is playing an increasingly important role in various areas of modern society and is now a key element driving the transformation of companies in various sectors. The average number of AI functionalities used by companies has doubled in the last three years. These capabilities mainly include natural language text generation, computer vision and operation optimisation technologies.</p> <p>At the same time, investments in AI have increased significantly over time and are expected to grow exponentially in the future.</p> <p>With reference to the impact of this trend on Poste Italiane's areas of operation, the modernisation of postal services through AI is revolutionising sorting, delivery and tracking processes, making them more efficient, accurate and cost-effective. In the financial sphere, AI offers new opportunities in transaction security management and financial data analysis, also facilitating the detection of suspicious patterns and abnormal behaviour, thus reducing the spread of fraud and misconduct. Finally, the use of AI in customer service across the Group's different business units (Insurance Services, Financial Services, Mail, Parcels and Distribution and Payments and Mobile) enables them to understand and, in many cases, anticipate consumer requests and needs, improving the relationship between consumer and company.</p> <p>However, in this context, it is equally crucial to consider the negative consequences and ethical implications associated with AI and its rapid development. These include the risk of increased unemployment, risks to user privacy and reputational risks associated with misunderstandings caused by the use of digital assistants.</p> <p><b>Trend: Increasing</b></p> <p><b>Risks impacted:</b></p> <ul style="list-style-type: none"> <li>• Strategic</li> <li>• Operational</li> <li>• Compliance</li> <li>• Reputational</li> </ul> <p><b>SBUs impacted:</b></p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Increased unemployment rate due to the replacement of work activities carried out by Poste Italiane Group employees with artificial intelligence tools with a consequent reputational impact on the company</li> <li>• Strategic risk of inappropriate use of big data and AI and increased privacy breaches</li> <li>• Growth of regulation in the field and consequent increase in compliance pressure</li> <li>• Lack of empathy on the part of the Poste Digital Assistant to understand the emotions, tone or intentions of the consumer negatively impacting customer trust, satisfaction and loyalty</li> <li>• Increased vulnerability related to technological interruptions or failures, with possible negative impacts on daily operations</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Reduced waiting times for customer problem solving through the use of the digital assistant</li> <li>• Pro-active customer support through analysis and interpretation of data and operations</li> <li>• Sorting and delivery efficiency through the use of artificial intelligence-based technologies</li> </ul>	<p>Innovation and digitalisation constitute, for Poste Italiane, two central drivers for strategic progress and allow it to guarantee its customers innovative solutions, also through the adoption of technologies based on artificial intelligence in its processes, products and services, while still knowing how to manage the risks associated with such disruptive technologies.</p> <p>In order to manage the potential impact on employment resulting from process automation, Poste Italiane uses People Analytics practices, also known as HR Talent or workforce analytics. These practices involve the collection and analysis of human resources data, using statistics and other data analysis techniques. This enables strategic workforce planning, combining the needs of the different business lines with appropriate management strategies. Through these tools and, in particular, through the "Insourcing and Redeployment" programme, the Group is able to identify resources that are no longer needed as a result of the AI intervention and relocate them to other production sectors, ensuring that they acquire the skills required for their new roles.</p> <p>The Artificial Intelligence solutions adopted by the Group in the area of customer service are also constantly evolving and developing: the service system developed uses an approach in which AI supports both customers and service employees.</p> <p>AI operators (former call centre operators who have acquired new skills) work on a daily basis to improve their understanding of customers' future requests and intentions, bridging any gaps related to misunderstandings. Moreover, thanks to the Group's continuous investments, the Digital Assistant is able to provide proactive assistance, based on the rapid analysis and interpretation of data and transactions made by customers on different channels. In these cases, the Digital Assistant is automatically activated and suggests solutions to problems before they are even reported. In addition, the Poste Italiane Group, with a view to continuous improvement, has implemented a feedback collection system to allow consumers to express their opinions on the functioning of the Digital Assistant, in order to identify any problems encountered in interactions with it.</p> <p>Compliance with regulations, internal and external policies and codes of conduct, respect for rules and the strictest fairness are elements of strategic importance for the Group. For this reason, Poste Italiane undertakes to constantly monitor national and European regulations on the use of data and artificial intelligence, promptly taking all necessary measures to ensure compliance.</p> <p>In relation to Privacy risks, Poste Italiane is committed to protecting company data with the aim of safeguarding its customers and all its stakeholders through technologically advanced protection systems and in accordance with the measures set out in the relevant regulations. Over the years, the company has attached great importance to the issue of personal data protection, constantly upgrading its corporate regulatory system and ensuring full compliance with current provisions and the General Data Protection Regulation (GDPR).</p> <p>From an organisational point of view, in addition to identifying the roles and responsibilities required by law, the Poste Italiane's Privacy Service Centre is responsible for representing a single point of reference on privacy matters for customers, as well as collecting and</p>

- Insurance Services
- Payments and Mobile
- Financial Services
- Mail, Parcels and Distribution

**Pillars and material topics impacted:**

**People development**

Personnel training and development

Innovation

Innovation and digitisation of products, services and processes

**Creating value for the country**

Support for the socio-economic development of local communities

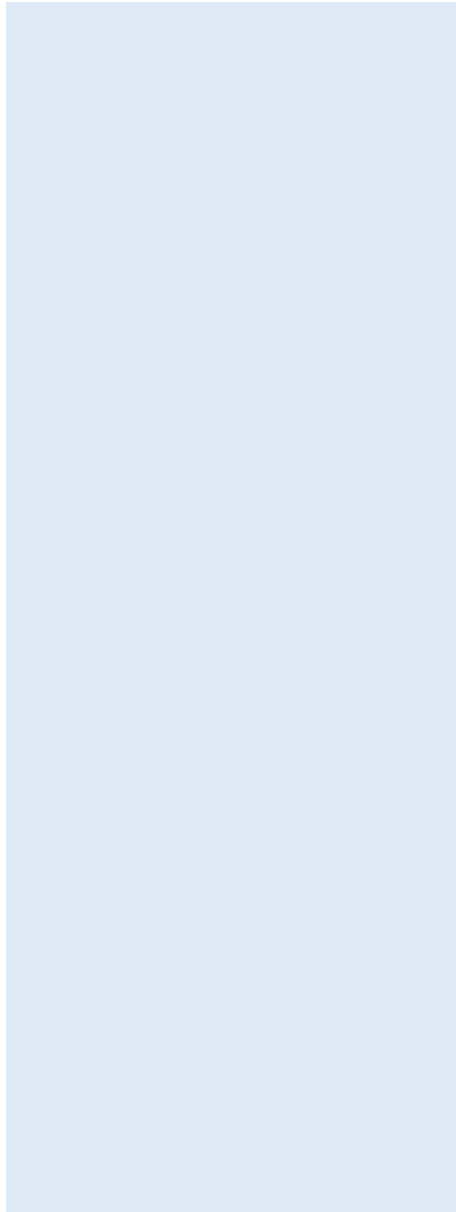
**Customer experience**

Quality and customer experience;

Cyber Security, IT Security and Privacy.

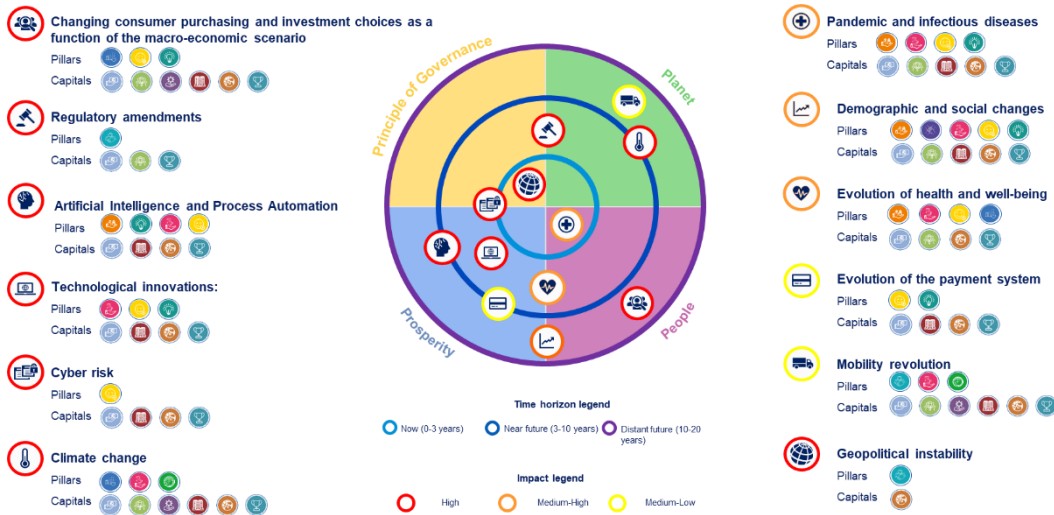
**Capitals impacted:**

- Financial**
- Physical-structural**
- Social-relational**
- Intellectual**



managing efficiently and in a centralised manner all the requests that arrive from the latter.

Below are represented the emerging risks that have potential impacts on Poste Italiane's business, divided in accordance with the common metrics defined by the WEF in relation to the achievement of the SDGs, with reference to the time horizon in which the most significant effects of these risks are expected to manifest (now, near future, distant future), as well as according to the potential pervasiveness of the impact of these effects with respect to individual SBUs (high, medium-high and medium-low).



**People**

**A company's responsibility towards its employees in creating inclusive, safe workplaces**

- Dignity and equality
- Health and well-being
- Skills development

**Prosperity**

**Role of the company in promoting economic, technological and social progress for the community**

- Employment and wealth creation
- Innovation and creation of new products and services
- Community and social momentum

**Principle of Governance**

**The responsibility of a company to define a purpose within its strategies and operations that integrates social, economic and environmental issues**

- Management objectives
- Quality of governing bodies
- Stakeholder Engagement
- Ethical behaviour
- Monitoring risks and opportunities

**Planet**

**The role of a company in protecting the planet, to support the needs of current and future generations**

- Climate change
- Environmental damage
- Water availability
- Air and water pollution
- Waste
- Availability of resources

## 7. CREATION OF VALUE

[PERFORMANCE OF POSTE ITALIANE SHARES](#)

[IMPACTS RESULTING FROM ONGOING CONFLICTS](#)

[GROUP OPERATING RESULTS](#)

[MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT](#)

[FINANCIAL SERVICES STRATEGIC BUSINESS UNIT](#)

[INSURANCE SERVICES STRATEGIC BUSINESS UNIT](#)

[PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT](#)

[DIGITAL AND THIRD-PARTY NETWORKS IN THE GROUP'S OMNICHANNEL STRATEGY](#)

[GROUP CAPITAL MANAGEMENT FRAMEWORK](#)

[GROUP FINANCIAL POSITION AND CASH FLOW](#)

[PERFORMANCE OF POSTE ITALIANE SPA AND REPORT ON OPERATIONS OF BANCOPOSTA RFC](#)

[THE ESG VALUE \(ENVIRONMENTAL, SOCIAL AND GOVERNANCE\)](#)

[INTEGRITY AND TRANSPARENCY](#)

[PEOPLE DEVELOPMENT](#)

[DIVERSITY AND INCLUSION](#)

[CREATING VALUE FOR THE COUNTRY](#)

[GREEN TRANSITION](#)

[CUSTOMER EXPERIENCE](#)

[INNOVATION](#)

[SUSTAINABLE FINANCE](#)

[INDICATORS TABLES](#)

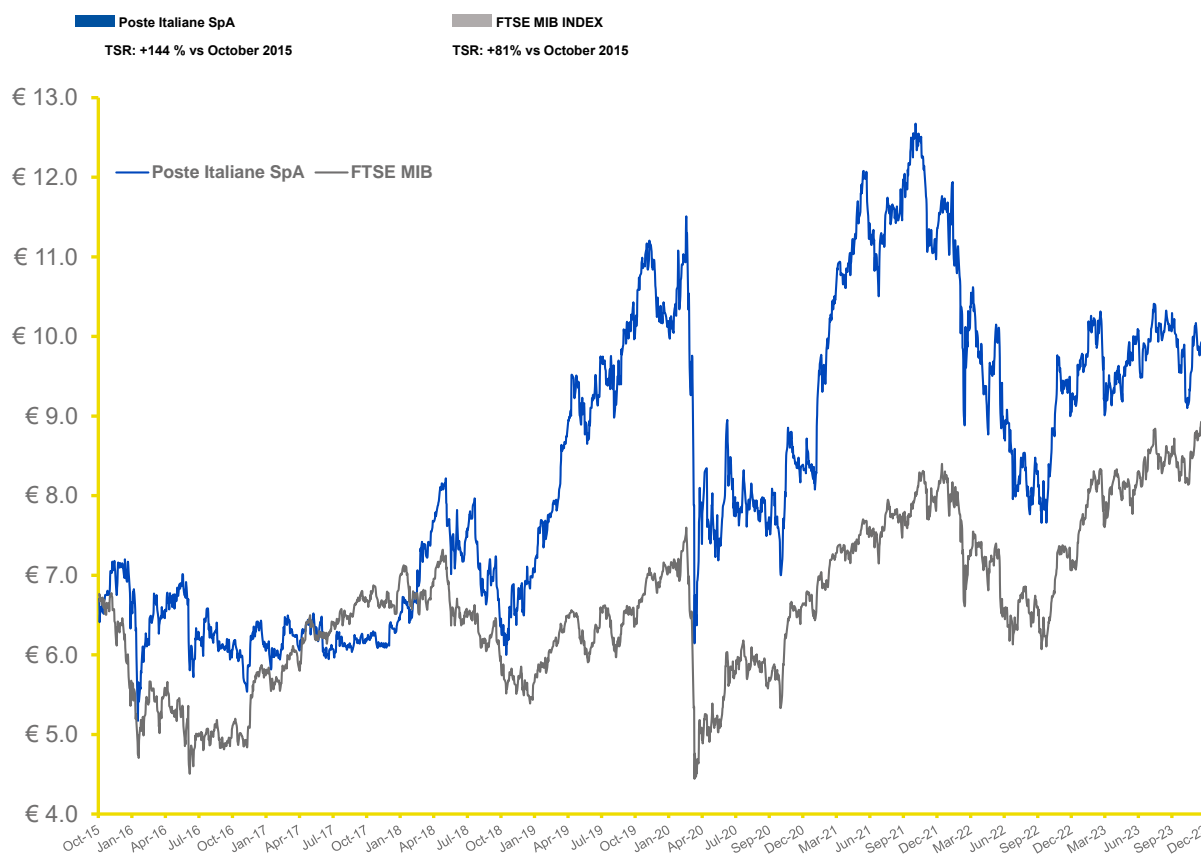
### 7.1 PERFORMANCE OF POSTE ITALIANE SHARES

The value of the Poste Italiane share in 2023 recorded an increase of 11.30%, going from €9.232 at the beginning of the year to €10.275 at the end of December 2023. From the date of listing on the stock exchange (27 October 2015) to 31 December 2023, Poste's share price increased by 52.2% (while the FTSEMIB  index increased by 34.1% in the same period), guaranteeing an overall return for shareholders (TSR<sup>118</sup>) of 144% while the main Italian stock exchange index recorded an increase of 81%.


+29%

TSR performance vs  
median FTSE MIB  
2021/2023

<sup>118</sup> Total Shareholder Return.



The table below shows the main information on the stock and on the Company's dividend policy as well as the relative performance recorded during the year compared to previous years.

Share KPIs	FY 2023	FY 2022	FY 2021	FY 2020
Closing price at the end of the period (€)	10.275	9.126	11.540	8.320
Minimum price of the period (€)	9.012	7.658	8.076	6.144
	17/03/2023	29/09/2022	29/01/2021	12/03/2020
Maximum price of the period (€)	10.41	11.940	12.675	11.510
	28/07/2023	03/02/2022	26/10/2021	19/02/2020
Average price of the period (€)	9.826	9.373	10.996	8.364
 Stock exchange capitalisation at the end of the period (€m)	13,362	11,920	15,072	10,867
TSR of the period (%)	20.52	(15.42)	44.83	(13.03)
Earnings per share (€)	1.48	1.21	1.21	0.93
Dividend per share (€)	0.80	0.650	0.590	0.486
Dividend Yield (%)*	7.8	7.1	5.1	5.8

Source: Bloomberg.

\*Calculated as the ratio of Dividend Per Share (DPS) to the share price at the end of the period.

On 6 November 2023, Poste Italiane's Board of Directors, in light of the financial position and results of operations of Poste Italiane SpA at 30 June 2023, the performance for the following months, the business outlook and the related expected

economic prospects at 31 December 2023, and in line with the Group's dividend policy, resolved to bring forward, as an interim dividend, part of the ordinary dividend for 2023. To this end, the Company has prepared a Report and Financial Statements pursuant to article 2433-*bis* of the Italian Civil Code, which show that the Company's financial position, results of operations and cash flows allow such distribution. The opinion of the independent auditors was obtained on these documents. The interim dividend of €0.237 per share, gross of any legal withholding taxes, was paid with effect from 22 November 2023, with "ex-dividend date" of coupon no. 13 coinciding with 20 November 2023 and record date (i.e. the date on which the dividend was entitled to be paid) 21 November 2023.

Based on the number of shares outstanding at 6 November 2023, which amounted to 1,295,434,202, the total amount of the interim dividend was €307 million.

## 7.2 IMPACTS FROM ONGOING CONFLICTS

The year 2023 was characterised by the continuation of the conflict between Russia and Ukraine.

Following the recommendations issued by ESMA and CONSOB during 2022<sup>119</sup> and in line with previous accounting closures, the following is an update to 31 December 2023 of the main effects of the crisis in Ukraine on the Group; for a complete recognition, please refer to the information given in chapter 3 Material events during the year, in the section "Poste Italiane's financial statements".

With reference to the impact of the ongoing conflict on business, it should be noted that the Group's sphere of operations is mainly domestic and it has limited business relations with the countries involved in the conflict; therefore, the Group has not experienced significant impacts on its business or significant repercussions on profitability, nor fears about the impairment of its ability to continue as a going concern.

The macro-economic context during 2023, in particular, was characterised by a combination of factors leading to a widespread slowdown in economic growth. In particular, it is worth noting that inflationary dynamics, although decreasing, continued throughout the year, generating growth in the prices mainly of raw materials and transport costs, as well as the continued normalisation of monetary policy by the world's main central banks, which revised their reference interest rates upwards for most of the year, in order to stem the overheating of the economy.

With specific reference to gas and electricity prices, these were significantly reduced in 2023 compared to 2022, as a result of a gradual rebalancing of the international gas market after the cut-off of Russian pipeline supplies to Europe, as well as other factors such as the increase in production from renewable sources in Europe and French nuclear production compared to 2022. The volatility of gas and electricity prices also decreased, although it was also fuelled by the new geopolitical tensions in the Middle East quadrant, which in any case had a much more limited impact than the Russian-Ukrainian crisis. In this gradually improving scenario, the Group successfully started selling electricity and gas to the retail market in 2023, keeping risks under control. Moreover, in its gas procurement policies, in 2022, the Group selected suppliers with minimal exposure to gas imported from Russian territory, in order to minimise geopolitical risk, and expanded its panel of suppliers in 2023 to maximise diversification and competitiveness.

Against this backdrop, the Group's performance during the period was solid and better than expected, with an operating result of €2.62 billion reaching a record level in the Group's history.

The Group's financial solidity and liquidity also made it possible to finance investments of about €845 million in 2023, to pay shareholders €570 million as the balance of the 2022 dividend and €307 million as the interim dividend for 2023, and to accelerate the Group's growth through investments in strategic companies for business development, in execution of the shareholders' resolution of 8 May 2023, to finance buyback transactions totalling €34 million from its own funds (for the latter, see section 3 - Material events during the year - of the "Poste Italiane's financial statements" section).

<sup>119</sup> Public statement ESMA32-63-1277 "Implications of Russia's invasion of Ukraine on half-yearly financial reports" of 13 May 2022, Public statement ESMA32-63-1320 "European common enforcement priorities for 2022 annual financial reports" of 28 October 2022 and CONSOB Warning Notice no. 3/22 "Conflict in Ukraine - Attention Reminder for supervised issuers on financial reporting and compliance related to restrictive measures taken by the European Union against Russia" of 19 May 2022.

Lastly, it should be noted that the escalation of the Israeli-Palestinian conflict from October 2023 onwards, even though it accentuated the volatility of the financial markets, did not affect the Group's business during the financial year 2023, as its operations were mainly domestic and exposures to countries involved in the conflict were marginal.

## 7.3 GROUP OPERATING RESULTS

[MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT](#)

[FINANCIAL SERVICES STRATEGIC BUSINESS UNIT](#)

[INSURANCE SERVICES STRATEGIC BUSINESS UNIT](#)

[PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT](#)

The comparison scenario for 2022 was pro-forma according to the new accounting standard IFRS 17.

The Group's performance in 2023 is solid and up on 2022 with a record EBIT value (€2,620 million, +9.4% y/y) in the Group's history. These results confirm the effectiveness of the strategic guidelines defined by management and their execution, as well as the resilience demonstrated by the Group, which benefits from a diversified business structure and has continued to operate and grow in an uncertain economic scenario.

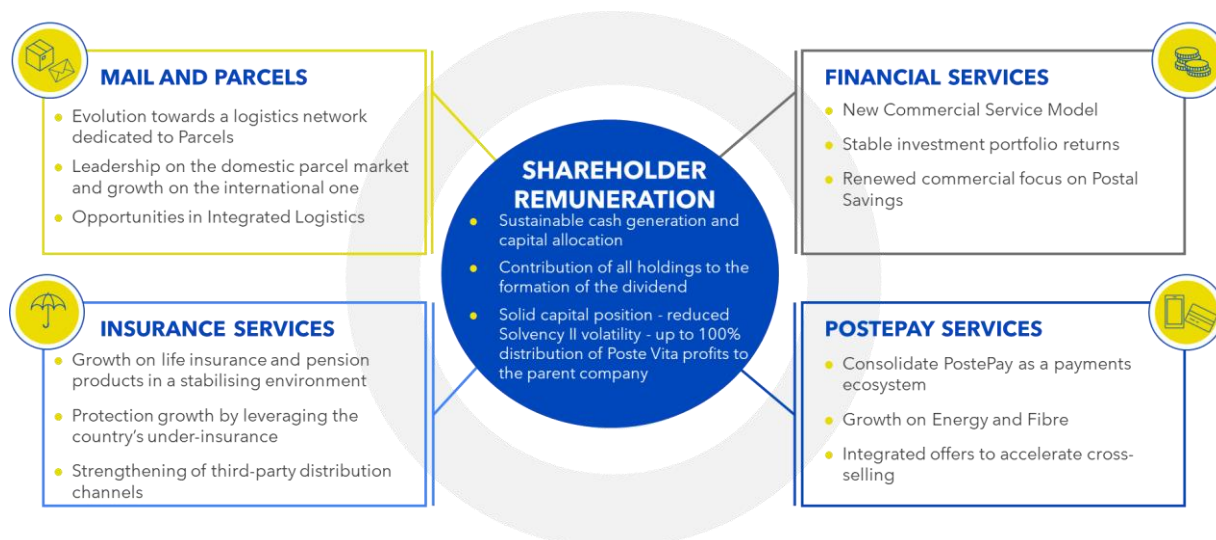
On 20 March 2024, the Group's new 2024-2028 strategic plan was presented to the financial community, outlining future strategies across the various Strategic Business Units (SBUs). In addition, with the new strategic plan, the SBU Payments and Mobile was renamed to PostePay Services.

The evolutionary lines of the 4 Strategic Business Units over the course of the new plan are summarised below. In the following sections on the respective SBUs, the corresponding objectives of the strategy and the main drivers and KPIs are explained.

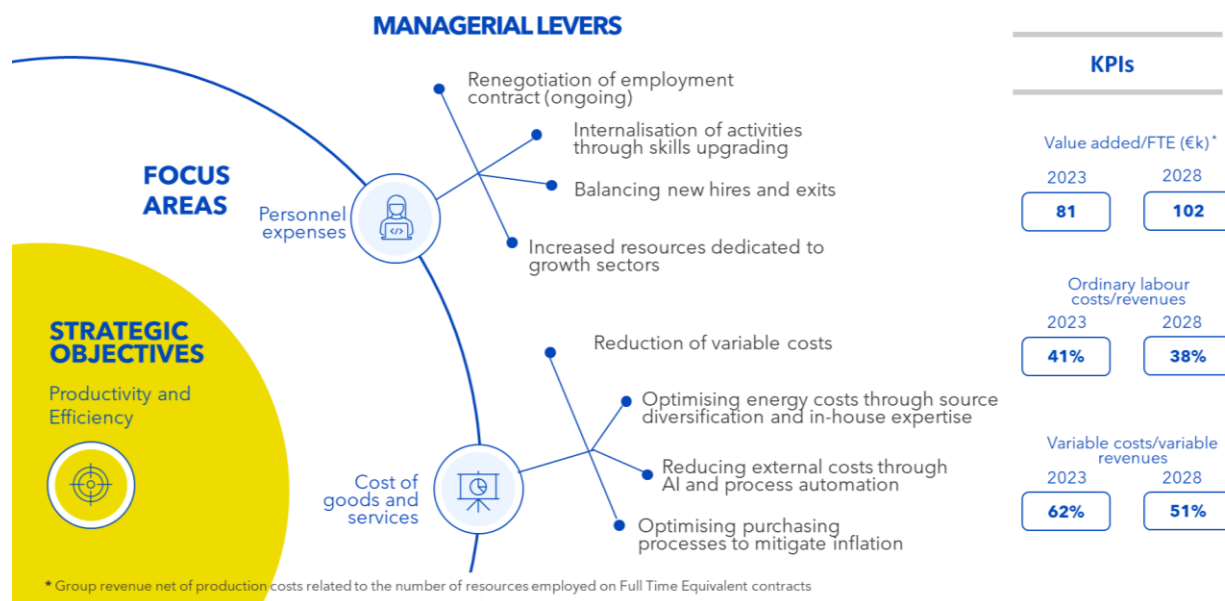
Revenue  
**€11.99 billion**  
(+5.4% y/y)

EBIT  
**€2.62 billion**  
(+9.4% y/y)

Net Profit  
**€1.93 billion**  
(+22.1% y/y)



Business growth will also be supported by careful cost discipline (personnel expenses and costs of goods and services), which will lay the foundation for the target drivers and KPIs depicted below.



In order to provide an interpretation of the new energy business, more consistent with the view used by management, as the Group is not an energy producer, a net revenue presentation was adopted in 2023. Consequently, some values shown in the following document (including the respective comparative values), reflect a management reclassification with respect to the accounting data: specifically, revenue is shown net of costs related to the purchase of raw materials, system charges and the transport of electricity and gas. Please refer to the reclassified statement of profit or loss schedules in the 'Other Information' section of this Report on Operations for the reconciliation of the management values with the accounting values.

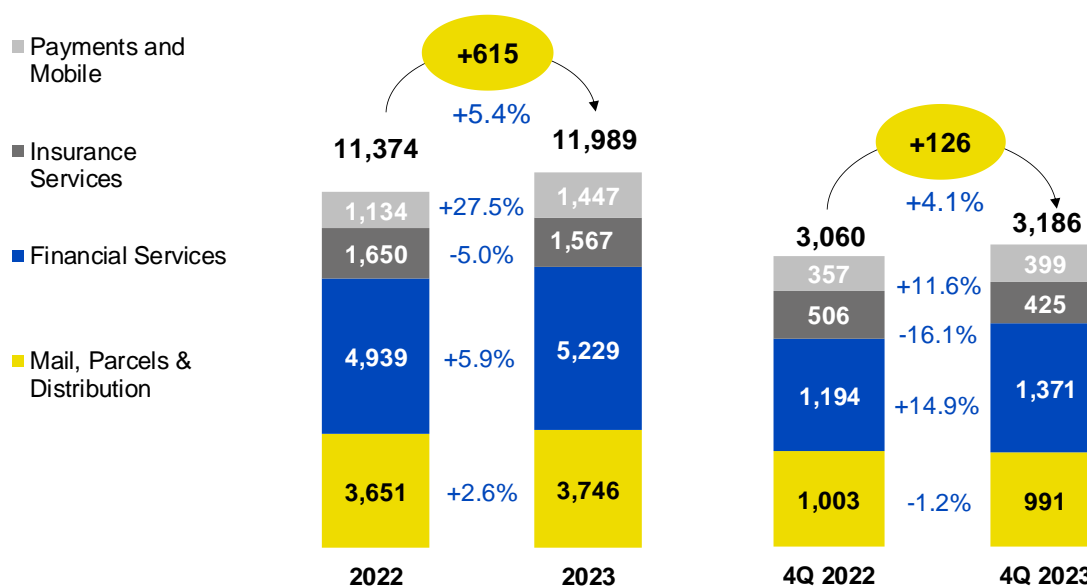
(€m)	2023	2022	Changes		4Q 2023	4Q 2022	Changes	
Revenue*	11,989	11,374	+615	+5.4%	3,186	3,060	+126	+4.1%
Total costs*	9,369	8,978	+390	+4.3%	2,671	2,738	(67)	-2.5%
EBIT	2,620	2,396	+225	+9.4%	515	322	+193	+59.9%
EBIT margin %	21.9%	21.1%			16.2%	10.5%		
<b>NET PROFIT</b>	<b>1,933</b>	<b>1,583</b>	<b>+350</b>	<b>+22.1%</b>	<b>411</b>	<b>144</b>	<b>+267</b>	<b>+185.4%</b>
Net earnings per share	1.48	1.21	0.27	+22.2%	0.31	0.11	+0.21	+188.1%
CAPEX	845	810	+35	+4.3%	453	401	+51	+12.8%
% of revenue	7.0%	7.1%			14.2%	13.1%		

\*The items include the management reclassification of the costs of the energy business.



## EXTERNAL REVENUE

(€m)



Group revenue<sup>120</sup> amounted to €11.99 billion, marking a growth of €615 million compared to 2022 (+5.4%) with the positive contribution of the Strategic Business Units Payments and Mobile (+€312 million equal to +27.5%), Financial Services (+€290 million equal to +5.9%) and Mail, Parcels and Distribution (+€95 million equal to +2.6%). The Insurance Services Strategic Business Unit recorded revenue down by €83 million (-5%) compared to 2022. The inorganic revenue growth in 2023, i.e. without considering the incremental contribution of the newly acquired Group companies<sup>121</sup>, amounted to a total of €245 million (+2.2% compared to 2022).

The fourth quarter of 2023 shows revenue growth of €126 million (+4.1%) compared to 2022 attributable to the positive performances of the Strategic Business Units Financial Services (+€178 million; +14.9%) and Payments and Mobile (+€42 million; +11.6%), only partially mitigated by the performance of the Strategic Business Units Insurance Services (-€82 million equal to -16.1%) and Mail, Parcels and Distribution (-€12 million equal to -1.2%).

## TOTAL FINANCIAL ASSETS

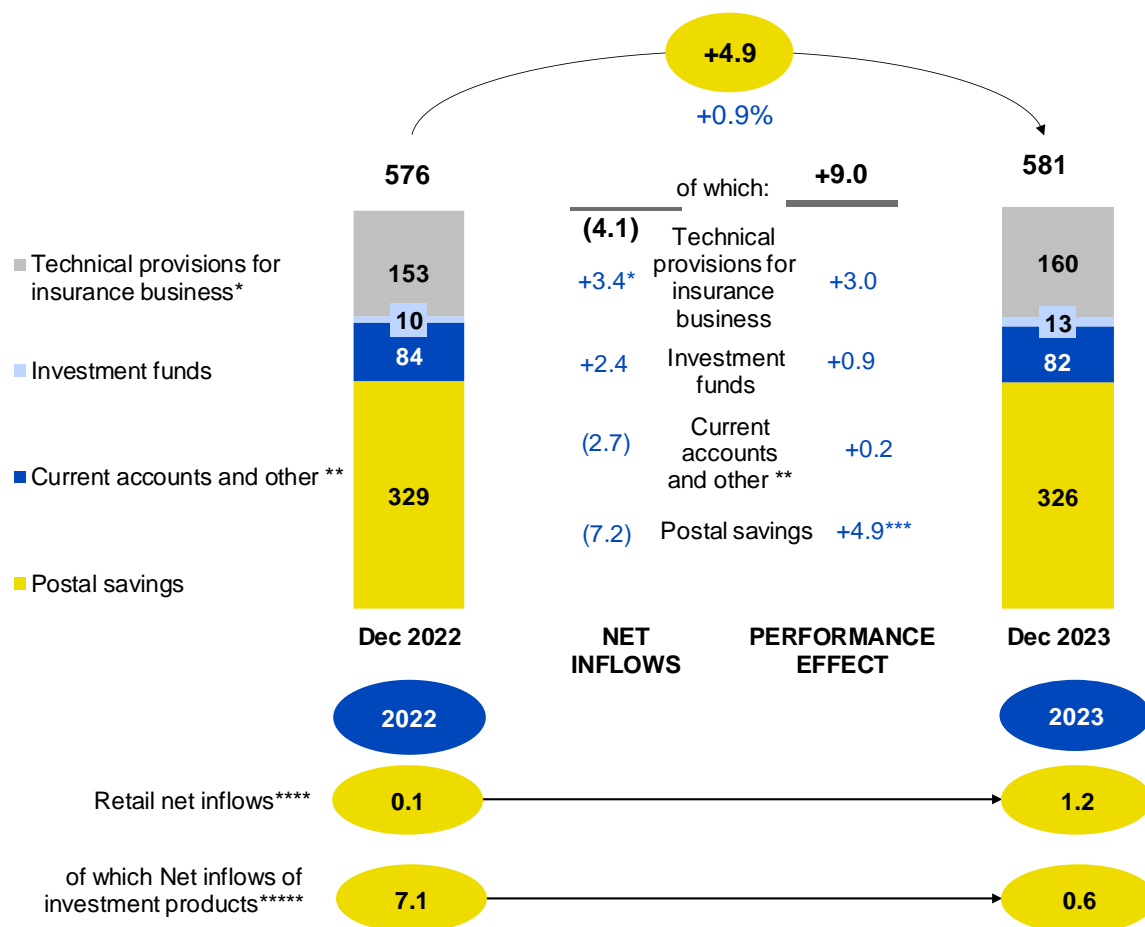
(€bn)

The value of the total financial assets of the insurance segment, as of the financial year 2023, takes into account the "Insurance Provisions" indicator<sup>121F122</sup> of the Life segment (in accordance with the local processing principles of the financial statements of Poste Vita SpA); the stock of total financial assets at 31 December 2022 has also been readjusted according to this new measure.

<sup>120</sup> The Group's accounting revenue amounted to €12,128 million in 2023 (€3,251 million in the fourth quarter of 2023) and €11,386 million in 2022 (€3,071 million in 2022).

<sup>121</sup> M&A 2022: Plurima (April), LIS (September), Agile and Sourcesense (October); M&A 2023: Net Insurance (April).

<sup>122</sup> They represent the obligations undertaken vis-à-vis policyholders as well as the tariff premiums net of loadings. Technical Provisions are calculated, in accordance with the application rules set out in Annex 14 of ISVAP Regulation no. 22 of 4 April 2008, analytically, contract by contract with reference to the portfolio issued by the Company and in force at the valuation date (Mathematical Provisions). This item also includes Outstanding claims provisions and Miscellaneous Technical Provisions (provisions for future expenses, supplementary insurance premium provisions, profit-sharing provisions and reversals).



\* Values do not include the protection line of the Life business.

\*\* Includes the value of current accounts and assets under administration. Current accounts do not include REPO and Poste Italiane's liquidity.

\*\*\* Includes capitalisation of interest

\*\*\*\* Includes net inflows on: Postal Savings, Investment Funds, Moneyfarm, Insurance, Current Accounts and Assets under Administration.

\*\*\*\*\* Includes net inflows on: Investment Funds, Moneyfarm, Postal Savings Bonds, Insurance and Assets under Administration.

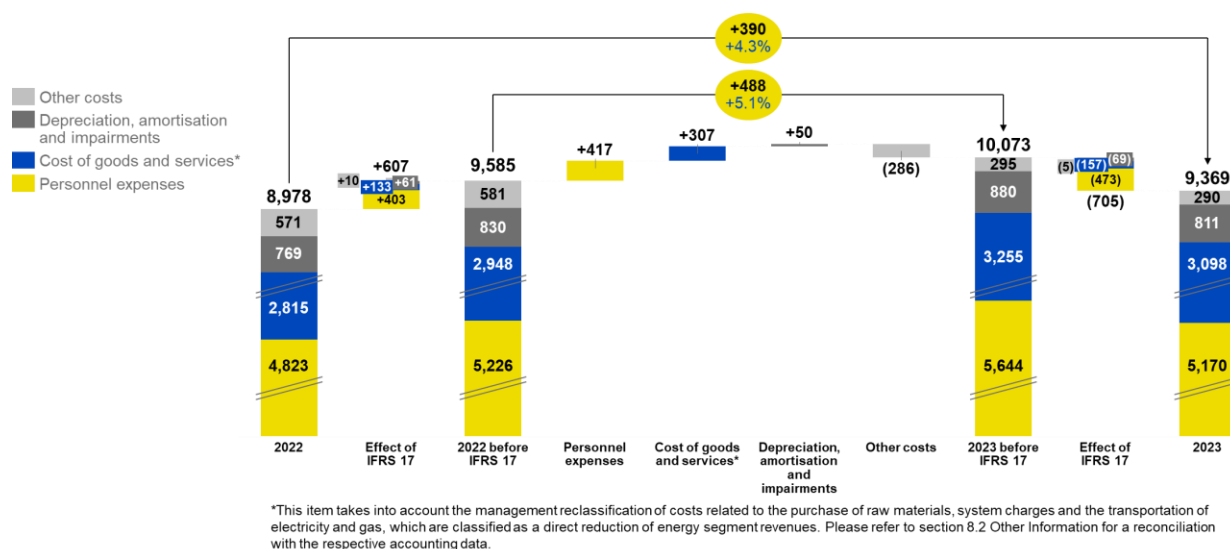
During 2023, **total financial assets**, which amounted to €581 billion, increased by 0.9% (+€4.9 billion) compared to the €576 billion at 31 December 2022, due to the positive performance effect mainly on Postal Savings (+€4.9 billion) and on Insurance Provisions (+€3 billion), partially offset by negative net inflows on Postal Savings and current accounts. There were also positive net inflows in insurance (€3.4 billion) and mutual funds (€2.4 billion).

**€581 billion**  
Total Financial Assets

## TOTAL COSTS

(€m)

Following the entry into force of the new IFRS 17 standard, the costs incurred by the Group and directly attributable to insurance policies, from the time of their placement and until their settlement, are considered within insurance liabilities and released periodically in the statement of profit or loss (among insurance net revenue). For the purpose of understanding the trends presented below, the total value of costs incurred by the Group was highlighted, also considering those attributable to insurance contracts.



In accordance with the accounting standard IFRS 17, total costs<sup>123</sup> stood at €9,369 million, an increase compared to the €8,978 million of 2022 (+€390 million), mainly due to the increase in the items: personnel expenses (+€347 million), costs of goods and services (+€282 million) and depreciation and amortisation (+€42 million). The expansion of the Group's corporate scope in 2022 and 2023 explains a significant part of the increase in total costs: +€42 million in personnel expenses, +€159 million in costs of goods and services, and +€20 million in depreciation and amortisation (totalling €221 million).

Personnel expenses amounted to €5,170 million, an increase of €347 million compared to 2022. See the following section for more details.

Costs of goods and services recorded an increase of €282 million, going from 2,815 in 2022 to 3,098 in 2023. Net of the effects of the application of the new standard, costs of goods and services recorded an increase of €307 million, going from €2,948 million in 2022 to €3,255 million in 2023. In addition to the incurring of costs to support the business, the change is mainly related to the expansion of the company scope (for €159 million) for the companies acquired during 2022 and 2023, and the inflation scenario (for €55 million).

**Depreciation, amortisation and impairments** costs increased by €42 million (+5.4%) from €769 million in 2022 to €811 million in 2023, due to the expansion of the company perimeter as well as higher depreciation on rights of use (mainly for the expansion of the Parent Company's leased fleet) and on property, plant and equipment.

Further information is provided in the Notes to Poste Italiane Financial Statements for the year ended 31 December 2023.

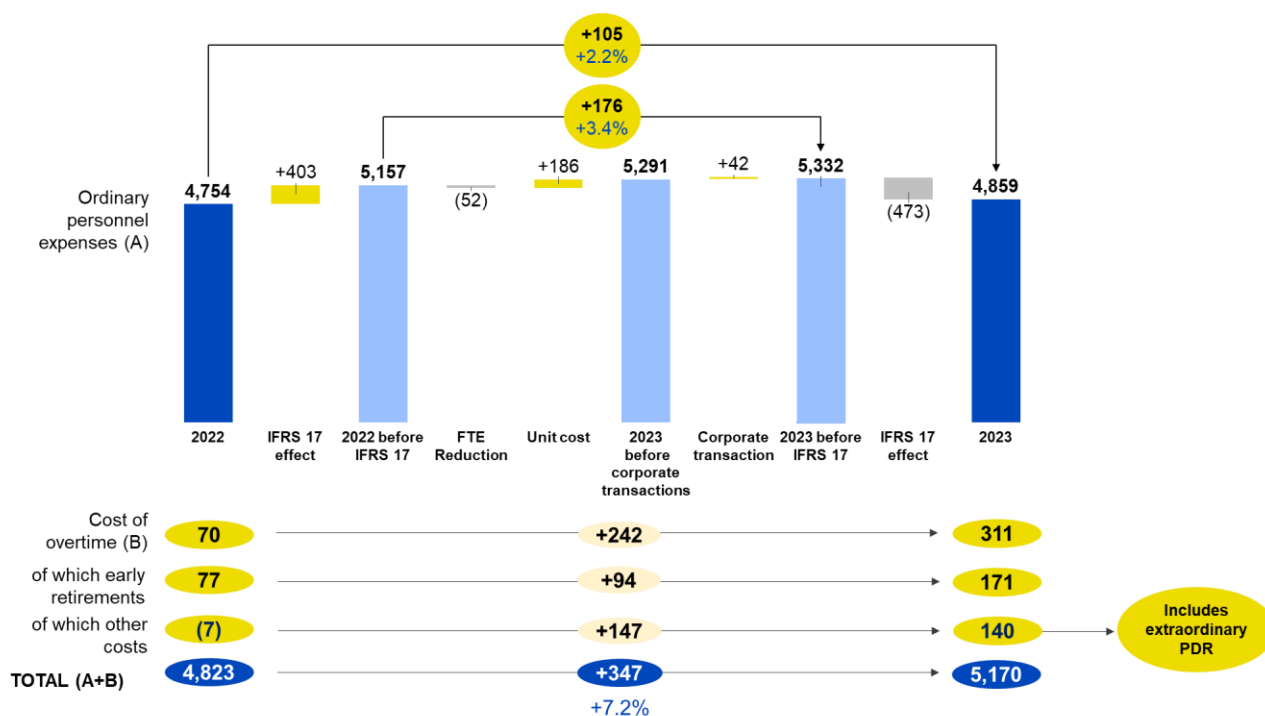
## PERSONNEL EXPENSES

(€m)

Total personnel expenses recorded an increase of €347 million (+7.2%) compared to 2022, of which +€242 million on the cost of overtime and +€105 million on the cost of ordinary labour. Analysing the development of personnel expenses compared to 2022, without taking into account the effects from the application of IFRS 17, the overall increase amounted to €417 million (+8.0% compared to 2022). Ordinary personnel expenses, net of the effect generated by the application of the IFRS17 accounting standard, recorded an increase of €176 million (+3.4%) going from €5,157 million in 2022 to €5,332 million in 2023. This change is linked to the increase in unit cost (+€186 million), the effect of the corporate transactions (around 700 average FTEs) carried out during 2022 and 2023 (+€42 million), partially offset by the reduction of the workforce (approximately -1,200 average FTE). Contributing to the increase in the unit cost were the increase in the

<sup>123</sup> Accounting operating costs, before costs of the Energy business netted against revenue (raw materials and system charges), amounted to €9,508 million in 2023 and €8,991 million in 2022.

contractual minimums triggered in July 2022 and July 2023 in connection with the National Collective Labour Agreement renewed in June 2021 and the increase in the variable component driven by the share linked to commercial incentive. The change in the cost of overtime compared to 2022 is equal to +€242 million and is mainly attributable to the provision to the redundancy fund to support the commitment of 3,900 incentivised exits by 2025 (communication to the Trade Unions of 22 December 2023) and to the additional and extraordinary performance bonus (approximately €133 million) paid in November 2023 and recognised in order to appreciate the commitment of employees and mitigate the effects on real wages produced by the inflation phenomenon (Agreement on the Performance Bonus for the year 2023 signed with the trade unions on 1 August 2023).



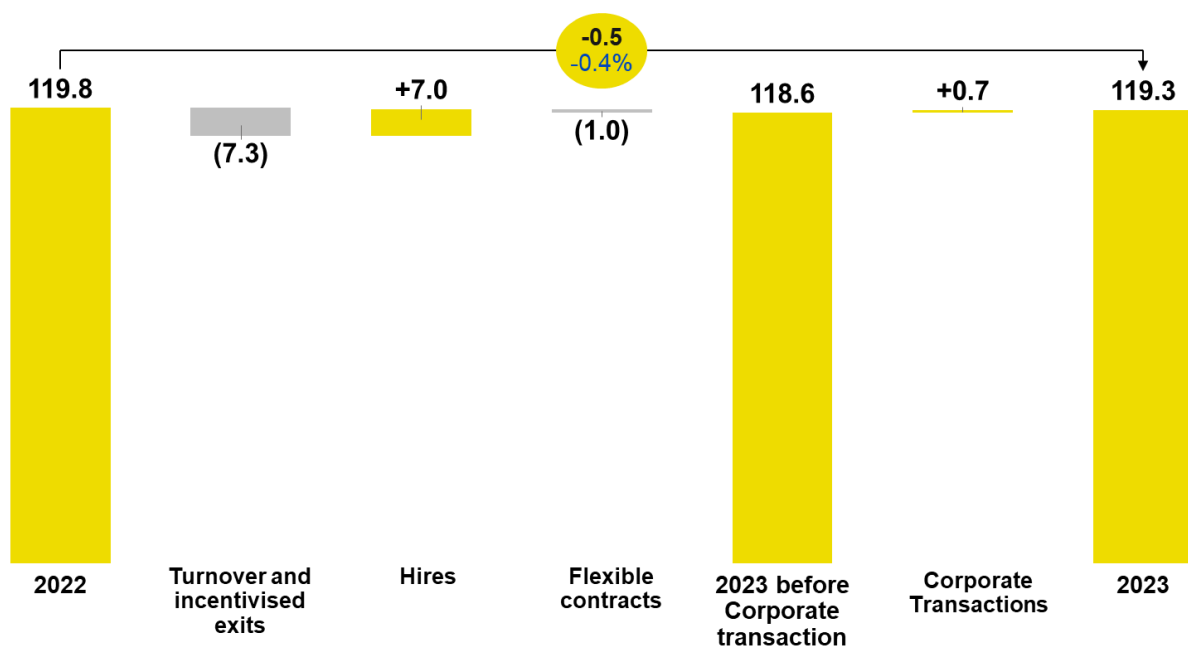
## NUMBER OF RESOURCES

(average Full Time Equivalent in thousands)

The number of resources leaving the Group in 2023, including incentive redundancies, is 7.3 thousand (average FTE) on a permanent basis and 1 thousand (average FTE) on a fixed-term basis, against new hires of 7 thousand (average FTE). The expansion of the Group scope which took place in 2022 with the entry of Plurima, Agile, LIS and Sourcesense and in 2023 of Net Insurance (+0.7 thousand average FTE) also contributed to the change in the workforce for the period.

about  
**119k**

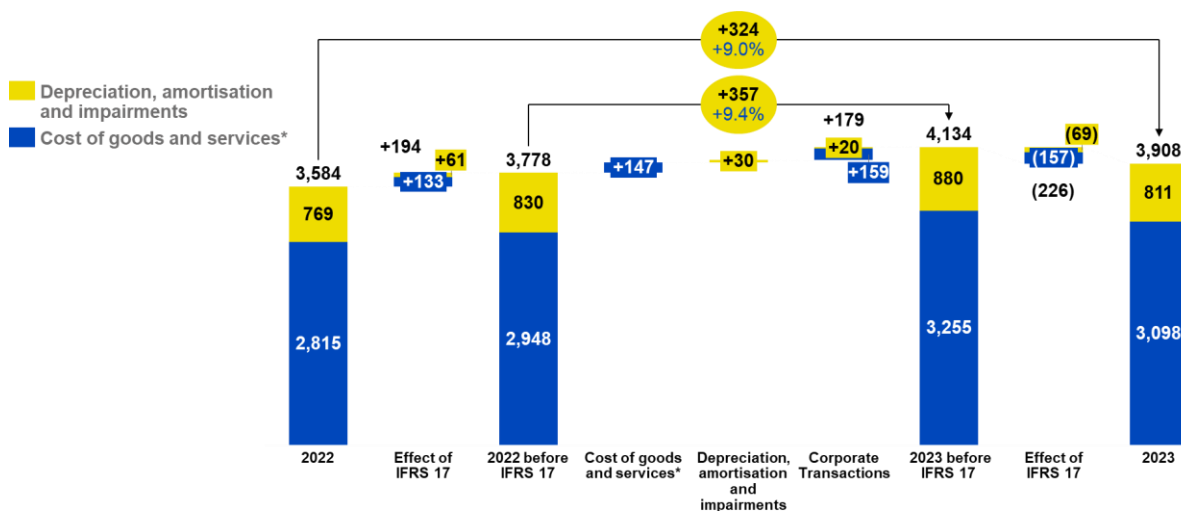
Average persons  
employed in 2023



## COST OF GOODS AND SERVICES AND DEPRECIATION AND AMORTISATION

(€m)

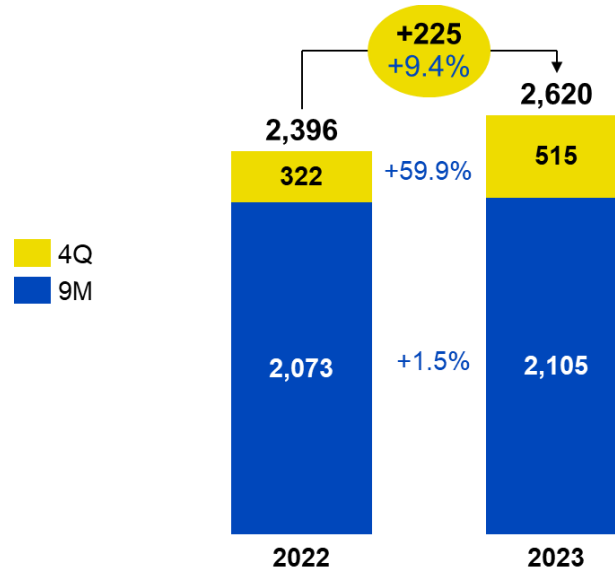
The following table shows the development of costs of goods and services and depreciation and amortisation compared to 2022, showing the effects of the application of IFRS 17. Net of the effects of the application of the new standard, costs of goods and services increased by €307 million from €2,948 in 2022 to €3,255 in 2023. In addition to the incurring of costs to support the business, the change is mainly related to the expansion of the company scope (for €159 million) for the companies acquired during 2022 and 2023, and the international inflation scenario (for €55 million). Depreciation and amortisation, net of the application of IFRS 17, amounted to €880 million and increased by €50 million compared to 2022 due to the expansion of the company scope (+€20 million) as well as higher amortisation on rights of use, mainly for the expansion of the Parent Company's leased fleet, and on property, plant and equipment.



\*This item takes into account the management reclassification of costs related to the purchase of raw materials and the transportation of electricity and gas, which are classified as a direct reduction of revenues in the energy segment. Please refer to section 8.2 Other Information for a reconciliation with the respective accounting data.

## GROUP EBIT

(€m)

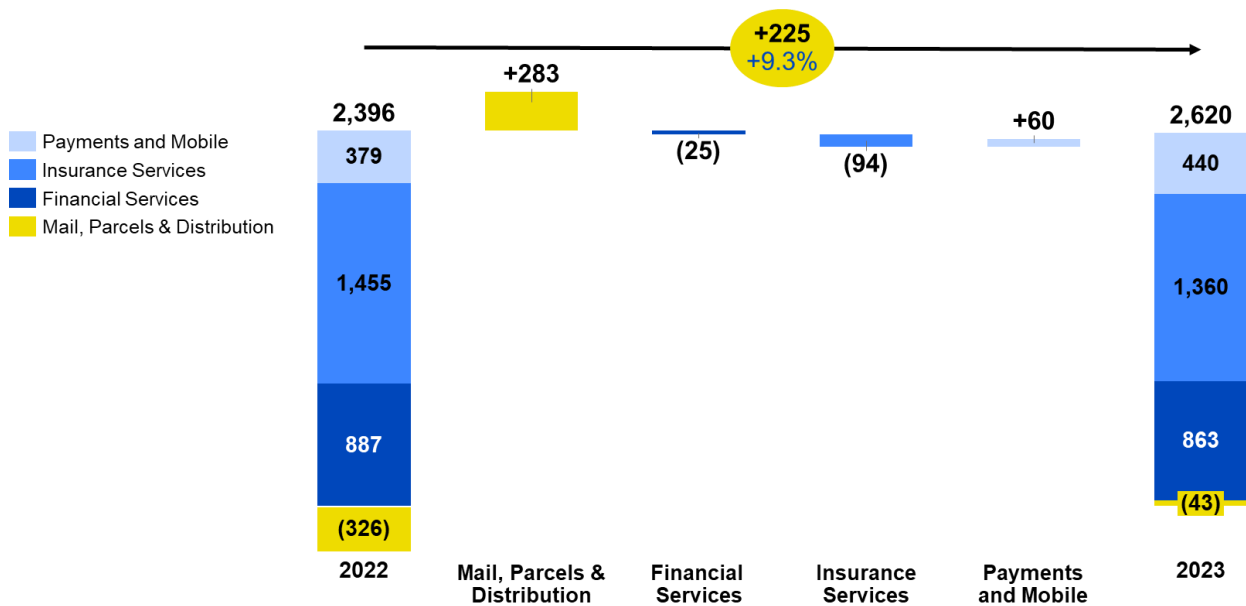


The consolidated **operating profit (EBIT)** stood at a record level for the Group at €2,620 million and recorded growth of €225 million (+9.4%) compared to the last financial year (€2,396 million). It should be noted that in the year 2023, the Mail, Parcels and Distribution SBU reached a substantially balanced budget one year ahead of schedule.

Below is a representation of the contribution of the individual SBUs to the operating result for the period.

## EBIT BY STRATEGIC BUSINESS UNIT

(€m)



In 2023, the Group's operating profit amounted to €2,620 million, showing an increase of €225 million compared to the previous year. The growth in operational performance affected the **Strategic Business Units Mail, Parcels and Distribution** which recorded an operating result of -€43 million in 2023, up by €283 million compared to last year, and

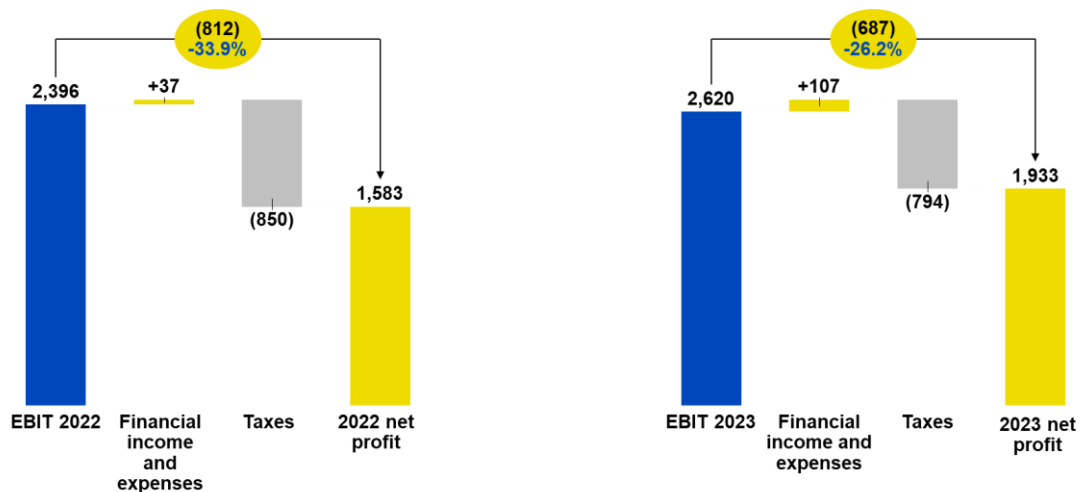
**Payments and Mobile**, which recorded an operating result of €440 million, up by €60 million compared to 2022 (€379 million).

The operating results of the **Financial Services and Insurance Services Strategic Business Units** were positive at €863 million and €1,360 million respectively, a decrease of €25 million and €94 million compared to the value realised in 2022 (€887 million and €1,455 million).

For more detailed information on the performance of the individual Strategic Business Units, please refer to the dedicated paragraphs later in the chapter.

## FINANCIAL MANAGEMENT AND TAXES

(€m)



The **profit for the period** stood at €1,933 million, an increase of 22.1% compared to 2022 (€1,583 million), and takes into account financial management, which went from €37 million in 2022 to €107 million in 2023.

This change (+€70 million) is mainly attributable to: (i) the release, following the July 2023 ruling of the Court of Cassation, of part (€25 million) of the provision for doubtful debts from others relating to the interest income accrued on the IRES receivable (for the non-deduction for IRAP purposes of personnel expenses); (ii) the adjustment of €21 million, following the impairment test carried out in 2022, on the value of the investment in Anima Holding (at 31 December 2023, the need to adjust the carrying amount of the investment had not arisen). For further details, please refer, respectively, to as reported in the chapter "Proceedings pending and principal relations with the Authorities" and to the paragraph "Use of Estimates" of the section "Poste Italiane's financial statements".

## 7.3.1 MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

### Industrial Plan Strategy 2024-2028



#### MAIL, PARCELS AND DISTRIBUTION

Leading logistics player with the aim of consolidating its presence in the parcels and express courier sector and growing in integrated logistics

- Evolution of the logistics network
- B2X market leadership
- Growing in integrated logistics

#### Targets and KPIs Business Plan

Actual 2023

Plan Target

#### Automation and streamlining of the logistics network

- Parcels delivered by postmen and women

90 mln/pcs

240 mln/pcs in 2028

#### Green address

##### Pick-up and delivery points for a sustainable offer

- Parcels collected and delivered at PUDO network\*
- Punto Poste network population coverage\*\*

44 mln/pcs

>80 mln/pcs in 2028

95%

>98% in 2028

##### Reduction of consumables in logistics centres

- Reduction of disposable materials\*\*\* in sorting centres

-

-40% disposable materials in 2028 vs. 2023

\* Pick Up Drop Off (PUDO): includes the Punto Poste network, Post Offices with poste restante and Lockers.

\*\* % of the population within 5 minutes (or 2.5 km) of a PUDO

\*\*\* This means all materials that can wear out and break (e.g. wooden decks), which will need to be replaced with reusable materials (specifically with recycled plastic decks).

#### Business Development

##### Parcels

- Revenue share related to parcels and logistics\*\*\*\*
- Key customer revenues\*\*\*\*\*

40%

43% in 2024, ~60% in 2028

2x vs. 2019

3x in 2028 vs. 2019

##### International

- International Revenues

210 €mln

390 €mln in 2028

##### Integrated Logistics

- Revenues from Integrated Logistics\*\*\*\*\*

0.1 €bn

0.3 €bn in 2028

\*\*\*\* Calculated on mail and parcel revenues, excluding other revenues.

\*\*\*\*\* Key customers: Amazon, Zalando, China business, Vinted and Ebay.

\*\*\*\*\* Revenues in 2023 do not include those from the order with the Civil Protection (Ministry of the Interior).

The Strategic Business Unit shows, one year ahead of the Plan's forecasts, the historic milestone of an operational break-even. This result benefited from both the growth in external revenue, thanks in part to the contribution of the €109 million capital gain related to the sender transaction, and the growth in revenue from the placement of products/services of the other segments on the distribution network. The operating profit absorbed the increase in costs generated by inflationary pressures (€55 million) and the extraordinary performance bonus paid to employees in November (€133 million).



MAIL, PARCELS AND DISTRIBUTION (€m)	2023	2022	Changes	
<b>External revenue</b>	<b>3,746</b>	<b>3,651</b>	<b>+95</b>	<b>+2.6%</b>
Revenue from other sectors	5,244	4,862	+383	+7.9%
<b>Total revenue</b>	<b>8,991</b>	<b>8,512</b>	<b>+478</b>	<b>+5.6%</b>
Costs	8,987	8,799	+188	+2.1%
Costs vs other sectors	46	39	+8	+19.8%
<b>Total costs</b>	<b>9,033</b>	<b>8,838</b>	<b>+195</b>	<b>+2.2%</b>
<b>EBIT</b>	<b>(43)</b>	<b>(326)</b>	<b>+283</b>	<b>+86.9%</b>
<b>NET RESULT</b>	<b>(46)</b>	<b>(361)</b>	<b>+315</b>	<b>+87.3%</b>

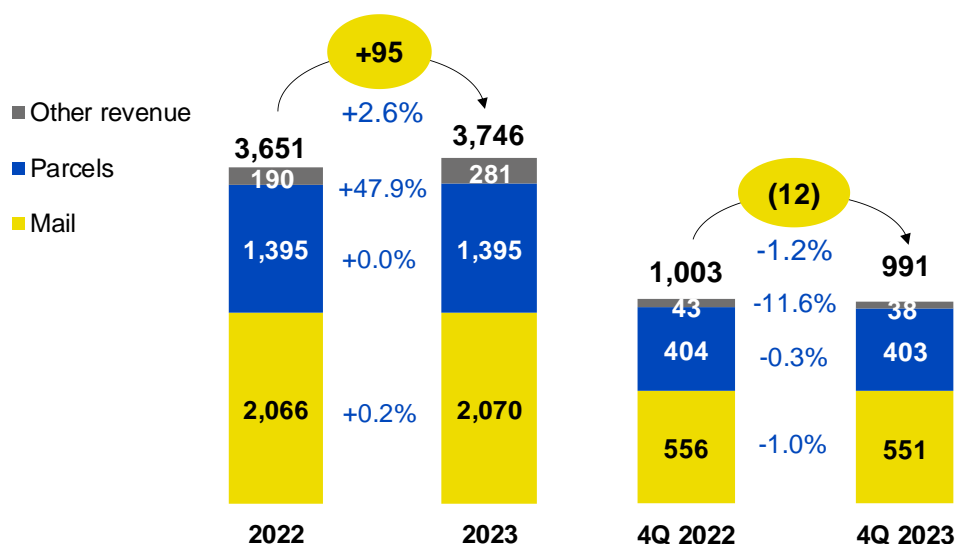
Operative KPIs	2023	2022	Changes	
<b>Mail and parcels</b>				
Revenue/FTE (€k)	76	72	+5	+6.4%
Parcels that can be delivered as standard mail (volumes in m)	90	71	+19	+26.9%
New Punto Poste Network (number of lockers and alternative collection points)	15,724	15,117	+607	+4.0%
Incidence of parcels delivered using alternative channels <sup>1</sup> (%)	7.7	6.0	+1.7	+28.8%
<b>Distribution</b>				
Number of customers (m)	35.1	35.1	(0.0)	-0.1%
Number of Post Offices	12,755	12,755	-	n/s
Rooms dedicated to consultancy	7,907	7,853	+54	+0.7%
Postamat ATM network	8,135	8,118	+17	+0.2%
<b>ESG</b>				
Green fleet (electric vehicles)	5,822	3,653	+2,169	+59.4%
Electric charging points installed	5,637	4,012	+1,625	+40.5%
Smart mailboxes	707	418	+289	+69.1%
No. buildings involved in the Smart Building project <sup>2</sup>	1,996	1,617	+379	+23.4%
Photovoltaic Panels (no. of buildings)	308	163	+145	+89.0%

n/s: not significant.

<sup>1</sup> Third-party networks. Calculated as parcel volumes delivered on the Punto Poste network (Lockers, tobacconists and other collect points) on total B2C<sup>2</sup> Automated and remote management of buildings to achieve energy efficiencies

## EXTERNAL REVENUE

(€m)



The external revenue of the Strategic Business Unit went from €3,651 million in the year 2022 to €3,746 million in the same period of 2023 (+€95 million, equal to +2.6%). This increase is mainly attributable to the performance of other revenue and income<sup>124</sup> (+€91 million, equal to +47.9%), due to the recognition, in the second quarter of 2023, of a core operating income

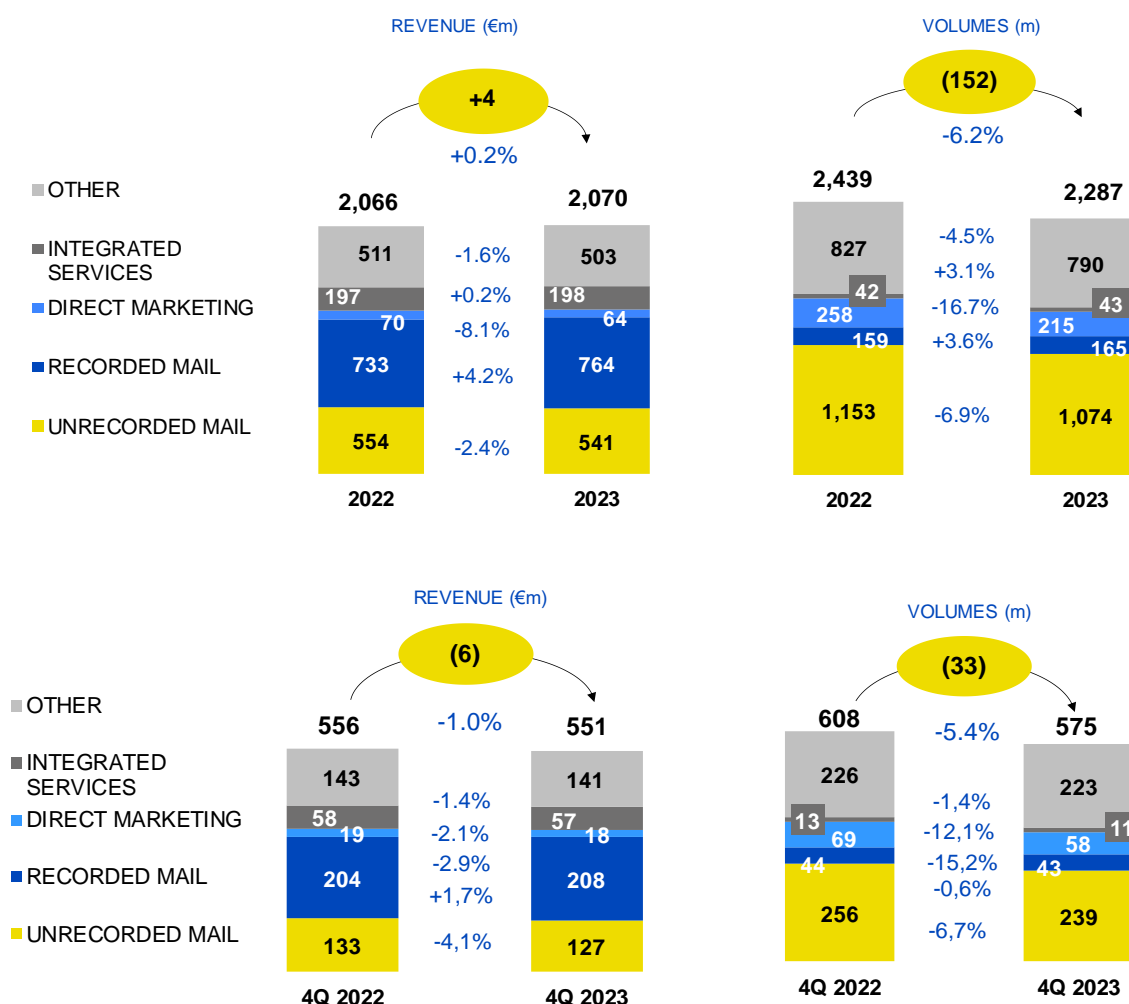
<sup>124</sup> "Other revenue" includes revenue of the subsidiaries Consorzio PosteMotori (management of Ministry of Infrastructures and Transport paperwork, which ended on 31 March 2022), PatentiViaPoste (licence delivery service), Europa Gestioni Immobiliari (management of Poste Italiane's real estate assets), Poste Air Cargo (commercial air transport), Poste Welfare Servizi (management of Supplementary

of approximately €109 million and linked to the renegotiation of the Joint Venture agreements with sender. For further details, please refer to as previously reported in the paragraph "Corporate structure of the Group and principal corporate actions during the period".

The revenue of the traditional mail sector, after a first quarter characterised by the full recovery of post-pandemic activities and a slight slowdown in the second quarter, recorded a recovery in the third quarter, due to a better mix of volumes and an adjustment in the last quarter, leading the sector's revenue at €2,070 million in 2023 (+€4 million, equal to +0.2% compared to 2022). Parcel revenue in the period were in line with the results achieved in the twelve months of 2022.

Neutralising the positive contribution of Plurima (+€15 million), the lower revenue linked to logistics services provided during the Covid-19 pandemic emergency phase (-€43 million), as well as the lower contribution of sender (-€11 million) related to the Group's exit from the scope of consolidation from the end of June 2023 and other one-off components, the revenue trend of the parcel and logistics sector in 2023 would increase by approximately €50 million, +4% compared to 2022, reflecting the growth trend in sector volumes.

## MAIL



Health Funds), Sourcesense and Agile Power (companies operating in the IT sector). The item also includes revenue from the sale of philatelic products (e.g., folders, postcards, albums), from the activity of issuing digital identities to citizens (SPID - Public Digital Identity System), from the services of the platform dedicated to the booking of vaccines, revenue from the sale of tax credits, and finally other revenue not strictly related to Poste Italiane's core business (e.g., property rentals).

**Unrecorded Mail:** standard mail service with mailbox delivery.

**Recorded Mail:** delivery to the person with proof of delivery and tracking for retail and business customers. This category includes in particular: registered mail, insured mail and judicial acts.

**Direct Marketing:** service for the sending by companies and Public Administration entities of communications with advertising, promotional or informative content.

**Integrated Services:** integrated and customised offers for specific customer segments, in particular Public Administration, large companies and professional firms. The most relevant integrated service is the Integrated Notification Service, for the management of the entire process of notification of administrative and judicial acts (e.g. violations of the Highway Code).

**Other:** services for publishers, multi-channel services, printing, document management, other basic services. This item also includes tariff subsidies relating to external revenue earned on products and services discounted in accordance with the law and the Universal Postal Service Compensation (also includes compensation relating to ordinary parcels).

The results of Mail services recorded by the Group during 2023 show a decline in volumes equal to 6.2% (-152 million items), with revenue in line (+0.2% equal to +€4 million) compared to the previous year. This trend is attributable to a different product mix compared to 2022, which saw a growth in the volumes of some higher value products present in the families of Integrated Services and Described Mail (Judicial Act and Registered Mail), compared to the decline in the volumes of products with lower unit value.

Recorded Mail recorded a 3.6% increase in volumes (+6 million items), against a 4.2% increase in revenue (+€31 million). This growth was concentrated in the first quarter, particularly on the product Judicial Act, and then stabilised in the other quarters with registered mail, thanks to the increased volume of shipments from some large customers.

Unrecorded Mail showed a reduction in both volumes and revenue of 6.9% (-79 million items) and 2.4% (-€14 million) respectively compared to 2022, attributable to a physiological drop in shipments that continued in the fourth quarter of the year substantially in line with the drop recorded in the second and third quarters of 2023 (-17 million items in the fourth quarter of 2023 compared to the same period of 2022, or -6.7%).

Integrated Services recorded an increase in the year compared to the previous year in terms of volumes (+1 million shipments, equal to +3.1%) and a trend in line with revenue (approximately +€1 million, equal to +0.2%), thanks to the positive result recorded in the first nine months of 2023, which compensated for the slight drop in the last quarter (-2 million shipments compared to the fourth quarter of 2022, in which there were exceptional shipments from the Public Administration).

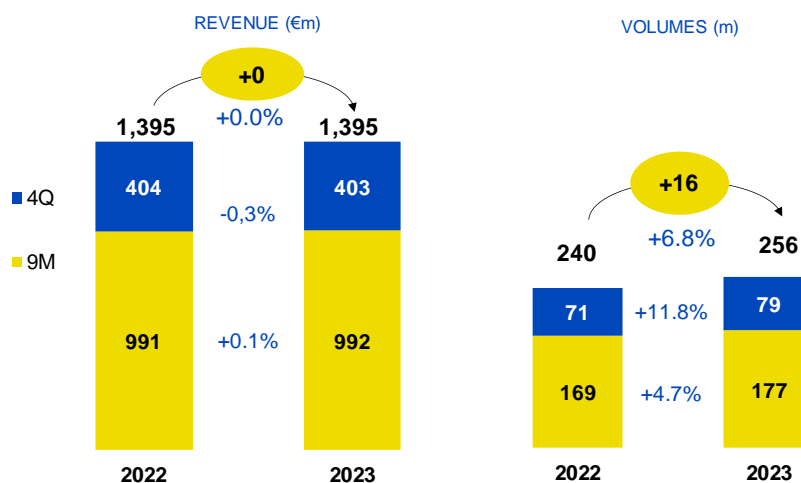
Direct Marketing continues to record a decrease in volumes of 16.7% (-43 million items), resulting in a negative change in revenue of approximately €6 million (-8.1%), attributable to the phenomenon of e-substitution.

The item Other, which also includes services marketed by Postel, showed in 2023 a 4.5% drop in volumes (-37 million items) compared to 2022, accompanied by a 1.6% decrease in revenue (-€8 million). This development is mainly attributable to Publishing, which in the second quarter of 2022 was characterised by increased mailings from non-profit associations in favour of refugees from the war in Ukraine.

The item Other also includes the fee for the Universal Service Expense of €262 million in 2023, in line with 2022, and the tariff subsidies on the publishing service, which recorded a growth of 1.4% (+€1 million) compared to the previous year, as a result of the AGCom Resolution 454/22/CONS which defined, with effect from 1 September 2022, a process of progressive increase of the universal tariffs for editorial services.

Generally speaking, since the second half of 2022, Mail has recorded a tariff and revenue recovery linked partly to the tariff manoeuvre on universal service products, and partly to tariff adjustments related to inflationary pressures, on expiring business customer contracts.

## PARCELS



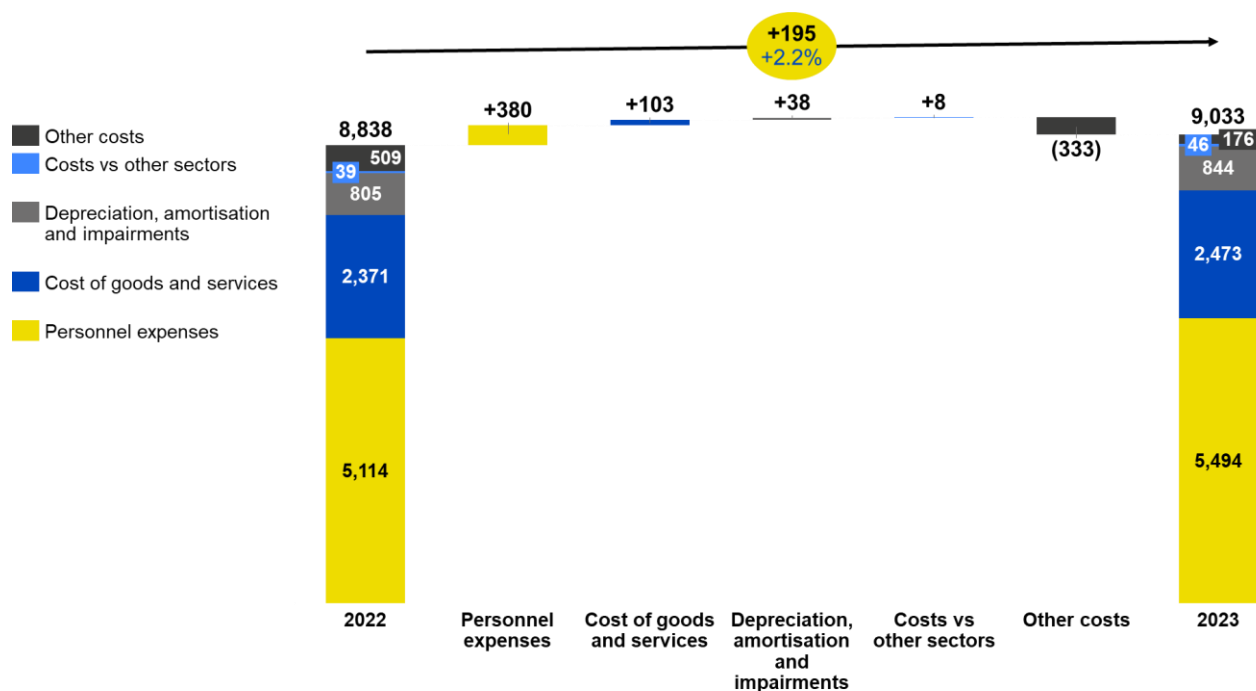
In the year 2023, the parcel business recorded a volume growth of 6.8% (+16 million shipments), while revenue was in line with the previous year.

E-commerce continues to be the strategic business segment, thanks to steadily increasing performance, with an even more visible effect on volumes in the second half of 2023. In 2023, the C2X segment posted revenue growth of 4.5% (+€2 million) and volumes substantially in line with 2022 (+€0.1 million, or +1.1%), also thanks to some repricing effects.

The last quarter of 2023 shows an acceleration in volume growth (+8 million shipments compared to the fourth quarter of 2022) equal to the growth recorded during the first nine months of the year. In particular, major customers show a significant increase in average daily volumes entrusted compared to the previous year. Revenue performance in the fourth quarter of 2023 (-€1 million, -0.3% compared to the same quarter of 2022) was in contrast to volume growth, mainly due to the combined effect of the following factors: lower revenue related to logistics services provided during the Covid-19 pandemic emergency phase (-€8 million), lower revenue from the deconsolidation of sender (-€6 million) and other one-off components; neutralising these factors, the revenue trend in the parcels and logistics segment in the fourth quarter of 2023 would be up by approximately €23 million, +6.2% compared to the fourth quarter of 2022.

## COSTS

(€m)



Costs of the Mail, Parcels and Distribution SBU including depreciation, amortisation and impairments for 2023 amount to €9,033 million, an increase of €195 million (equal to +2.2%) compared to 2022. This trend is attributable to the increase in personnel expenses, which stood at €5,494 million, up by €380 million (+7.4%) compared to the previous year, mainly attributable to the increase in the per capita cost related to the contractual adjustments that took effect starting from July 2022 and July 2023, to the extraordinary performance bonus that was awarded to employees in November 2023 and to the provision to the redundancy fund to support the commitment of approximately 3,900 incentivised exits by 2025. Costs of goods and services showed an increase of €103 million (+4.3%), reaching €2,473 million in 2023. This trend is attributable to the joint effect of the increase in variable costs related to business growth and the increase in costs generated by inflationary pressures on fuel and raw materials. Depreciation, amortisation and impairments increased by €38 million (+4.8% compared to 2022) against an increase in investments. Finally, the decrease in other expenses only partially offsets the increase in the cost items described above, and is attributable to lower provisions for risks and charges on tax credits, as better described in the notes to the Consolidated financial statements.

## QUALITY OF THE UNIVERSAL POSTAL SERVICE

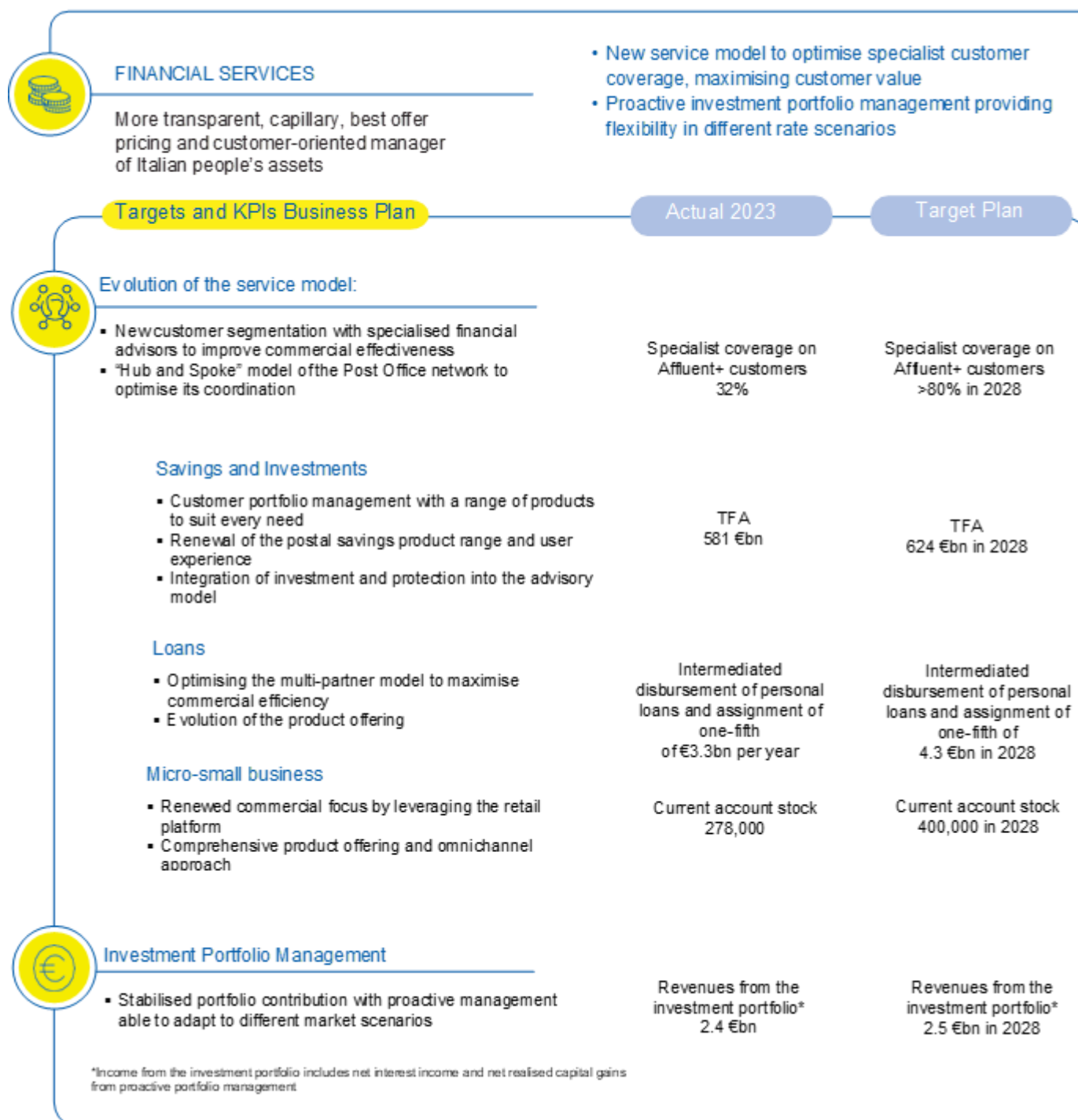
The quality results achieved for the Universal Service, whose objectives are defined by AGCom, are shown below. The regulator verifies compliance with the objectives and publishes the results annually.

The quality trend for the financial year 2023 shows good performance overall, with almost all products exceeding their targets for the year. Compared to the previous year, the trend showed a general improvement. It should be noted that during 2023, there was an increase in the volumes handled in Registered Mail compared to the forecast.



## 7.3.2 FINANCIAL SERVICES STRATEGIC BUSINESS UNIT

### Industrial Plan Strategy 2024-2028



The results of the Financial Services Strategic Business Unit in 2023 show revenue growth supported mainly by the greater net interest income achieved and the positive contribution of the postal savings collection and management service. The BancoPosta Total Capital Ratio at 31 December 2023 stood at 22.1%.

FINANCIAL SERVICES (€m)	2023	2022	Changes	
<b>External revenue</b>	<b>5,229</b>	<b>4,939</b>	<b>+290</b>	<b>+5.9%</b>
Revenue from other sectors	866	820	+46	+5.6%
<b>Total revenue</b>	<b>6,095</b>	<b>5,759</b>	<b>+336</b>	<b>+5.8%</b>
Costs	152	114	+37	+32.8%
Costs vs other sectors	5,081	4,757	+323	+6.8%
<b>Total costs</b>	<b>5,232</b>	<b>4,872</b>	<b>+361</b>	<b>+7.4%</b>
<b>EBIT</b>	<b>863</b>	<b>887</b>	<b>(25)</b>	<b>-2.8%</b>
<b>EBIT margin %</b>	<b>14.2%</b>	<b>15.4%</b>		
<b>NET PROFIT</b>	<b>647</b>	<b>622</b>	<b>+25</b>	<b>+4.0%</b>

Operative KPIs	2023	2022	Changes	
Total Financial Assets (€bn)	581	576	+5	+0.9%
Net inflows (€m)	(4,087)	(550)	(3,537)	n/s
Performance Effect <sup>1</sup> (€bn)	9.0	3.5	+5.5	n/s
Current accounts (average deposits for the period in €bn)	91.8	96.1	(4.4)	-4.5%
Net return on deposits <sup>2</sup>	2.44%	1.99%		
Postal savings (average deposits in €bn)	312.2	315.5	(3.3)	-1.0%
Loans (disbursed in €m)	3,374	3,296	+78.2	+2.4%

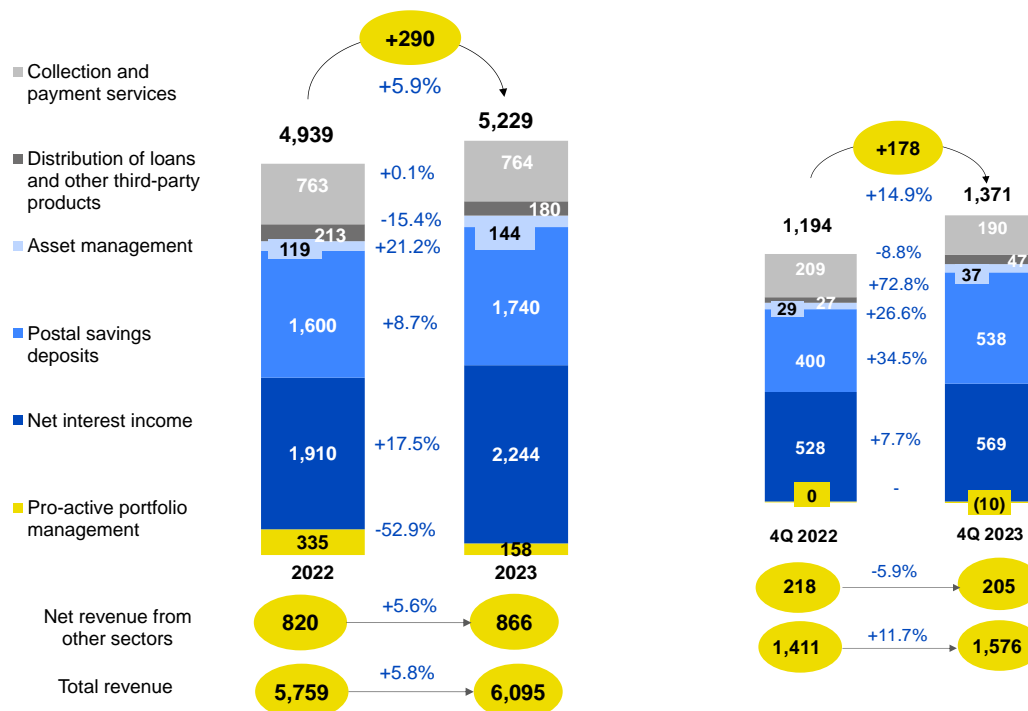
n/s: not significant.

1 The performance effect mainly includes the impact of macroeconomic variables (spreads, rates, etc.) on the stocks of the insurance, managed funds and assets under administration segments, as well as the capitalisation of interest for the period on the stocks of postal savings bonds/loans.

2 Excluding returns from pro-active portfolio management.

## EXTERNAL REVENUE AND REVENUE FROM OTHER SECTORS

(€m)





**Pro-active portfolio management:** gains from the sale of securities in the BancoPosta Portfolio, net of losses.

**Net interest income:** income from investment of liquidity revenue via postal current account deposits, net of interest expense and other financial transaction costs. Including profits from tax credits.

**Postal savings deposits:** savings deposits through Postal Interest-bearing Certificates and Postal Savings Books issued by Cassa Depositi e Prestiti.


**Asset management:** collective asset management through mutual investment funds and management of individual portfolios relating to institutional mandates attributable to the Group.

**Distribution of third-party loans and products:** distribution of products disbursed/issued by third-party partners (financing, mortgages, loans, salary-backed loans, credit cards, etc.).

**Collection and payment services:** slips, collections and payments PP.AA., transfer of funds and ancillary services for current accounts.

External revenue in 2023 amounted to €5,229 million and record a growth of €290 million compared to the €4,939 million achieved in 2022 (+5.9%).

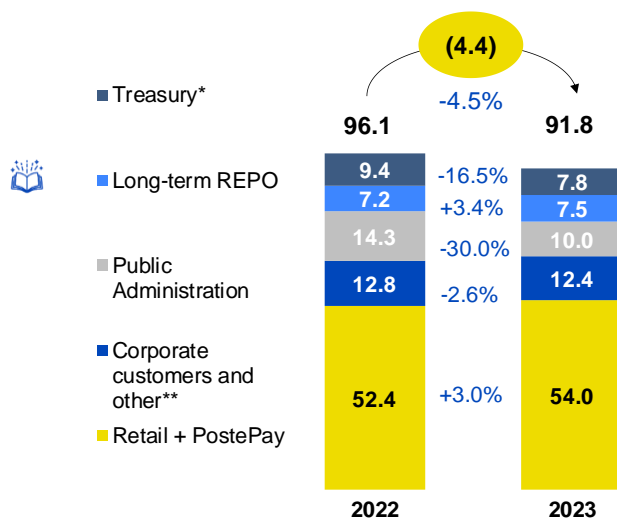
In detail, the period under review shows: (i) net interest income up compared to 2022 (+€334 million, +17.5%), essentially due to the higher yield relating to the Retail and Corporate segments (+€372 million) and the yield from the use of current account deposits in the Public Administration segment (+€52 million) partially offset by the lower net interest relating to the Treasury segment (-€71 million) (ii) net capital gains realised as part of pro-active portfolio management amounting to €158 million, down €177 million (-52.9%) compared to €335 million in 2022; (iii) revenue from the Postal Savings collection and management service amounting to €1,740 million, up 8.7% (+€140 million) compared to last year and benefiting from the renegotiation of the Agreement with Cassa Depositi e Prestiti for 2023 signed in January 2024, in a context of rapidly rising interest rates during 2023; iv) revenue from collection and payment services, which amounted to €764 million and are substantially in line with the previous year (+€1 million or +0.1%); v) revenue from the distribution of loans and other third-party products, which amounted to €180 million, down €33 million (-15.4%) compared to €213 million in 2022, mainly attributable to lower revenue from personal loans, which, despite growing volumes, were affected by lower up-front fees paid by financial partners; vi) revenue from Asset Management, which amounted to €144 million, up €25 million (+21.2%) compared to the previous year, mainly due to increased volumes of mutual funds placed.

revenue from other sectors stood at €866 million (+€46 million compared to 2022, equal to +5.6%). The positive change is mainly attributable to the increase in commissions  for the placement and management of insurance policies.

The fourth quarter of 2023 showed an increase in external revenue of €178 million (+14.9%) compared to the same period of 2022, mainly due to higher revenue from the collection and management of Postal Savings (+€138 million, or +34.5%), higher net interest income (+€40 million, or +7.7%) and higher revenue from the distribution of loans and other third-party products (+€20 million, or +72.8%). These positive changes offset the negative balance of net capital gains realised as part of pro-active portfolio management (-€10 million in the fourth quarter of 2023 compared to nil in the same quarter of 2022) and lower revenue from collection and payment services (-€18 million, or -8.8%). Revenue from other sectors stood at €205 million, down by €13 million compared to the fourth quarter of 2022 (-5.9%).

## AVERAGE CURRENT ACCOUNT DEPOSIT

(€bn)



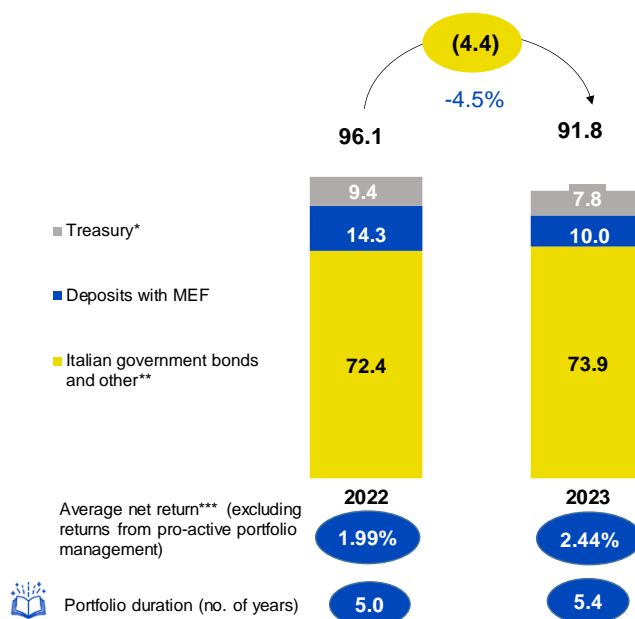
\* Includes short-term REPO and collateral.

\*\* Includes corporate current accounts and PostePay Business, Poste Italiane's liquidity and payables of other customers.

In 2023, the average current account deposit decreased compared to the previous year, going from €96.1 billion to €91.8 billion. This decrease, amounting to €4.4 billion, was mainly attributable to the contraction of the Public Administration deposit (-€4.3 billion, -30%) and the Treasury component (-1.5 billion, -16.5%). A positive result, despite the challenging environment, for the Retail component (including the balance of Postepay prepaid cards), which grew by €1.6 billion or +3% compared to 2022.

## INVESTMENT PORTFOLIO COMPOSITION

(AVERAGE DEPOSIT €bn)



\* Includes REPO and short-term bonds and collateral.

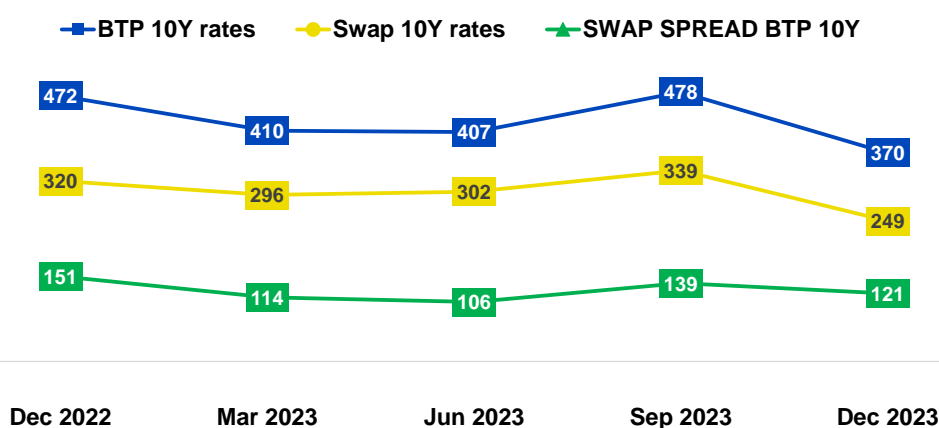
\*\* Includes tax credits and cash on the buffer.

\*\*\* Calculated as net interest on average stock.

The **average deposit of the investment portfolio** consists primarily of Italian government securities and debt securities issued by Cassa Depositi e Prestiti and guaranteed by the Italian State (about €65 billion), in which funding from private customers on postal current accounts is invested, and deposits with the MEF (€10 billion) represented by funding from postal current accounts belonging to public customers.

The investment portfolio also includes the average balance used by BancoPosta to purchase tax credits, which amounted to approximately €8 billion at 31 December 2023.

During 2023, financial markets were characterised by the continuation of the rapid and significant increase in monetary policy rates by the ECB and other major central banks in order to counter the high level of inflation that began in the second half of 2020, which was attributable to both the recovery of economic activity following the Covid-19 pandemic and Russia's invasion of Ukraine in February 2022.



(figures in bps)

In this context, the management of BancoPosta securities portfolio was characterised by strategies aimed at reducing the risk of refinancing<sup>125</sup> asset swap-covered securities over the next few years, in the expectation of a future reduction in market rates, by increasing the portion of the portfolio of fixed-rate securities, through: (i) new investments in this category, (ii) the early extinguishment of hedging swaps with positive mark-to-market (market value) at a time when swap rates were deemed to be at their maximum levels<sup>126</sup>; (iii) sale of positions in asset swaps (sale of the security and extinguishment of the related hedging derivative), the countervalue of which was reinvested in fixed-rate securities.

In addition, during the course of the year, taking advantage of increasing yields, the following were entered into: (i) purchase contracts for the renewal of portfolio maturities (ii) transactions to hedge the return on the deposits with the MEF of inflows from the Public Administration.

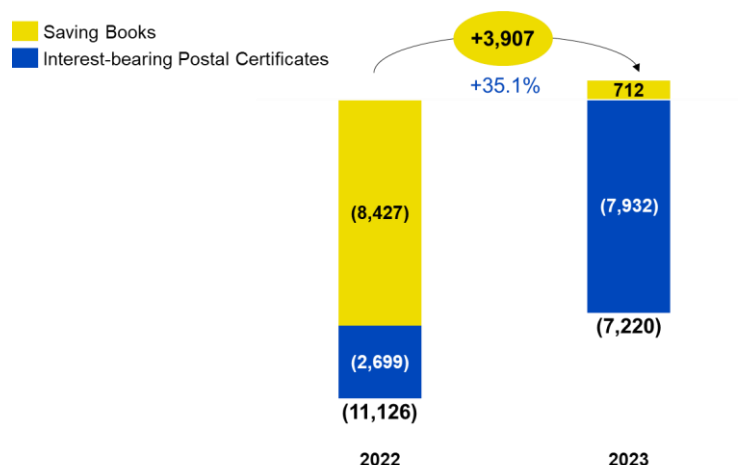
Finally, in the final months of the year, in order to improve the income profile of the portfolio for the two-year period 2024-2025, was the sale of securities maturing in 2025 and with a yield tending to be low in favour of securities maturing in 2028 with a higher yield, for a nominal value of approximately €365 million. This switch resulted in capital losses of about €10 million for the financial year 2023, which will be more than offset by higher future interest payments.

<sup>125</sup> Adjustment of the interest rate of the financial instrument to market rates.

<sup>126</sup> The mark-to-market of the derivative sold is recognised as a direct reduction of the amortised cost of the fixed-income security, increasing its yield.

## POSTAL SAVINGS NET INFLOWS

(€m)



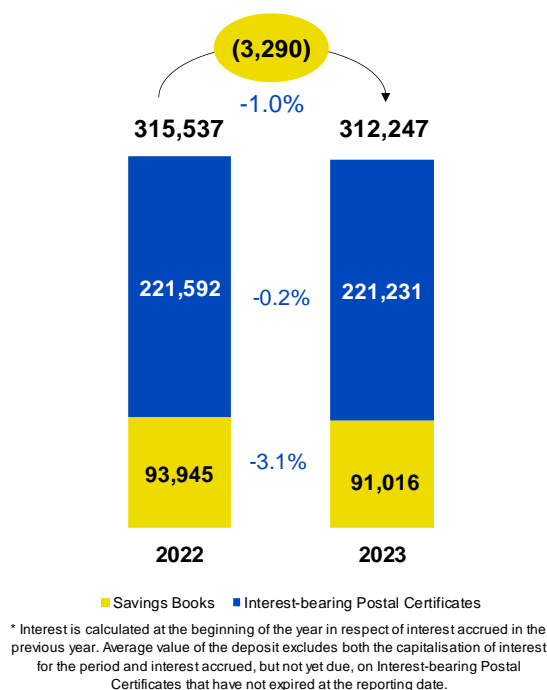
At 31 December 2023, net inflows from postal savings amounted to approximately -€7.2 billion, approximately €3.9 billion better than in 2022. Savings books, with growth of approximately €9.1 billion compared to the 2022 figure, benefited from the initiatives dedicated to the provision of new liquidity carried out since the beginning of 2023. It should be noted that the comparison with the previous year is not homogeneous: in fact, eleven pension accruals were credited during 2022, as a result of the provisions related to the health emergency, compared to twelve in 2023<sup>127</sup>, resulting in lower net inflows.

In relation to postal interest-bearing certificates, the change compared to the 2022 figure is negative by around €5.2 billion: the increased subscriptions (+€3.2 billion equal to +7.5% compared to the 2022 figure) were not sufficient to counterbalance the growth in repayments (+€8.5 billion), mainly influenced by the high amount of maturities for the year (+43% compared to the 2022 figure) and by the continuation of the growing trend in early repayments that began in the second mid-2022 in light of the changed economic and financial conditions.

<sup>127</sup> The January 2022 pension accrual was credited at the end of December 2021, while the March 2022 pension accrual, credited at the end of February, was the last instalment paid in advance.

## POSTAL SAVINGS AVERAGE DEPOSIT\*

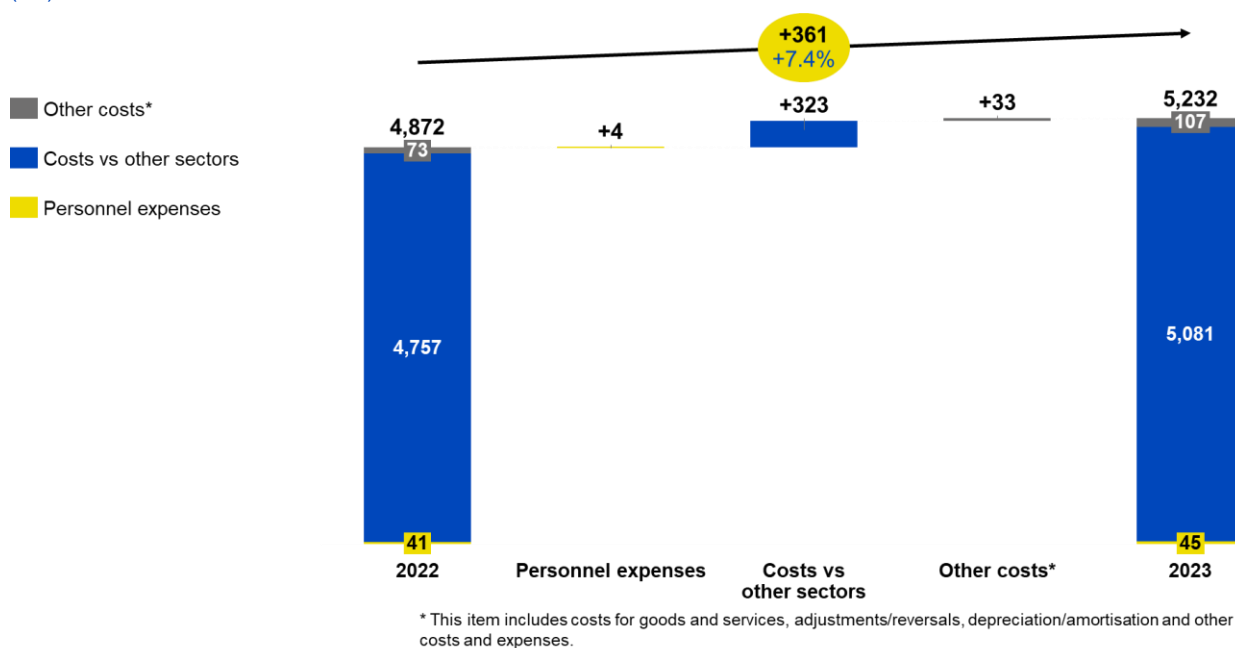
(€m)



The postal savings average deposit decreased by about €3.3 billion compared to the figure for 2022. The value of Books is influenced by the particularly negative result of the net collection recorded in 2022, which affected the initial balance of 2023, while the substantially constant figure of the Average Deposit of Postal Interest-bearing Certificates (BFP) is mainly attributable to the capitalisation of interest, which has almost offset the effect of the negative Net Inflows.

## TOTAL COSTS

(€m)



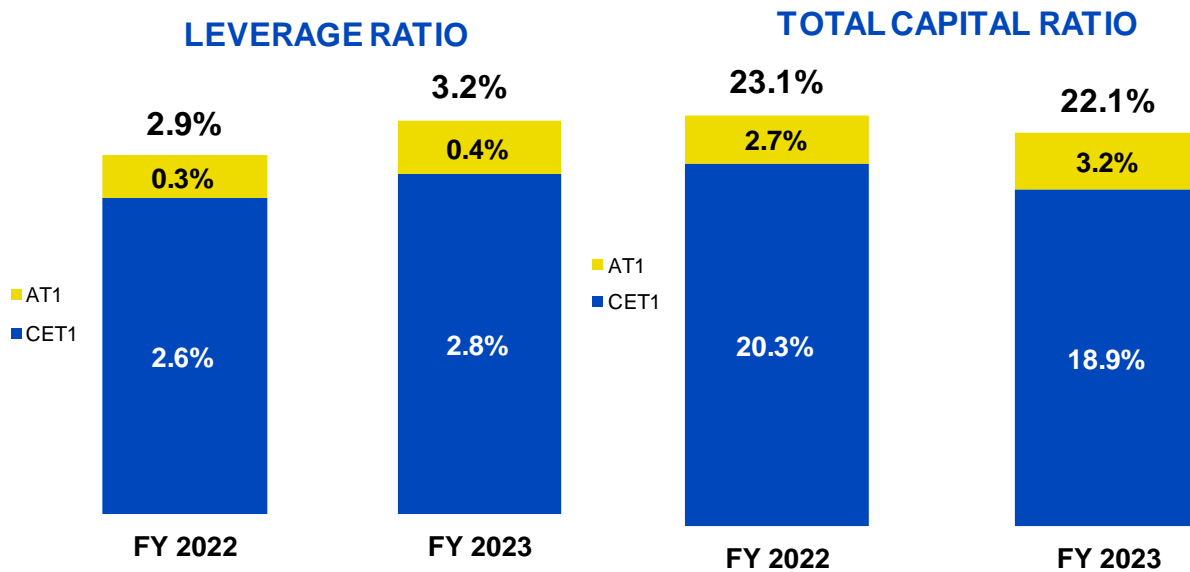
The total costs of the Strategic Business Unit amounted to €5,232 million and recorded a growth of €361 million (+7.4%) compared to the €4,872 million achieved in 2022, mainly due to the greater fees relating to the Operating Guidelines in relation to the activities entrusted to Poste Italiane.

The operating profit (EBIT) of the sector stood at €863 million, a decrease of 2.8% compared to last year (-€25 million).

With a positive financial management of €30 million and taking into account the taxes for the period (€246 million), the net result of the Financial Services Strategic Business Unit in 2023 stood at €647 million, an increase of €25 million compared to €622 million in 2022 (+4%).

## FINANCIAL KPIS

€mln	2022	2023
CET1 CAPITAL	2,618	2,654
TOTAL CAPITAL	2,968	3,104
TOTAL ASSETS	104,438	98,145
RWA - Risk Weighted Assets	12,867	14,077



At 31 December 2023, the Leverage Ratio stood at 3.2%, up from 31 December 2022, mainly as a result of the decrease in the ratio denominator, i.e. capital assets including adjustments for the purposes of calculating the ratio, by €5.7 billion; this decrease is mainly attributable to the reduction in deposits with the MEF (against inflows made with the Public Administration) and the reduction in deposits with the Bank of Italy (against the improvement in market rates compared to the rates recognised on deposits with Central Banks).

Regarding the numerator of the ratio (total capital), there was an increase in own funds of €0.1 billion compared to 31 December 2022; in particular, on 30 June 2023, the Parent Company further increased the BancoPosta capital endowment, through the granting of a perpetual subordinated loan with a 5-year non-call period, for €100 million, under terms and conditions that allow the calculation as additional tier 1 capital. The value of own funds at 31 December 2023 also includes the computation of €60 million from the profit for the year 2023 (i.e. about 90% of the profits available to the Parent Company), as these are subject to the resolution of the Poste Italiane's Board of Directors concerning the proposed allocation of the profit for the year 2023 and in compliance with the provisions of Article 26 of Regulation (EU) no. 575/2013. The CET 1 Ratio at 31 December 2023 stood at 18.9%, while the Total Capital Ratio including Additional Tier 1 was 22.1%, confirming BancoPosta's capital solidity. The slight decrease in both indicators is related to the increase in Risk Weighted Assets (mainly counterparty and operational risk).

For detailed information on the different risk areas and on the methodologies used to measure and prevent the risks themselves, please refer to the Risk Management section in the "Poste Italiane financial statements" section.

### 7.3.3 INSURANCE SERVICES STRATEGIC BUSINESS UNIT

#### Industrial Plan Strategy 2024-2028



#### INSURANCE SERVICES

Market-leading insurance group with comprehensive Life and Protection product range.

- Resilient and Sustainable Life Investment and Pension business
- Rapid and profitable growth in the Protection business
- Expansion of the distribution network through third-party channels
- Full integration of ESG principles in investment products
- Positive organic capital generation, strong capital ratios and less volatility than in the past

#### Targets and KPIs Business Plan

Actual 2023

Plan Target



#### Life Investment and Pension Fund

Constantly positive net flows, even in challenging market conditions, supported by a loyal customer base

- Average statutory technical reserves net of protection reserves
- % of Poste Vita products with ESG elements
- Normalised growth\* of CSM

157 €bn	>180 €bn in 2028
79%	100% by 2024
+5% vs 2022	-5% per year

\*Growth adjusted for exogenous components (i.e. financial market trends and policyholder behaviour)



#### Protection Sector

Strong industry growth driven by rising demand and low market penetration. Improving profitability and expanding the distribution network through third-party channels

- Gross premiums Protection\*\*
- Combined Ratio Protection (%)

0.8 €bn	~2x in 2028 vs 2023 (≥ 1.5 €bn)
84%	≤85%

\*\*Includes Poste Assicura, the Life protection component, Net Insurance and motor segment.

The SBU financial results for the year were down year-on-year, and should be read in light of the challenging context for the sector and the fact that 2022 enjoyed positive effects related to interest rate dynamics. We highlight the solid performance in the Life business with net premium inflows of €3.4 billion in 2023, in line with expectations and bucking the trend in the sector, with the lapse rate remaining well below market levels. Net Insurance's contribution to the protection business was positive. The Solvency Ratio at 31 December 2023 stood at 307%, confirming the solvency of the insurance Group.

INSURANCE SERVICES (in €mln)	2023	2022	Changes	
<b>External revenue</b>	<b>1,567</b>	<b>1,650</b>	<b>(83)</b>	<b>-5.0%</b>
Revenue from other sectors	(148)	(148)	(0)	-0.1%
<b>Total revenue</b>	<b>1,419</b>	<b>1,502</b>	<b>(83)</b>	<b>-5.5%</b>
Costs	31	19	+12	+62.0%
Costs vs other sectors	28	29	(0)	-1.5%
<b>Total costs</b>	<b>59</b>	<b>48</b>	<b>+11</b>	<b>+23.9%</b>
<b>EBIT</b>	<b>1,360</b>	<b>1,455</b>	<b>(94)</b>	<b>-6.5%</b>
<b>NET PROFIT</b>	<b>994</b>	<b>1,051</b>	<b>(57)</b>	<b>-5.5%</b>

Operative KPIs	31 December 2023	31 December 2022	Changes	
Net technical provisions Poste Vita Group (in €bn) <sup>1</sup>	161.1	154.0	+7.1	+4.6%
Contractual Service Margin (CSM) <sup>2</sup> (in €bn)	13.7	12.9	+0.8	+6.5%
Solvency Ratio	307%	253%		

Life business	2023	2022	Changes	
Gross premium - Life (€m) <sup>3</sup>	17,996	17,179	+816	+4.8%
of which: Classes I-IV-V	14,059	9,584	+4,476	+46.7%
of which: Multi-class <sup>4</sup>	3,926	7,579	(3,653)	-48.2%
Net inflows (€m)	3.4	7.5	(4.1)	-54.4%
Redemption rate	4.4%	3.5%		
Poste Vita products with ESG elements <sup>5</sup>	79%	70%		

P&C business	2023	2022	Changes	
Gross premium - P&C (€m) <sup>6</sup>	581	392	+189	+48.2%
Average daily premiums - Modular offer (€k) <sup>7</sup>	245	269	(24)	-8.9%
Combined protection ratio (net reinsurance) <sup>8</sup>	84.2%	84.2%		

<sup>1</sup> Technical reserves of the insurance business (life and P&C) determined in accordance with the national accounting standards used to prepare the separate financial statements of the Group's insurance companies.

<sup>2</sup> Represents the present value of the expected and not yet realised profit that the Group will recognise on an accrual basis in profit and loss over the life of the contract.

<sup>3</sup> Includes life written premiums, gross of reinsurance and intercompany portions of the Poste Italiane Group.

<sup>4</sup> Includes gross premiums from Class I and Class III of Multi-class products.

<sup>5</sup> All products with sustainability content consistent with the "Guidelines for defining the sustainability characteristics of products" approved by the CEO of Poste Vita in October 2023.

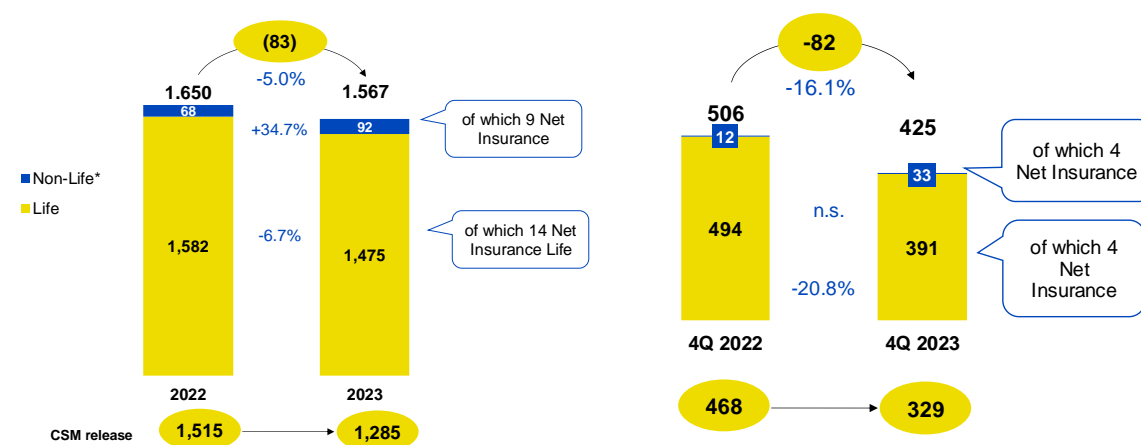
<sup>6</sup> Includes non-life gross premiums written, gross of change in premium reserves, reinsurance ceded and intercompany portions of the Poste Italiane Group.

<sup>7</sup> Calculated on annualised net premiums, including Property and Personal policies sold in the Poste Italiane network.

<sup>8</sup> Corresponds to the ratio of total costs incurred (claims and settlement expenses + net reinsurance expenses + attributable/non-attributable operating expenses + other technical expenses and income) to gross insurance revenues.








## EXTERNAL REVENUE

(€m)



The components of the revenue items for both life and P&C business are specified below.



**Life revenue:** release of the Contractual Service Margin (CSM) , claims and expected benefits resulting from the release of expected cash flows, release of the Risk Adjustment , recovery of contract acquisition costs, claims occurring in the reporting period and other directly attributable expenses, losses from groups of onerous insurance contracts and amortisation of expenses for the acquisition of insurance contracts issued, change in Liability for Incurred Claims (LIC) , and relating to contracts valued with the Building Block Approach (BBA)  and Premium Allocation Approach (PAA) , maintenance and collection commissions and other acquisition expenses entirely charged in full to profit or loss, investment management expenses to which the Variable Fee Approach (VFA)  method is applied, net finance income/expenses relating to investments and financial costs/revenue relating to insurance contracts issued (with reference to contracts valued with the VFA method, account is taken of the so-called "mirror effect") and outward reinsurance and the balance of costs and revenue from outward reinsurance. 

**P&C revenue:** release of Contractual Service Margin (CSM), expected claims and benefits arising from the release of expected cash flows, release of Risk Adjustment, recovery of contract acquisition costs, claims incurred in the reporting period and other directly attributable expenses, losses on groups of onerous insurance contracts and amortisation of acquisition costs of insurance contracts issued, change in Liability for Incurred Claims (LIC), commissions and other acquisition costs charged in full to profit or loss, net investment-related finance income/expenses and financial costs/revenue related to insurance contracts issued and outward reinsurance, the balance of costs and revenue from outward reinsurance and with respect to contracts valued using only the PAA method, the issue of premiums.

Please refer to the glossary in Chapter 10 for more details on the IFRS 17 quantities in the above definitions.

External revenue went from €1,650 million in 2022 to €1,567 million in 2023 (-€83 million, equal to -5%) and are essentially attributable to the Life business, which contributed €1,475 million, while the contribution from the P&C business amounted to a total of €92 million.

In particular, Life net revenue decreased by 6.7% (-€106 million) compared to 2022, mainly due to the lower CSM release in the year compared to 2022 (-€246 million) primarily attributable to the additional release component<sup>128</sup>. The reduction in the additional release in 2023 is linked to the evolution of the macroeconomic scenario (it should be noted that 2022 was marked by a scenario characterised by a sudden and high increase in the rate curve); this effect is only partially offset by: i) the positive contribution of net income from financial management (+€79 million), which during the year benefited from the improvement in financial dynamics compared to the previous year; ii) the positive balance between expected claims and expenses compared to claims and expenses that occurred during the year (+€41 million), iii) the increase in the risk adjustment release (+€26 million).

The returns achieved in 2023 by the Separately Managed Accounts are 2.76% for the Posta Pensione account and 2.52% for the PostaValorePiù account.

Net P&C revenue amounted to €92 million, up €24 million (+34.7%) compared to 2022 mainly due to the higher CSM release (+€16 million) and the higher risk adjustment release (+€6 million) recorded in the year compared to 2022 and related to the contribution of Net Insurance acquired in 2023. The Combined Ratio Protection, net of reinsurance, stood at a value of 84.2% in line with the 2022 value.

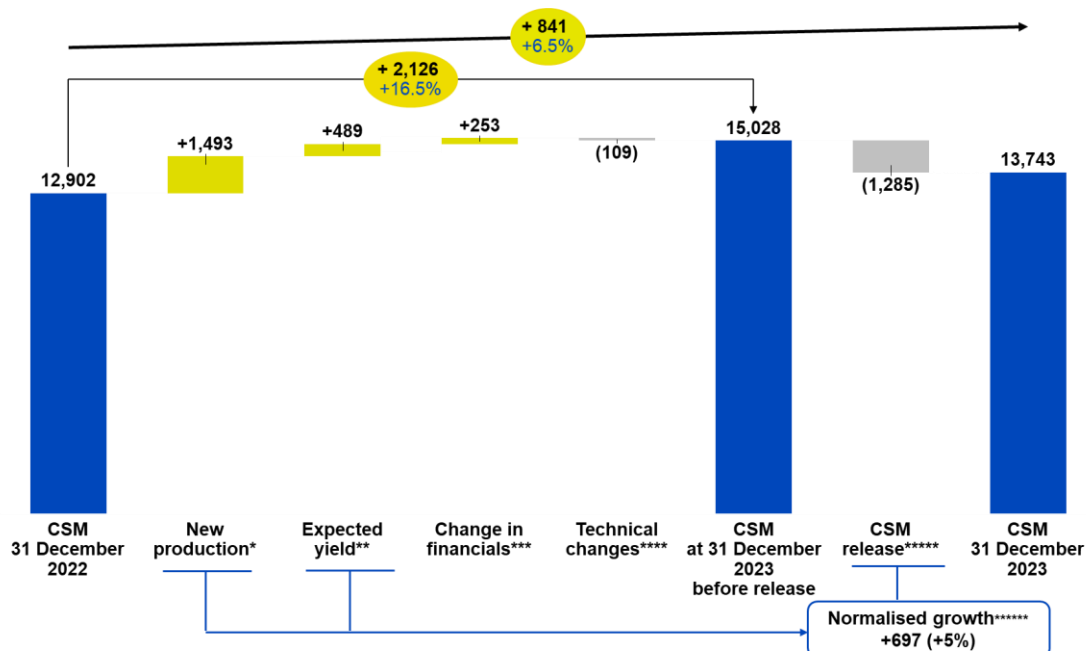
Considering the net revenue from other sectors, which stood at €148 million in 2023 and in line with the 2022 figure, the overall net revenue of the Strategic Business Unit in 2023 amounted to €1,419 million, down by €83 million (-5.5%) compared to 2022. The fourth quarter of 2023 showed a decrease in net external revenue of €82 million (-16.1%) compared to the same period in 2022. Life business showed a decrease of €103 million (-20.8%) compared to the fourth quarter of 2022, mainly due to the lower CSM release in the period (-€142 million) primarily as a result of the additional release component. This decrease was only partially offset by the growth in net income from financial management, which increased by €12 million during the period due to improved financial market dynamics.

<sup>128</sup> The additional release is a release component of the CSM, which is calculated for the VFA model only, and which includes:  
- the financial profit generated by the extra return for the period according to a Real World scenario (real scenario) compared to that calculated according to a Risk Neutral scenario (risk-free rate scenario);  
- release of the financial risk of the period (Time Value of Options and Guarantees, TVOG).

In the P&C segment, there was revenue growth (+€21 million) compared to the fourth quarter of 2022, due both to the increase (+€18 million) in net revenue from contracts measured under the PAA method, which mainly benefited from the strong growth in inflows, and to the higher CSM release, the latter relating almost entirely to Net Insurance.

## CONTRACTUAL SERVICE MARGIN (CSM)

(€m)




\* This item includes: the present value of new business associated with the premiums recorded in the period and the associated estimated outlays (expenses and settlements).

\*\* CSM growth independent of financial and technical management performance. Calculated as the sum of the accrued and capitalised interest on the CSM (based on the risk free yield curve) at the reporting date and the result of the difference between the real world yield curve and the expected risk neutral yield curve.

\*\*\* This item includes the impact on the CSM resulting from the realisation of financial assumptions (e.g. interest rate spread, and the consequent effect on the fair value of the portfolio of segregated funds) at the end of the reporting period different from those expected at the beginning of the period, as well as the change in the financial assumptions on future flows.

\*\*\*\* The item includes experience-related changes (changes between estimated and actual flows), changes in technical assumptions (e.g. actuarial assumptions, mortality rate, etc.).

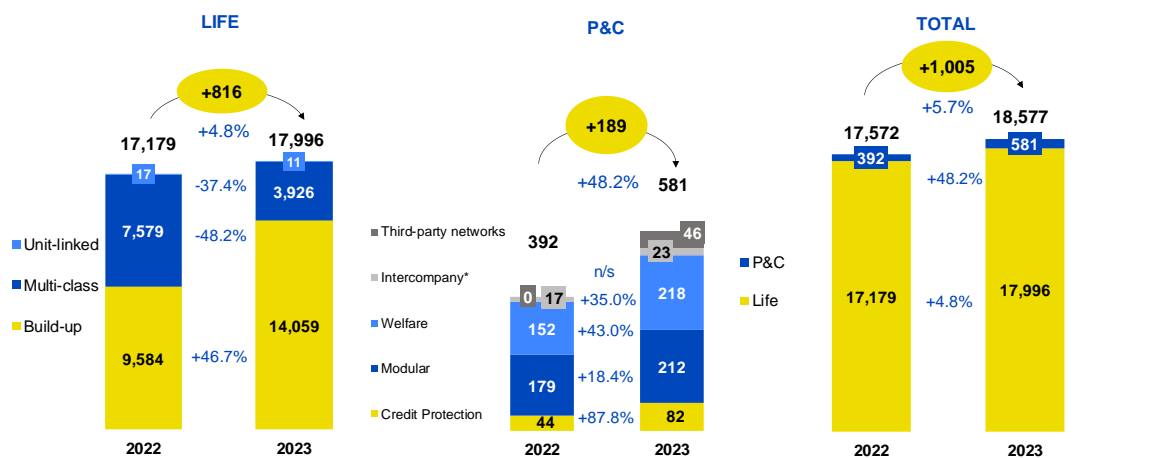
\*\*\*\*\* The item represents the share for the reporting period determined on the basis of the coverage unit , as well as the adjustment related to the additional release component.

\*\*\*\*\* Represents the CSM growth for the period adjusted for exogenous components (i.e. financial market trends and policyholder behaviour). It is calculated as the ratio of the CSM of new production increased by the expected yield and decreased by the release of the period compared to the CSM at the end of the previous year.

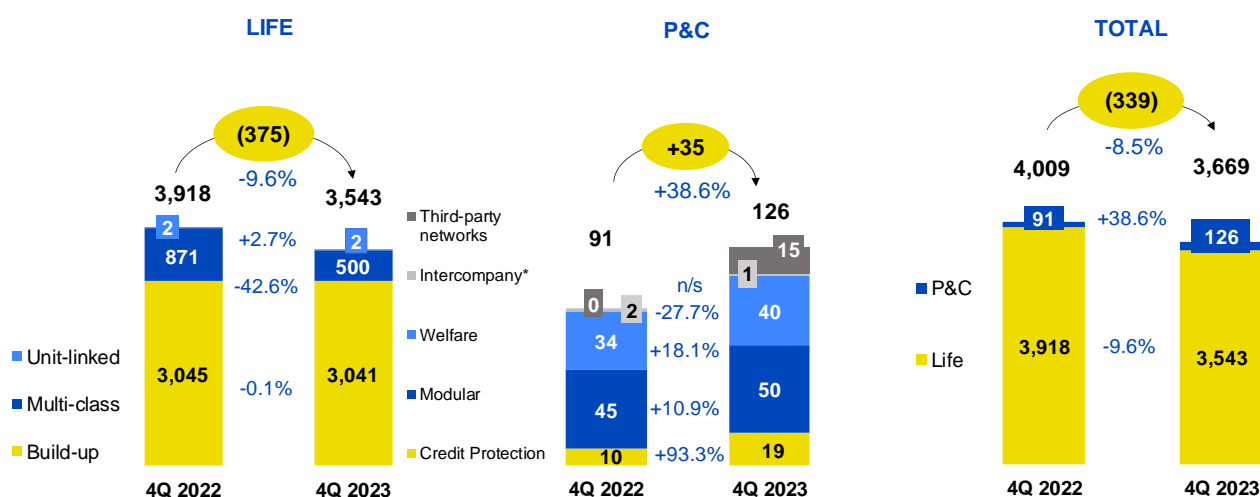
The Contractual Service Margin (CSM) shows a balance at the end of the financial year 2023 of €13,743 million, an increase compared to the figure at the end of 2022 of €841 million. During 2023, CSM recorded: i) a positive change of €1,493 million related to new business mainly due to Poste Vita inflows for the year (highlighting the contribution arising from the Net Insurance group acquired during 2023 of approximately €141 million); ii) an increase arising from the expected return of €489 million related to the interest accrued and capitalised on the CSM at 31 December 2023 (€428 million) and the adjustment of the CSM based on the difference between the real world return and the expected risk neutral return (€61 million); (iii) the positive result of financial changes of €253 million mainly related to an increase in the fair value of the investments of the separately managed accounts due to a reduction in the market rate curve compared to last year. These positive changes are partially offset by the negative impact of technical changes in the amount of €109 million due to the trend in lapses during the year (lapses occurred compared to expected lapses) and the release of CSM in the period totalling €1,285 million (of which €1,169 million determined on the basis of the coverage unit, and €116 million relating to the additional release component). Deducting exogenous components (financial market trends and policyholder behaviour) from the CSM trend, the normalised growth in the year was €697 million compared to the value at 31 December 2022 (+5%).

## GROSS PREMIUMS

(€m)



\*Includes integrated life/non-life offer.



\*Includes integrated life/non-life offer.

Despite a challenging market context, in 2023, the gross premiums of the Life business amounted to €18 billion, showing an increase of 4.8% (+€0.8 billion) compared to the 17.2 billion of the previous year; the insurance Group's commercial offer was able to adapt promptly to the changing needs of customers. There was an increase in inflows on traditional build-up products, which recorded a growth of €4.5 billion in the period. This trend is only partially offset by the decrease in inflows relating to multi-class products , which recorded a decrease of €3.7 billion in the year.

Gross premiums in P&C business at the end of 2023 amounted to €581 million, up €189 million (+48.2%) from 2022 (€392 million) driven by: i) by the "Welfare" segment, whose premiums rose from €152 million recorded in 2022 to €218 million in 2023 (+€65 million), supported mainly by the new group policies underwritten with corporate clients (Employee Benefits); ii) by premiums on "third-party networks" (i.e. premiums on the property and personal protection products of the company Net Insurance distributed through the banking network), which recorded an increase of €46 million during the year entirely attributable to the contribution, from April 2023, of Net Insurance; iii) by premiums relating to the "Credit Protection" line (+€38 million) due to the growth recorded on both salary-backed loans and CPI policies (entirely attributable to the contribution of Net Insurance); iv) by the "asset, personal and modular protection" line, which recorded an increase of €33 million; v) by

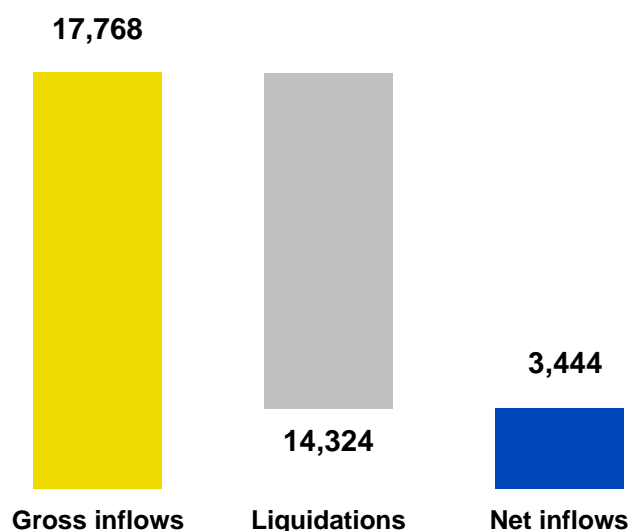
premiums on intercompany policies amounting to €23 million in 2023 (of which €20 million related to the integrated life/P&C offering) and recording an increase of €6 million compared to 2022.

In the fourth quarter of 2023, gross premiums from the life business amounted to €3.5 billion, down €0.4 billion (-9.6%) from the fourth quarter of 2022, mainly due to the decrease in premiums from Multi-class products (-€0.4 billion) compared to the comparison period.


During the fourth quarter of 2023, gross premiums from P&C business amounted to €126 million, up €35 million (+38.6%) compared to the same quarter of 2022 (€91 million) driven: i) by premiums on "third-party networks", which recorded a growth of €15 million compared to the same period of 2022, entirely attributable to the contribution of Net Insurance; ii) by premiums related to the "credit protection" line (+€9 million compared to the fourth quarter of 2022) due to the growth recorded on salary-backed loans (entirely attributable to the contribution of Net Insurance); iii) by the "Welfare" segment, whose premiums rose from €34 million recognised in the fourth quarter of 2022 to €40 million recognised in the fourth quarter of 2023 (+€6 million), mainly supported by the new group policies taken out with corporate clients (Employee Benefits); iv) by the "asset, personal and modular protection" line, whose premiums went from €45 million in the fourth quarter of 2022 to €50 million in the fourth quarter of 2023 (+€5 million).

### LIFE NET INFLOWS AT 31 DECEMBER 2023

(€m)



Life net inflows stood at €3.4 billion (€7.5 billion recorded at the end of 2022), decreasing mainly due to the performance of liquidations (mainly maturities and lapses), and remained positive mainly thanks to the contribution of the Separately Managed Accounts<sup>129</sup>, a result that confirms the resilience of the business, in a market characterised by significant negative net flows.

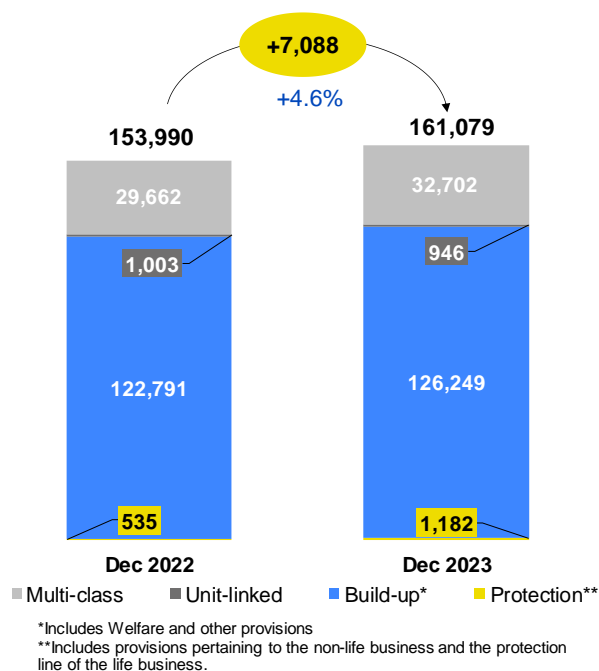
The lapse rate  stood at 4.4% at 31 December 2023, up compared to 3.5% in 2022 and at levels significantly lower than the average market figure of 10.63% at 31 December 2023<sup>130</sup>.

<sup>129</sup> The separately managed accounts identify an investment portfolio, specifically created by the insurance company, in which the premiums of customers who subscribe to a life insurance policy (Class I products) are invested and revalued on the basis of the account results.

<sup>130</sup> Source: Ania Trends - Life Flows and Provisions - Publication no. 4, February 2024.

INSURANCE PROVISIONS<sup>131</sup>

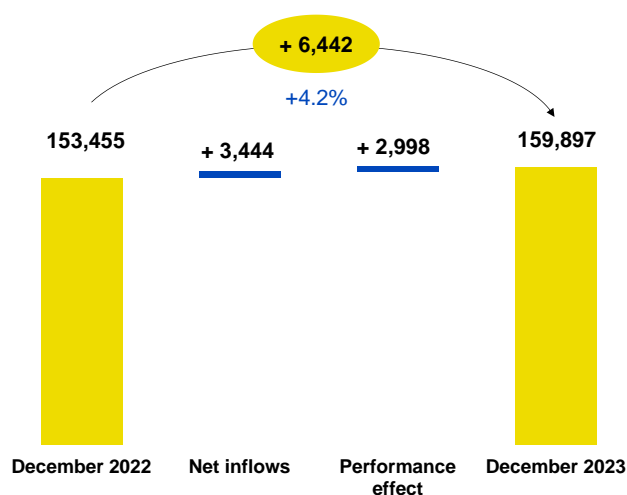
(€m)



Life business technical provisions amounted to €159.9 billion and increased by €6.4 billion compared to 31 December 2022, mainly due to the positive net inflows recorded during the period (+€3.4 billion) and, secondly, to interest earned by policyholders (+€3 billion). Technical provisions pertaining to the Protection segment amounted to €1,182 million at the end of 2023 (of which €486 million related to the Life business), partly thanks to the contribution of Net Insurance and Net Insurance Life (€519 million), up from the €535 million recorded at 31 December 2022.

CHANGES IN LIFE INSURANCE PROVISIONS<sup>132</sup>

(€m)

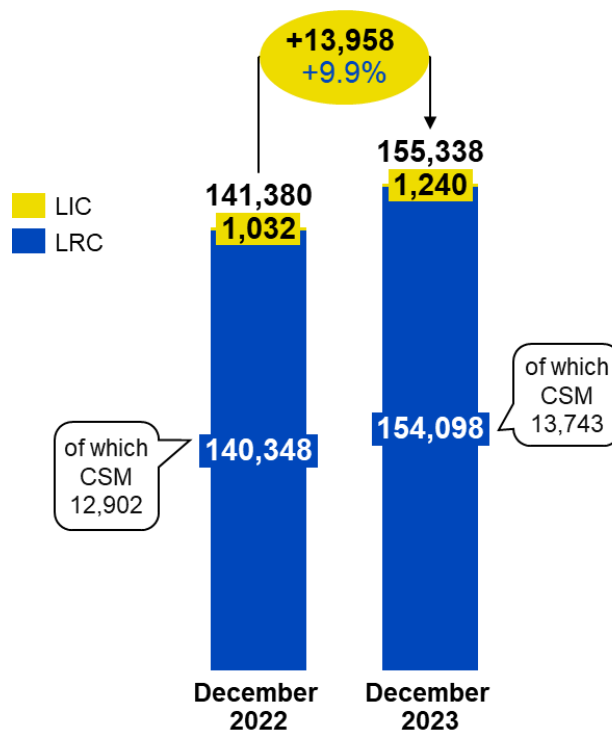



<sup>131</sup> Technical provisions of the insurance business (Life and P&C) determined in accordance with the national accounting standards used to prepare the individual financial statements of the Group's insurance companies.

<sup>132</sup> Determined in accordance with the national accounting standards used to prepare the individual financial statements of the insurance company Poste Vita SpA.

## LIABILITIES UNDER INSURANCE CONTRACTS

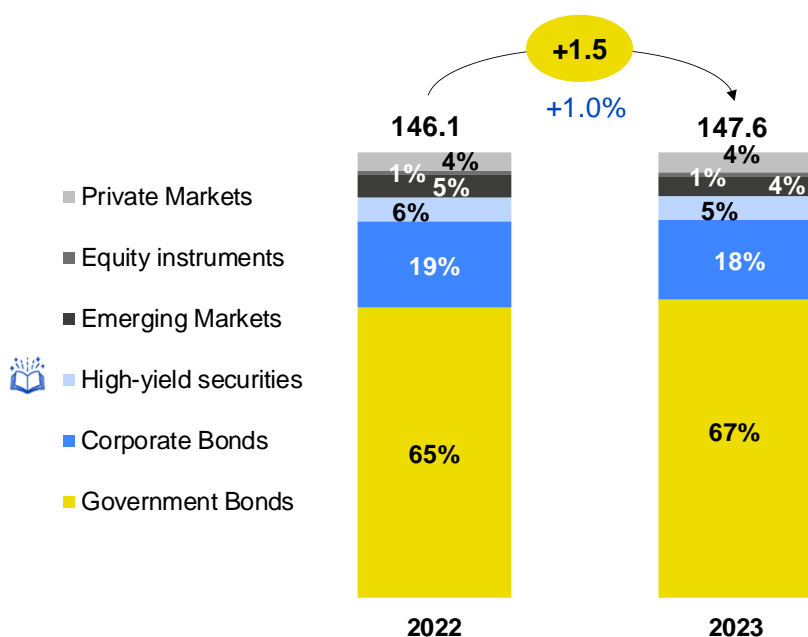
(€m)




Liabilities under insurance contracts at 31 December 2023 totalled €155,338 million, of which €154,098 million consisted of Liability for Remaining Coverage (LRC) , which includes the Contractual Service Margin (CSM) of €13,743 million, and €1,240 million from the Liability for Incurred Claim (LIC). The 9.9% increase during the period (+€13,958 million) is mainly attributable to the increase (+€13,750 million) in the LRC Present Value of future cash flow, thanks to the contribution of net inflows, which continue to be positive.

## BREAKDOWN OF THE INVESTMENT PORTFOLIO

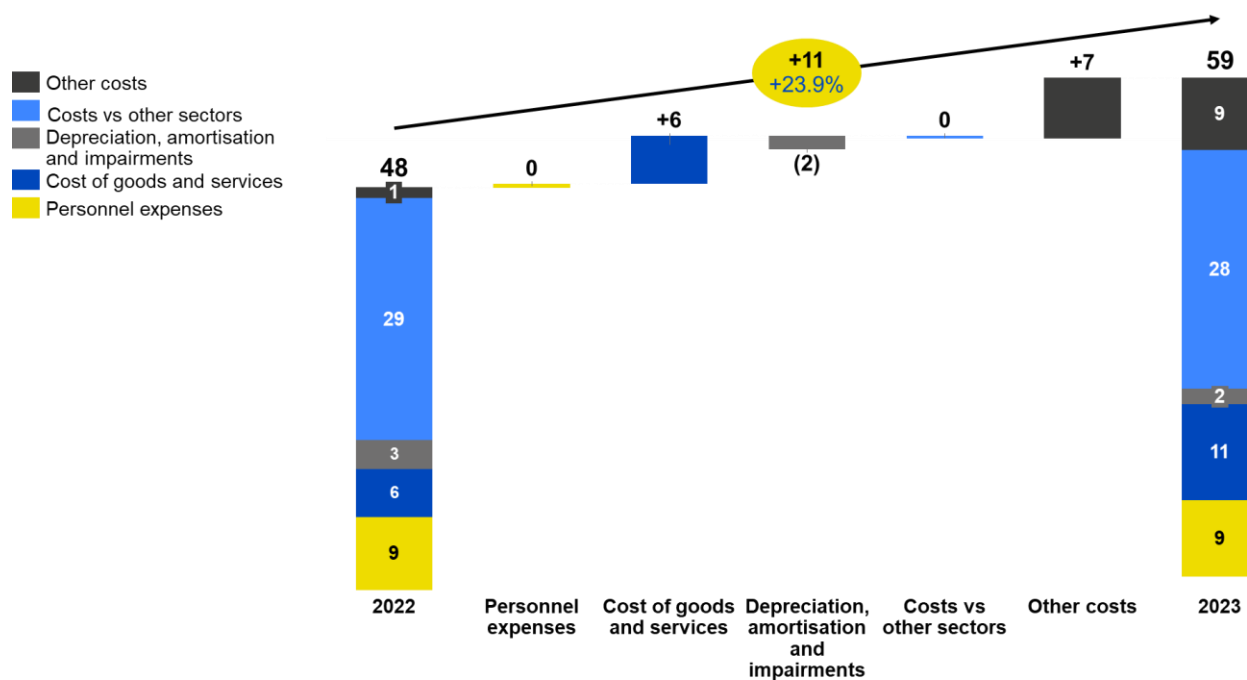
(€bn)



During 2023, in line with the latest asset allocation  of the Group's insurance companies, the portfolio diversification process continued, aimed at continually improving the insurance company's risk profile, through a gradual increase in allocation in favour of government bonds and an improvement in the average quality profile of corporate portfolios linked to issuers with higher creditworthiness.

## TOTAL COSTS

(€m)



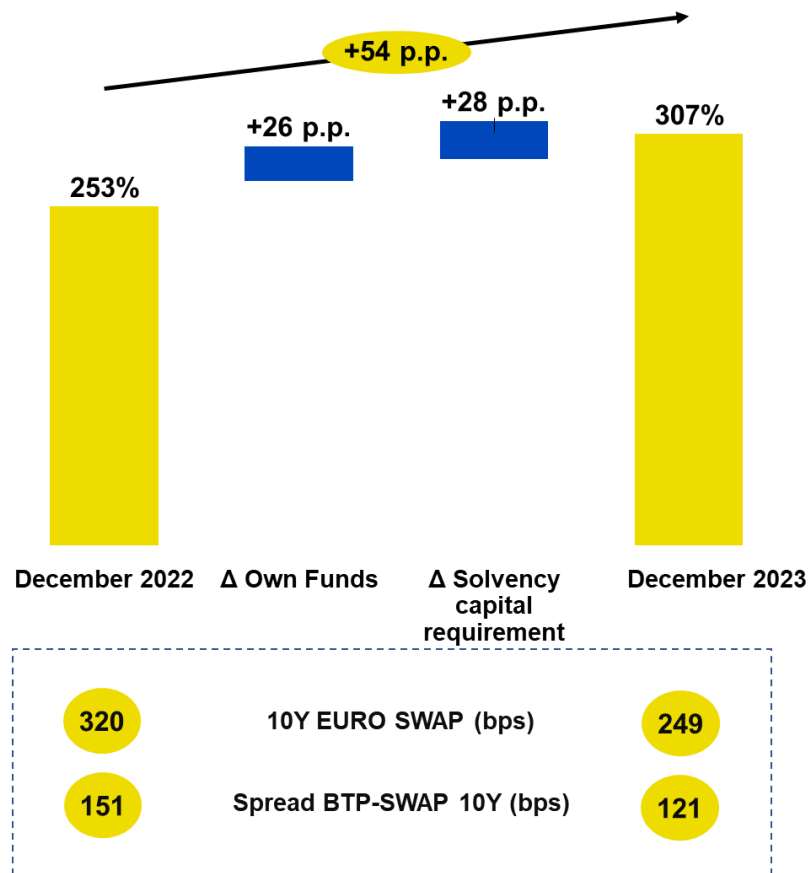
The costs discussed in the remainder of this paragraph are only those not directly attributable to insurance contracts. In light of the entry into force of the new IFRS 17 standard, costs directly attributable to insurance policies are in fact shown as a direct reduction of insurance revenue. These costs, moreover, at the time the contract is concluded are considered within insurance liabilities and released periodically in the statement of profit or loss (within net insurance income).


Non-attributable costs at 31 December 2023 (mainly related to personnel expenses, commercial expenses, IT service costs, and consulting/professional services) amounted to €59 million and increased by €11 million compared to 31 December 2022, due to the increase in costs of goods and services and other costs and expenses.

In light of the results illustrated, the economic performance of the Insurance Services Strategic Business Unit shows EBIT of €1,360 million in 2023, down by 6.5% (-€94 million) compared to 2022 (€1,455 million).

Taking into account the positive financial management of €50 million, up by 21.4% (+€9 million), and the taxes for the year 2023, equal to €417 million (down by €28 million, -6.3%), the Insurance Services Strategic Business Unit achieved a net result of €994 million at 31 December 2023, a decrease of 5.5% (-€57 million) compared to 2022.

## SOLVENCY RATIO PERFORMANCE



The Solvency Ratio  of the Poste Vita Group stood at 307% at 31 December 2023<sup>133</sup>, increasing compared to the 253% recorded in December 2022 (+54 p.p.), remaining at levels well above regulatory constraints and managerial aspiration (above 200%).

The change in the period was due to an increase in available equity (+26 p.p. on the solvency ratio) and a decrease in the capital requirement (+28 p.p. on the solvency ratio).

In particular, the development of the BTP-Swap spread (-30 bps) and the decrease in interest rates (-71 bps) lead to an increase in **Own Funds** reflected in the increase in the value of investments not offset by an equal increase in technical provisions.

The decrease in the **Capital Requirement** is mainly due to the reduction in underwriting risks (especially the "lapse risk") and market risks due to the favourable market scenario. These changes are partly offset by the increase in operational risks (due to higher inflows for the year) and counterparty risks (due to higher liquidity held by the Company).

Despite the current context of economic uncertainty, no significant early policy cancellation behaviour by customers is currently observed. It should be noted that the mass lapse risk hedging treaty, referring to Class I and Multi-class products, signed by the Company on 14 March 2023 (effective from 31 December 2022) is still in force.

<sup>133</sup> The value of the Solvency Ratio is currently undergoing the review process and will be communicated to IVASS by 20 May 2024.



## 7.3.4 PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT

### Industrial Plan Strategy 2024-2028



#### POSTEPAY SERVICES

Postepay payments ecosystem and everyday needs at the heart of customer value creation and full development of the Open Payment Ecosystem

- Consolidation of leadership in digital payments and evolution towards an Instant Open Payment Ecosystem, also for connecting retail and micro-small business customer ecosystems
- Focus on growth in the Fibre segment and retention of Mobile business

#### Targets and KPIs Business Plan

Actual 2023

Target Plan



#### Electronic money

Consolidation of payment leadership through the structural growth of the digital payments market, the development of the Instant Open Payment Ecosystem with the enhancement of the Postepay Wallet

• Total debit and prepaid value of card transactions	80.3 €bn	>130 €bn 2028
• E-commerce value of transactions	24.3 €bn	42 €bn 2028
• Number of debit and prepaid card transactions*	2.7 bn	4.6 bn 2028
• Number of e-commerce transactions	0.6 bn	1.1 bn 2028
• Digital e-wallets stock	12.0 mln	16.0 mln 2028

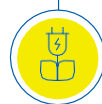
\*Number of transactions includes all payment transactions, top-ups, withdrawals and transfers with the exception of incoming transfers.



#### Telecommunications

Mobile business consolidation. Fibre *business* growth supported by ultrabroadband connectivity market growth, a loyal customer base and an omnichannel platform

• Stock of fixed and mobile lines	4.7 mln	5.5 mln 2028
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#### Energy

Growth supported by a simple, transparent, reliable and fully integrated offer in the Postepay ecosystem and with the values of the Poste Italiane Group

• Final customer base Energy and Gas	0.35 mln	2.5 mln 2028
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The SBU performance at the end of 2023 proves to be solid and growing in all divisions compared to 2022; EBIT stood at €440 million (+16% compared to 2022) driven mainly by revenue from the collections and payments and electronic money segments, due to the growth of e-commerce and the acquisition of LIS Holding SpA, which more than offset the start-up costs of the energy business.

PAYMENTS AND MOBILE (€m)	2023	2022	Changes	
<b>External revenue*</b>	<b>1,447</b>	<b>1,134</b>	<b>+312</b>	<b>+27.5%</b>
Revenue from other sectors*	264	264	+0	+0.1%
<b>Total revenue*</b>	<b>1,710</b>	<b>1,398</b>	<b>+313</b>	<b>+22.4%</b>
Costs*	753	537	+216	+40.3%
Costs vs other sectors*	518	482	+36	+7.5%
<b>Total costs*</b>	<b>1,271</b>	<b>1,019</b>	<b>+252</b>	<b>+24.8%</b>
<b>EBIT</b>	<b>440</b>	<b>379</b>	<b>+60</b>	<b>+15.9%</b>
<b>EBIT margin %</b>	<b>25.7%</b>	<b>27.1%</b>		
<b>NET PROFIT</b>	<b>338</b>	<b>270</b>	<b>+68</b>	<b>+25.1%</b>

\* This item takes into account the management reclassification of costs related to the purchase of raw materials and the transportation of electricity and gas, which are classified as a direct reduction of revenues in the energy segment. Please refer to section 8.2 Other Information for a reconciliation with the respective accounting data.

Operative KPIs	2023	2022	Changes	
<b>E-money and payments</b>				
Total value of card transactions ("on us" and "off us") (€m) <sup>1</sup>	80,275	71,390	+8,885	+12.4%
Total value of card transactions ("off us") (€m) <sup>2</sup>	64,304	57,377	+6,927	+12.1%
Number of cards (m) <sup>3</sup>	29.6	28.9	+0.7	+2.5%
of which Environmentally Friendly Cards (m)	10.6	5.2	+5.4	+103.9%
of which Postepay Prepaid cards (m)	22.1	21.4	+0.8	+3.5%
of which Postepay Evolution cards (m) <sup>4</sup>	10.0	9.5	+0.5	+5.4%
of which Postepay Connect (k)	604.2	539.7	+64.5	+11.9%
Number of card transactions (m)	2,680	2,340	+341	+14.6%
of which number of e-commerce transactions (m) <sup>5</sup>	607	512	+95	+18.6%
Incidence of Postepay top-ups on new channels* (%)	77%	78%		
<b>TLC</b>				
SIM PosteMobile landlines and mobile telephones (stock in thousands)	4,732	4,815	(83)	-1.7%
of which mobile Sim (stock in thousands)	4,326	4,459	(133)	-3.0%
of which Sim Casa (stock in thousands)	406	356	+50	+14.0%
of which Sim Fibra (stock in thousands)	143	99	+44	+44.2%
<b>Energy</b>				
Contracts signed (in thousands) <sup>6</sup>	530	47	+483	n/s

n/s: not significant.

\* Includes transactions carried out on third-party networks (Post Office Point Network, Tobacconists, HORECA and other LIS points) and digital channels (Poste Italiane Retail, Business and Other Digital Channel Properties).

<sup>1</sup> Transactions relating to payments made with Postepay Debit and Postepay on internal and external payment circuits ("on us" and "off us").

<sup>2</sup> Transactions relating to payments made with Postepay Debit and Postepay on external payment circuits ("off us").

<sup>3</sup> Includes PostePay cards and debit cards.

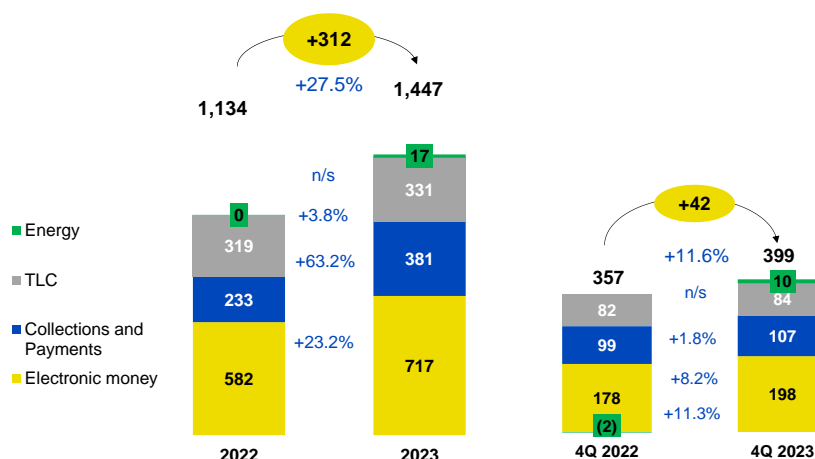
<sup>4</sup> Including business customers and Postepay Connect.


<sup>5</sup> Includes e-commerce transactions + web (on Poste Italiane's digital properties). Incoming transfers are excluded from the perimeter.

<sup>6</sup> The value refers to the period from the beginning of the service (June 2022) to December 2023.

## EXTERNAL REVENUE

(€m)



**Electronic money:** prepaid cards (top-ups, payments, withdrawals, fees, issuance), debit cards (Postepay debit – interchange fee on card transactions; from October 2021 also withdrawals, P2P top-ups and fees to customers); acquiring  services (transaction fee, fees and services) linked to the supply of POS (mobile, physical, virtual) for accepting card payments (debit, credit, prepaid). Phone top-ups for all mobile network operators (MNOs) and mobile virtual network operators (MVNOs), commercial services for tobacconists/HORECAs.

**Collections and payments:** tax payment service through acceptance of the F23 and F24 models; funds transfer for sending money abroad via Moneygram and Western Union, post giro transfers and direct debit made by Postepay Evolution, payments on the PagoPA system, MAV, payment collection, revenue stamps, acceptance of postal pay slips and other direct LIS payments.

**TLC:** mobile phones (revenue from traffic and fee) and fixed line (PosteMobile Casa and PosteCasa Ultraveloce offers).

**Energy:** revenue from electricity and gas sales following the start of the employee and family promotion in mid-June 2022 (mass market offer starting from January 2023) and revenue from energy management portfolio optimisation activities.

External revenue<sup>134</sup> stood at €1,447 million and mark a growth of €312 million compared to the previous year (+27.5%).

As mentioned above (see Section "Group operating results"), starting in 2023, the energy business has been represented on a net revenue basis, i.e. the revenue shown below is shown net of costs associated with the purchase of raw materials, system charges and the transport of electricity and gas.

The growth of €312 million is supported by the acquisition of LIS Holding SpA and LIS Pay SpA, which brought in incremental revenue of €184 million for the year<sup>135</sup> (distributed between the Electric money business, €65 million, and the Collections and Payments business, €119 million), while the new energy business with €17 million in revenue benefited from the launch of the mass market offer in January 2023.

Revenue from Collections and Payments services grew by €147 million (+63.2% compared to 2022) due to both the inorganic growth of LIS (+€119 million) and the growth in revenue from PostePay PagoPA payment alerts (+€18 million, +24% compared to 2022) and instant bank transfers<sup>136</sup> from Postepay Evolution (+€9 million, +72% compared to 2022).

Revenue of the Electronic money business increased by €135 million (+23.2%) from €582 million in 2022 to €717 million in 2023, due to the aforementioned acquisition of LIS (and the associated €65 million increase in revenue) and growth in the operations of both Postepay Evolution and Postepay debit cards, as well as higher fee income; there were also higher revenue from acquiring services compared with 2022, due to the increase in volumes transacted and the contribution of LIS.

The Telecommunications segment showed revenue of €331 million (+€12 million or +3.8%) compared to €319 million in 2022. The increase in external revenue is mainly attributable to higher revenue from the fibre optic connectivity service.

In the year 2023, the Energy segment recorded €17 million in net revenue (of which €157 million in revenue and €140 million in costs for raw materials, sorting charges and transport costs), mainly due to the Light offer. In addition to the energy offer reserved for employees and their relatives launched in June 2022, the mass market offer was launched in January 2023, with the advertising campaign starting on 12 February 2023; in 2023, 488 thousand subscriptions were recorded (of which 336 thousand for the light offer and about 151 thousand for gas).

Revenue from other sectors amounted to €264 million in 2023 and were substantially in line with the previous year.

The performance in the last quarter of 2023 confirms the sustained growth in the Collections and Payments and Electronic money segments. Specifically, Electronic money revenue for the quarter amounted to €198 million (+€20 million, +11.3% compared to the fourth quarter of 2022) driven by growth in e-commerce (approximately €197 million e-commerce

<sup>134</sup> The SBU accounting external revenue amounted to €1,586 million in 2023 (€464 million in the fourth quarter of 2023), compared to €1,147 million in 2022 (€368 million in the fourth quarter of 2022). The SBU total accounting revenue amounted to €1,861 million in 2023 (€542 million in the fourth quarter of 2023), compared to €1,410 million in 2022 (€430 million in the fourth quarter of 2022).

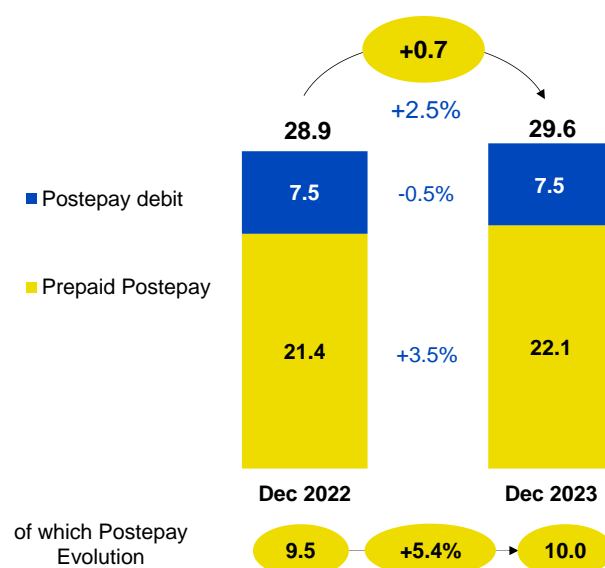
<sup>135</sup> Incremental revenue of LIS recorded in January/August 2023. The month of September 2023 and the last quarter of 2023 are included in the organic growth, i.e. with the same company perimeter compared to the comparison periods (LIS entry into the Group starting from September 2022).

<sup>136</sup> Transfers settled within seconds of the transaction being ordered, via the pan-European TIPS (Target Instant Payment Settlement) platform dedicated to real-time settlement of instant payments. Source: [www.bancaditalia.it](http://www.bancaditalia.it).

transactions in the quarter, +16.1% compared to the same quarter in 2022) from high payment card operations, structural growth in cashless payments, and the acquiring service. Collections and Payments services recorded revenue of €107 million in the last quarter of 2023 (+8.2% compared to the fourth quarter of 2022) mainly due to the positive contribution of the PagoPA payments service to the Public Administration and the revenue by Instant Bank Transfers. Positive performances also for the Telecommunications segment, which achieved revenue of €84 million in the last quarter of the year (+€1 million, +1.8% compared to the fourth quarter of 2022) supported by the growth of the customer base of the fibre optic connectivity service. In the last quarter of the year, the energy segment generated revenue of €10 million, net of costs related to the purchase of raw materials and transport costs.

## CARD STOCK

(m)



At 31 December 2023, the overall stock of prepaid cards and debit cards amounted to 29.6 million, up compared to 31 December 2022 (+0.7 million, +2.5%) with overall transactions<sup>137</sup> in 2023 equal to €80.3 billion, up by approximately €8.9 billion (+12.4%) compared to 2022.

**29.6**  
**mln**

the card stock at  
2023

The existing Postepay prepaid cards amount to 22.1 million (+3.5% compared to December 2022) and of these, the Postepay Evolution cards, reached a stock of 10 million at the end of 2023 (+5.4% compared to the value at 31 December 2022). The sale of Postepay Connect<sup>138</sup> continued in 2023, with approximately 90 thousand activations at December 2023 and a stock of 604 thousand cards (+11.9% compared to December 2022). There was strong growth in the stock of eco-friendly cards, which reached 10.6 million cards at 31 December 2023, up by 5.4 million or 104% from 5.2 million at the end of December 2022.

**+18.6%**

the growth of  
e-commerce transactions  
in 2023

During 2023, there was an increase in payment card transactions of 14.6% (+341 million transactions) compared to 2022, also thanks to the contribution of e-commerce transactions<sup>139</sup> and on the web +18.1% (+108 million transactions).

<sup>137</sup> The figures refer to on-us and off-us payment transactions.

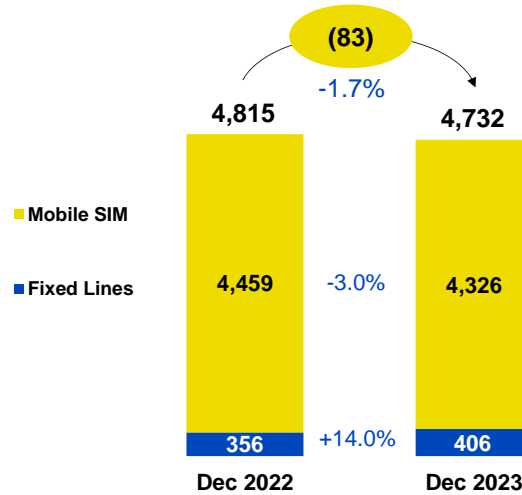
<sup>138</sup> Offer integrating the Postepay Evolution prepaid card and the Postemobile SIM.

<sup>139</sup> Includes e-commerce transactions + web (on Poste Italiane's digital properties).

In the area of acquiring, against a number of POS installed in 2023 of about 287 thousand, a transacted volume of €30 billion was developed (+12% of transacted volume compared to 2022, an increase of €3 billion).

## SIM STOCK

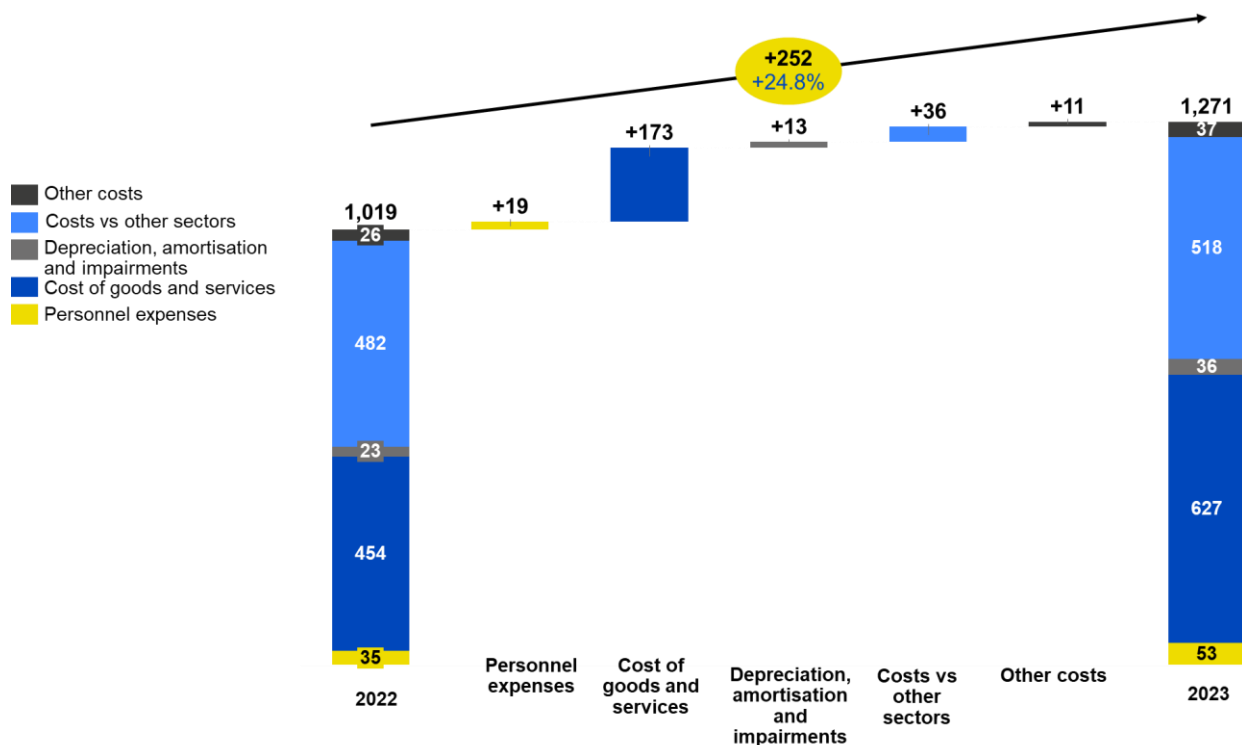
(figures in thousands)



In Telecommunications, the customer base related to mobile telephony services, in December 2023, is represented by approximately 4.3 million lines, down (-3.0%) compared to 31 December 2022. With reference to Fixed Telephony services, the "PosteMobile Casa" offer and the "PosteCasa Ultraveloce" fibre optic data connectivity offer recorded a 14% increase in lines, rising from 356 thousand lines at 31 December 2022 to 406 thousand lines at the end of 2023. In detail, the lines of the "PosteMobile Casa" offer increased by 2.4%, while the lines of the "PosteCasa Ultraveloce" (Fibre) offer reached 143 thousand units in 2023, an increase of 44 thousand lines compared to December 2022.

## TOTAL COSTS

(€m)



\*This item takes into account the management reclassification of costs related to the purchase of raw materials and the transportation of electricity and gas, which are classified as a direct reduction of revenues in the energy segment. For a reconciliation with the respective accounting data, see section 8.2 Other Information

The total costs of the Strategic Business Unit amounted to €1,271 million, an increase of 24.8% (+€252 million) compared to the €1,019 million incurred in 2022.

The increase in the cost of goods and services (+€173 million, +38.1% compared to the previous year) was mainly due to the expansion of the operating perimeter generated by the acquisition of LIS (+€132 million), start-up costs in the Energy segment following the launch of the commercial offer during the period (+€16 million), and the increase in the costs of payment circuits due to increased operations.

The increase in costs towards other sectors (+€36 million, +7.5% compared to 2022) is mainly determined by the higher outsourcing costs to the Parent Company, with particular reference to back office and call centre activities and systems information on payment services and placement of contracts at post offices linked to the start-up of activities in the energy business.


Personnel expenses increased by €19 million (+53.7%) compared to 2022, due to the expansion of the workforce following the acquisition of LIS and the new Energy business.

In light of the described results, the economic performance of the Payments and Mobile Strategic Business Unit at the end of 2023 shows an operating profit (EBIT) of €440 million, up 15.9% compared to the previous year (+€60 million) with a contribution on the last quarter of the year of €122 million (+€13 million compared to the fourth quarter of 2022).

The profit achieved in 2023 amounted to €338 million, an increase of 25.1% compared to the value of 2022 (+€68 million).

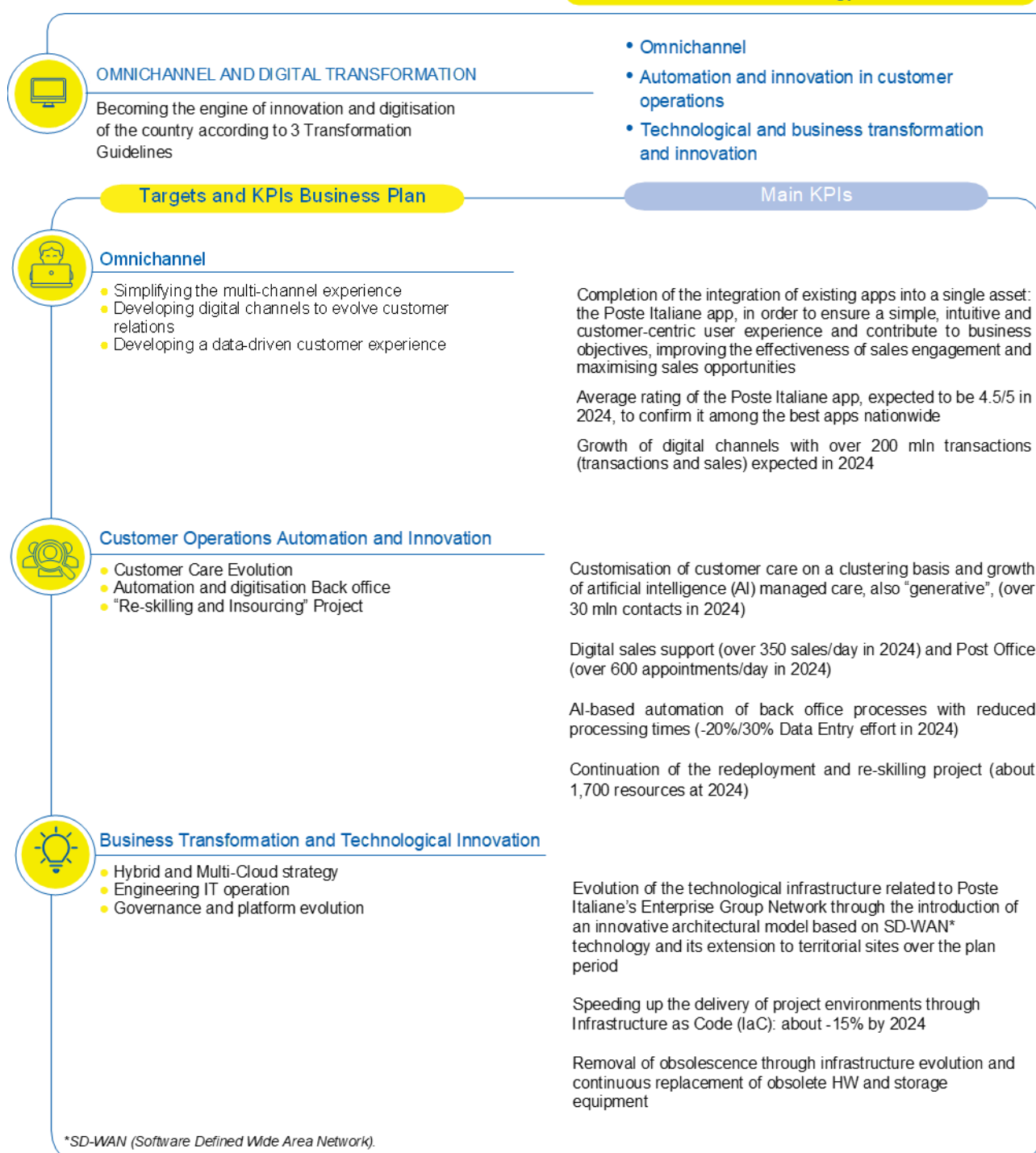
## 7.4 DIGITAL AND THIRD-PARTY NETWORKS IN THE GROUP'S OMNICHANNEL STRATEGY

The Group acts as a driver of innovation and digitisation of the country, guaranteeing the accessibility and functionality of its offer and services to all citizens.

The Group's omnichannel strategy is aimed at creating an "ecosystem" and multi-channel platform model which, thanks to cutting-edge physical and digital  channels and simplified processes for serving its customers, aims to guarantee an excellent and homogeneous customer experience on all contact points.

The main drivers of the Group's digital transformation, outlined in the new 2024-2028 business plan, are outlined below:

### Industrial Plan Strategy 2024-2028



## DIGITAL PROPERTIES

The Group has implemented a programme of "digital transformation" of its service and offer models in order to guarantee its customers full digital contact experiences. This programme was significantly accelerated in 2021, in view of the effects of the current health emergency, in order to make the Group's products available to customers in conditions of absolute safety.

**>6  
mln**

Daily visitors on the  
Group's digital channels  
(+10% y/y)



## Digital Market

With reference to the Digital market<sup>140</sup>, almost 52 million people in Italy are on-line and almost 43 million are present and active on social channels 98.3% of Italians continue to use a smartphone and 67.9% a desktop or laptop computer, while the growth of smartwatches (used by 35.3% of the population, up 6.3% compared to 2022) and smart homes (used by 23.8% of Italians, up 16.1% compared to 2022) continues. As far as e-commerce is concerned, 47.1% of people in Italy made at least one online purchase in 2023.

The main KPIs with the Group's performance on digital channels and third-party networks during 2023 are represented below.

Key KPIs Omnichannel	2023	2022	Changes	
Daily interactions physical network Poste and new channels (m)*	23.1	21.2	+1.9	+9.0%
Daily transactions Poste physical network and new channels (m)*	3.2	3.1	+0.1	+3.7%
<b>KPIs New Channels*</b>				
Incidence of new channel interactions (digital, remote channels and third-party networks/total daily interactions)	69%	69%		
Incidence of transactions on new channels (digital transactions and third-party networks/total transactions)	52%	50%		
<b>Digital KPIs</b>				
Incidence of digital interactions (e-commerce + digital retail channels)/total interactions	47.8%	46.7%		
Daily digital transactions (m)	0.5	0.4	+0.1	+20.4%
Digital transactions/total transactions*	17.7%	15.2%		
Daily users (website and apps) (m)	6.3	5.8	+0.6	+10.0%
Overall app rating	4.6	4.6	(0.0)	-0.5%
Digital clients (m)	13.4	12.0	+1.4	+11.7%
App downloads (m)	96.8	84.5	+12.3	+14.5%
Poste Italiane Digital e-Wallets (m)	12.0	10.7	+1.3	+11.9%
Active SPID digital identities (m)	24.0	23.8	+0.2	+0.8%
<b>KPIs third-party networks</b>				
Payslip volumes (in mln)	40.7	50.8	(10.0)	-19.8%
Postepay top-ups (in mln)	52.8	51.8	+1.1	+2.1%
Postemobile top-ups (in mln)	9.4	11.1	(1.7)	-15.2%
Parcels delivered (in mln)	15.7	10.8	+4.8	+44.7%

\* The indicators shown in the 2022 column have been pro-forma to include LIS's operations in the first eight months of 2022 (the company was acquired in September 2022).

**Interactions:** daily contacts of customers with the group's omnichannel platform: visits to the Poste Italiane Group's website and apps, calls to the contact centre, customers served in Post Offices, transactions carried out at ATMs  and third-party networks, transactions on physical POS  and e-commerce.

**Transactions:** customers' purchase actions (e.g. purchase of current account or postepay evolution) and transactions (e.g. payment of pay slips, postepay top-up, bank transfer) on the Poste Italiane Group's digital *properties*, in post offices and at third-party networks.

**Average unique visitors:** number of users who made at least one daily visit to the Group's digital properties (Poste.it website and apps) in the selected period.

<sup>140</sup> Source: <https://wearesocial.com/it/blog/2024/02/digital-2024-i-dati-italiani/>.



In 2023, the Poste Italiane Group reached 23.1 million daily interactions (21.2 million interactions in 2022) with 69% of interactions on digital properties, remote channels

&gt;17%


The incidence of daily transactions on digital channels in 2023

and third-party networks. The number of average daily unique

about  
27 mln

digital identities issued with about 75% market share

visitors also grew during the year, reaching 6.3 million, up 10% compared to last year. Compared to last year, daily transactions on digital channels also grew in double figures (+20%), accounting for about 18% of total daily transactions. Digital customers

enabled for online operations through e- wallet  reached 12 million at 31 December 2023, using the Poste Italiane Group's apps, which recorded over 96 million downloads with an overall rating in 2023 of 4.6 out of 5.

The share of digital transactions on total transactions also increased compared to 2022 from 15.2% to 17.7% in 2023.

Poste Italiane is confirmed as the first SPID Digital Identity Manager, with a market share of around 75% and a customer base of around 27.3 million Identities Digital public databases issued, of which 24 million active. As further confirmation of its commitment to institutions and citizens, Poste Italiane renewed the SPID Identity Manager Agreement with AgID in September.

In order to guarantee the highest quality of service and to always propose new "digital citizenship" tools to users, giving value to the privileged partnership with Institutions and supporting the evolution of the Public Digital Identity System, Poste Italiane pursues continuous improvement of the customer experience in all its aspects and an ever-evolving offer through the development of new digital identity solutions.






### Strengthening of digital channels

In 2023, the Group continued the evolution of digital channels with a view to ensuring a seamless, omnichannel experience for its customers based on the following main drivers of evolution:

#### Introduction of new features on digital channels

- During 2023, the **new Poste Italiane app (formerly the Ufficio Postale app)** was made available, with a new design and a personalised user experience, thanks to the improvement of existing services and the introduction of new features, including particular:
  - simplified booking flow, with the possibility of retrieving appointments made in omnichannel mode;
  - introduction of a form pre-filling service directly in the app to simplify the experience in the Ufficio Postale app;
  - new notice board, organised in a simpler way and navigable via the advanced search functionality;
  - new section of the profile that allows customers to view and keep updated their personal and contact data and manage their PostelD;
  - a "featured" area with communications and notifications relating to the customer's operations, as well as a section dedicated to business proposals and one for quick access to the most frequently performed operations and with a summary of current activities, to support the customer in day-to-day operations;
  - simplified access through the creation of a PostelD, even for non-financial users, and enabling biometric recognition to standardise the way all customers access the app;
  - new section dedicated to assisting customers in requesting information on the various products/services and for the resolution, also in self-service mode, of any problems encountered;
  - available on the app the new Poste Delivery Web and Postaonline funnels optimised for the purchase and dispatch of parcels, as well as the purchase and dispatch of registered mail, letters and telegrams online from smartphones;
  - integration of the financial component, which enables customers to independently view and manage their BancoPosta accounts and Postepay cards, expanding the range of products available in the app; it is therefore possible to access the details of their financial products and carry out the main payment transactions, in addition to those already available on the BancoPosta and PostePay apps<sup>141</sup>;

<sup>141</sup> Safely pay slips and car and motorbike tax stamps, make PagoPA payments, top-ups and transfers, send and receive money, withdraw without a card, view card PINs and block them, and pay bills.

- customisation of the app services (thanks to the use of Artificial Intelligence), based on the customer's usage with a data-driven logic to facilitate daily use; it is also possible to customise the home page, colour and sorting of services based on one's preferences.
- In the area of **Postal Savings**, a recognition process was made available to customers on the BancoPosta web and app channels to allow holders of Libretti Smart, enabled only for information functions, to also access device functions by carrying out online transactions without the need to go to a post office or a Postamat ATM.
- On the basis of the main innovations introduced with the new Poste Italiane app, the evolution of the **poste.it website** has begun, with the simplification of its reserved areas through the introduction of fast-track operations and the use of new graphic elements, in order to facilitate the usability of information and enable customers to quickly access the main order operations.
- The **digital assistant (BOT)**  **service was evolved** in order to monitor the status of shipments.
- As part of the activities to **evolve the fibre offer**, in March 2023, the possibility was made available for customers paying through the pay slip to be able to speed up the payment of invoices with the new feature of **"one-click-to-pay"** offering customers access to their payment tools to pay their slips via app and web and, at the same time, to switch to direct debits.
- In the Poste Italiane, BancoPosta and PostePay apps, thanks to the new PostePass functionality, the **identification** phase of customers in the Post Office (at the counter and in the consultancy room) has been simplified for the purposes of contracting a product/service present on the Single Front End platform<sup>142</sup>, through the use of Strong Customer Authentication (SCA). Customers, whose identification document is already present in the Poste Italiane archives, by framing the QR Code  on the PAD  provided at the counter and entering their PostelD code, are identified without the need to present their documents. In addition, customers in possession of FEA<sup>143</sup> (*Firma Elettronica Avanzata*, Advanced Electronic Signature) can also sign the contractual documentation for the purchase of a new financial product at the Post Office using the Postepay and Bancoposta apps.
- The new **cardless withdrawal service** has been introduced in the Poste Italiane, BancoPosta and PostePay apps, which allows Postepay Debit card holders to withdraw cash without using their physical card by going to one of the affiliated points of the PUNTOLIS network.
- For holders of a digital domicile<sup>144</sup> a new service model has been implemented, as an alternative to service by post, which provides for the filing in the **Platform for Digital Notifications**<sup>145</sup> of the deed and the sending of an information notice in telematic mode to the addressees.

#### **Strengthening the catalogue of offers on digital channels**

- In the **Electricity and Gas** sector, the new functions have been made available<sup>146</sup> in the **self-service area** (of the website and app), of the new transversal assistance model in the PostePay app and of the new sales funnel from the BancoPosta app and the management of the recalculation of the annual (fixed) instalment is available<sup>147</sup> and related communications to the customer via digital channels (web and app), on the bill, and by e-mail.

<sup>142</sup> The Single Front End (FEU) is Poste Italiane's product sales platform that allows the sale of different products to be managed through a single system and render a more efficient service to customers.

<sup>143</sup> The advanced electronic signature (FEA) is the technological solution that allows customers to electronically sign the contractual forms required for the activation of services requested at Post Offices, in compliance with the regulations in force. Customers will be able to affix their signature using an electronic pen connected to a tablet that is capable of detecting the graphic signature stroke and a series of additional graphometric characteristics (writing speed, pressure exerted, acceleration, inclination, etc.), guaranteeing the value of the documents signed in this way as private deed in accordance with current legislation, and ensuring the unique connection of the signature to the signatory, the authenticity and non-changeability of the document.

<sup>144</sup> The digital domicile is the electronic address elected at a certified electronic mail (PEC) service or a qualified certified electronic delivery service, as defined by the eIDAS Regulation, valid for the purposes of electronic communications having legal value.

<sup>145</sup> Official Journal no. 130 of 6 June 2022, Regulation governing the modalities of operation of the platform for the notification of Public Administration deeds (Pnd). Administrations, through one of their officials, will log in via SPID or CIE and will be able to upload the document to be notified on the platform, entering the addressee's tax code and digital domicile. The platform operator will send the addressee a notice by PEC (certified e-mail) informing of the existence of the deed and providing the means of accessing and acquiring it.

<sup>146</sup> The new functionalities relate to typical after-sales activities, such as: change of residence status, change of payment method, transfers, complaints, management of land registry data, activation/deactivation of bill by e-mail, change of delivery address, etc.

<sup>147</sup> It is checked whether the initial estimate on which the fixed instalment paid by the customer in the current year was developed is still valid or, due to changed consumption habits of the customer or changes in prices, whether it should be modified for the following year.

- In the utilities area, omnichannel functionalities of **cross-selling between Energy and Fibre products** were implemented on the **Thank You Page**<sup>148</sup>. In addition, the contact centre sale of Fibre products was extended to all customers (including prospect customers<sup>149</sup>, SPID customers and those with an incomplete or invalid identity document).
- The **new simplified sales funnel** for the Current Account was introduced in the BancoPosta app, completing, in an omnichannel logic (i.e. the ability to switch from the app channel to the web and vice versa during the request process), the active channels for the sale of the product; on the web channel, the new simplified sales funnel dedicated to the purchase of Mutual Investment Funds was introduced, for customers already in possession of a current account and smart passbook.
- In the **Postal Savings** area, the new **Supersmart Rinnova Offer** is available, and can be activated from both the web channel and the BancoPosta app, dedicated to Libretto Smart holders with the Supersmart Premium Offer whose accruals are about to expire; in addition, the range of products that can be subscribed to on the digital channels, web and BancoPosta app, has been expanded (Interest-bearing Postal Certificate Soluzione Futuro and Supersmart Pensione Offer for Libretto Smart holders).
- Digital sales of the Postepay Evolution card have been made available, both from the PostePay app and from the poste.it website, completing the active channels for selling the product and the range of cards that can be purchased online from an omnichannel perspective.

#### Optimising PosteBusiness infrastructure

- The digital payment functions of business customers with the Postepay Evolution Business card and, where applicable, Postepay Debit Business have been expanded, integrating the **payment of pay slips** (both from the web and the app), **Postepay top-ups** (both from the web and the app), the **F24 forms** (from the web), telephone top-ups (from both the web and the app) and foreign bank transfers (from the web).
- The **"My Business" service** has been integrated, both on the web channel and on the PosteBusiness app, for users of the **BancoPosta Business Link current account**, which allows you to have a simple and intuitive vision of your financial situation, monitoring income, expenses and cash flow, including forecasts, and the achievement of personalised income and/or expense objectives.
- With regard to the e-commerce service dedicated to the Corporate target, the marketing of the new **Virtual POS platform** was launched on a panel of selected customers and the analysis and development of the innovative functionalities managed by the platform was started. The new solution makes use of a new customer service model provided directly by Poste Italiane, guaranteeing greater customer control and monitoring.








<sup>148</sup> The thank you page is the last screen in the sales process where the customer is greeted and thanked for signing up for the service.

<sup>149</sup> Prospect customers are users who do not have any product/service with Poste Italiane and are not registered at poste.it, who come into contact with Poste Italiane through Call me Back or call centre calls but for whom no data is present on the systems.

## 7.5 GROUP CAPITAL MANAGEMENT FRAMEWORK

The Group strategically manages the allocation of available capital among the four Strategic Business Units in which it operates, consistent with the following objectives:

- 1 ensure business continuity through adequate capital allocation by all SBUs to support the investment and liquidity needs of the businesses on the one hand, and compliance with regulatory requirements for SBUs operating in regulated and supervised markets on the other;
- 2 maximise the medium- to long-term value creation of the Group by allocating capital according to its economic return;
- 3 guarantee a competitive return to shareholders by ensuring the dividend policy communicated to the market;
- 4 seize opportunities arising from acquisitions and/or strategic partnerships.

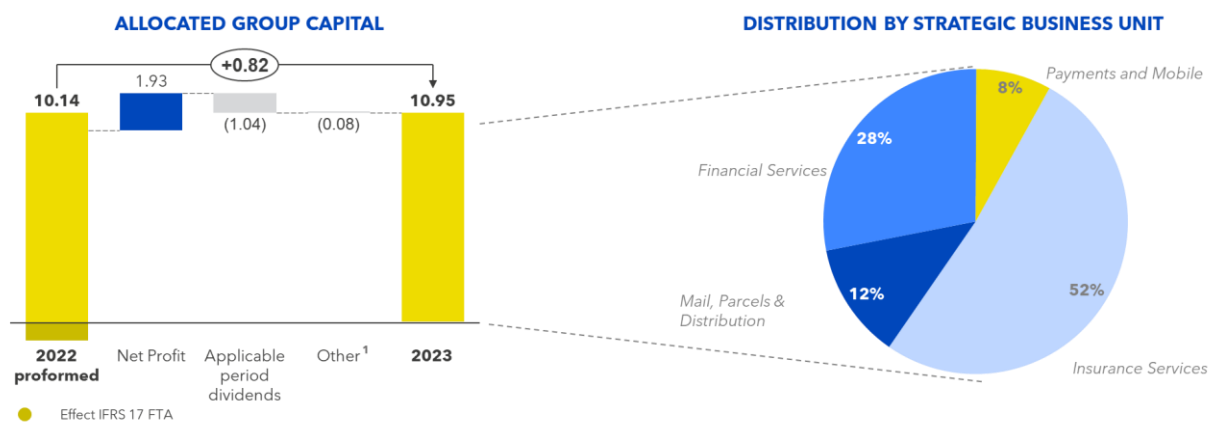
OBJECTIVES	2023-2022 KPIs	FOCUS
<p>1 Support the operational continuity of the business, ensuring industrial investments consistent with the objectives of the Strategic Plan.</p> <p>Maintain capital requirement levels in line with the forecasts of the various authorities or consistent with management's aspiration.</p> <p>Maximise cash flow from Group operations.</p>	<ul style="list-style-type: none"> <li>• <b>Investments</b> of €845 million in 2023 (€810 million in 2022)</li> </ul>	
	<p>BancoPosta:</p> <ul style="list-style-type: none"> <li>• <b>CET1 ratio</b> of <b>18.9%</b> in 2023 (20.3% in 2022)</li> <li>• <b>Total Capital Ratio</b> of <b>22.1%</b> in 2023 (23.1% in 2022)</li> <li>• <b>Leverage ratio</b> of <b>3.2%</b> in 2023 (2.9% in 2022)</li> </ul>	
	<p>Poste Vita Group</p> <ul style="list-style-type: none"> <li>• <b>Solvency Ratio</b> of <b>307%</b> in 2023 (253% in 2022)</li> </ul>	
	<p>PostePay EMI:</p> <ul style="list-style-type: none"> <li>• <b>Free Capital ratio</b>: <b>55.4%</b> in 2023 (33% in 2022)</li> <li>• <b>Total Capital Ratio</b>: <b>13.45%</b> in 2023 (8.95% in 2022)</li> </ul>	
	<ul style="list-style-type: none"> <li>• <b>FFO of the Mail, Parcels and Distribution SBU</b> in 2023 amounting to <b>€339 million</b> (€259 million in 2022)</li> </ul>	
<p>2 Maximise the Group's medium-/long-term value creation, directing strategic choices according to return on capital, towards continuous value growth over time.</p>	<ol style="list-style-type: none"> <li>1. Group <b>ROE</b> of <b>17%</b> in 2023 (15% in 2022)</li> <li>2. <b>EPS</b> of <b>€1.48</b> in 2023 (€1.21 in 2022)</li> </ol>	
<p>3 Ensure competitive returns to shareholders by guaranteeing adequate distributable profit reserves of the Parent Company to support the dividend policy. Optimise dividend flows distributed by the SBUs to the Parent Company.</p>	<ol style="list-style-type: none"> <li>3. <b>DPS</b> 2023 of €0.800 (+23% y/y) of which a portion (€0.237) was settled as an advance in November 2023 (€307 million)</li> <li>4. <b>Distributable reserves</b> of the Parent Company at 31 December 2023 of €1.8 billion, (€1.4 billion at 31 December 2022)</li> </ol>	
<p>4 Seize opportunities related to strategic M&amp;A transactions, flexibly managing the capital and liquidity while keeping the Group's financial structure balanced.</p>	<ol style="list-style-type: none"> <li>5. <b>NFP Mail, Parcels and Distribution SBU</b> at 31 December 2023 -€1,381 million (-€1,401 million at 31 December 2022)</li> <li>6. <b>EBITDA</b> 2023 of €3,431 million (€3,121 million in 2022)</li> </ol>	

With reference to the objectives listed above, during the year the Group has:

- incurred industrial investments in the amount of €845 million, details of which are given below;
- distributed dividends to shareholders of €883 million;
- supported M&A transactions by committing around €145 million of liquidity mainly for the acquisition of the following companies:
  - Net Insurance (€108 million);
  - Cronos (€49.5 million).

Below is the evolution of the Group's allocated capital compared to 2022 and its distribution among the SBUs.

(figures in €bn)



1. Other includes the purchase of treasury shares, the coupon on the hybrid bond, the recognition of put options for the purchase of minority interests and the change in the IFRS 2 reserve

**Allocated capital** at 31 December 2023 amounted to €10.95 billion, an increase of €0.82 billion compared to 31 December 2022, mainly due to the 2023 profit for the year of €1.93 billion, partially offset by dividends for the year of €1.04 billion (partly distributed through an interim dividend of €307 million in November). The Group's allocated capital is mainly attributed to the Insurance Services (52%) and Financial Services (28%) SBUs.

## 7.6 GROUP FINANCIAL POSITION AND CASH FLOW

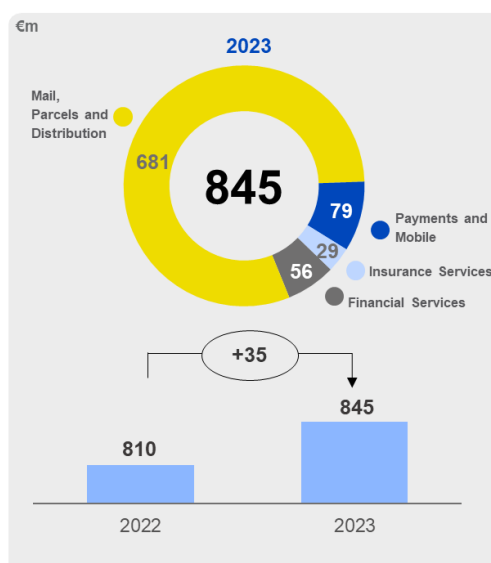
€m	31 December 2023	31 December 2022	Changes	
NON-CURRENT ASSETS	6,195	5,852	+343	+5.9%
NET WORKING CAPITAL	1,096	1,288	(192)	-14.9%
<b>GROSS INVESTED CAPITAL</b>	<b>7,291</b>	<b>7,140</b>	<b>+152</b>	<b>+2.1%</b>
SUNDRY PROVISIONS AND OTHER ASSETS/LIABILITIES	(715)	(274)	(442)	n/s
<b>NET INVESTED CAPITAL</b>	<b>6,578</b>	<b>6,866</b>	<b>(288)</b>	<b>-4.2%</b>
<b>EQUITY</b>	<b>10,439</b>	<b>7,878</b>	<b>+2,560</b>	<b>+32.5%</b>
<b>NET DEBT (SURPLUS)/DEFICIT</b>	<b>(3,861)</b>	<b>(1,012)</b>	<b>(2,849)</b>	<b>n/s</b>
<i>of which: Net debt of the Mail, Parcels and Distribution SBU</i>	2,755	2,839	(84)	-2.9%

n/s: not significant.

The Poste Italiane Group's **non-current assets** at 31 December 2023 amounted to €6,195 million, an increase of €343 million compared with the end of 2022. Investments of €845 million contributed to the formation of fixed assets and an increase in rights of use for new stipulations, renewals and contractual changes falling within the scope of application of IFRS 16 equal to a total of €248 million. In addition, there was an increase resulting from the first-time consolidation of Net Insurance of €160 million (of which €124 million related to the recognition of provisional goodwill from acquisitions). These changes were partially offset by depreciation and amortisation of €882 million.

Also contributing to the balance of this item are equity investments in companies accounted for using the equity method for a total of €294 million, mainly relating to the investments held in Anima Holding, Financit, Replica SIM and, starting from the current year, the investment in sender Italia for €22 million, which, as part of the renegotiation of agreements with sender GmbH, lost the status of subsidiary and assumed the status of associate.

Group **investments** in 2023 amounted to €845 million. Investments classified as ESG, i.e. complying with the reference principles of the Group's 8 Pillars of Sustainability, represent more than 70% of the total value. Among the main projects we highlight the interventions relating to the Polis Project "Digital Citizenship Services Houses", the interventions of energy efficiency of the real estate assets, the automation and evolution of the sorting and delivery network from a green perspective, the improvement of the customer experience of the products and services offered to customers from a multi-channel and digital perspective, the evolution of the Cloud infrastructure, as well as the adoption of management systems, equipment and infrastructures in the field of health and safety.



In line with the investment programme for the period 2021-2024, designed to support the objectives of the Strategic Plan, around 80% of the Group's investments (€681 million) focused on the automation and modernisation of the [Mail, Parcels and Distribution Strategic Business Unit](#).

about  
26,200

low-emission vehicles  
available in the fleet, of which  
approximately 5,800 electric

In particular, the renewal of the fleet dedicated to delivery continued in 2023, with the introduction of about 3,600 new vehicles, of which about 2,200 electric, about 800 hybrid and the remainder with low emissions. At 31 December 2023, the total fleet consisted of around 26,200 new low-emission vehicles. In addition, some 1,600 electric vehicle charging infrastructures were installed in 2023. At 31 December 2023, approximately 5,600 electricity columns are installed.


During the year, new zero-emission delivery lines were also implemented on 7 city centres (Naples, Foggia, Matera, Pesaro, Palermo, Reggio Calabria and Siena) in addition to the 28 city centres already implemented in 2021-2022, for a total of 35 city centres. Instead, as far as municipalities are concerned, there are about 800 with zero-emission deliveries.

Property investments concerned the redevelopment of Post Offices, the creation of new spaces for commercial specialists and mobile consultants.

In the area of reducing environmental impacts, work continued on automation and remote control of facility management (about 380 buildings involved in the Smart Building interventions in 2023) in order to reduce electricity consumption and CO<sub>2</sub> emissions. Work also continued on the replacement of conventional lamps with LED technology (around 21,000 additional lamps in 2023) and 145 photovoltaic systems were installed in 2023, totalling more than about 310 systems with an installed capacity of over 15,000 KWp.

about  
2,000


buildings involved in the  
Smart Building interventions  
at 31 December 2023

In 2023, work continued on the routine management of safety in the workplace, in particular with the distribution of safety equipment at the territorial branches (including around 1,400 anti-sickness kits) and information security  through activities to prevent threats and counter cyber attacks. Work continued on the Poste Italiane video

about  
433k

LED lamps  
installed at 31  
December 2023

surveillance service for sites not yet served and existing systems were improved by progressively replacing digital video recorders (DVR) and obsolete anti-intrusion control units. In particular, around 330 cameras and over 170 Intrusion Control Panels were replaced. Furthermore, during 2023, the TAPA - FSR (Transported Asset Protection Association – Facility Security Requirements) certification was obtained<sup>150</sup> on 3 sorting centres, as well as renewed at the Brescia Operations Center and 5 further Sorting Centres, for a total of 9 certified sites at 31 December 2023.

Within the scope of Technological Transformation and Engineering, the migration of existing digital services to the new infrastructure based on Hybrid Cloud continued, through a "containerisation"  procedure of application components. In addition, activities continued on the Data Driven Company project, which aims to support corporate strategies through the implementation of a Data Mesh Platform<sup>151</sup> that will provide access to structured and customised information. In Customer Service, the transformation process sees the increasing use of the Artificial Intelligence platform to support the management of first-level contacts compared to last year. Finally, among the most important initiatives in the omnichannel

<sup>150</sup> TAPA certification involves the implementation of physical security systems and the adaptation of security systems (access control, video-surveillance, anti-intrusion, etc.) at the logistics sites of Posta Comunicazione, as well as the adoption of specific rules, procedures and audit plans so that what is implemented is aimed at protecting assets and spreading a culture of security, in compliance with company regulations, in order to ensure the reduction of exposure to the risk of theft, compliance with the international TAPA-FSR standard according to which sites will be certified, the maintenance of air security certification (regulated agent, airport handler) and the transport of dangerous goods under ADR (Accord Dangereuses Route - road) and DGR (Dangerous Goods Regulation - air transport). (Regulatory requirement on civil aviation security Reg. EU 300/2008; Reg. EU 2015/1998 and following).

<sup>151</sup> The data mesh is a decentralised data architecture that organises data according to a specific business domain. In this type of architecture, data is conceived as a "product", in fact reference is made to "data product".

sphere is the completion of the gradual release on stores of the first version of the new Poste Italiane app, replacing the previous Ufficio Postale app, with over 2.5 million users having already made digital bookings.

In the **Financial Services Strategic Business Unit**, total investments amounted to €56 million and mainly concerned the streamlining of sales and post-sales processes, with a focus on customer identification procedures and the simplification of contract signing at Post Offices. In addition, the pilot project of the new online trading platform was launched and the enhancement of customer engagement continued<sup>152</sup>.

In the **Insurance Services Strategic Business Unit**, during 2023, project activities continued to support industrial development, which particularly concerned the finalisation of Poste Vita's acquisition of Net Insurance SpA through its subsidiary Net Holding SpA. Furthermore, the functional/infrastructural improvement activities of the most important business support systems continued and the systems adaptation interventions were completed to comply with regulatory obligations, such as the first application of the IFRS 17 accounting standard. Total investments in 2023 amounted to €29 million.

Investments in the period of the **Payments and Mobile Strategic Business Unit** amounted to €79 million. Developments to support the fixed and mobile network offerings continued with the aim of increasing their competitiveness in the market, as well as investments in IT systems aimed at supporting the new sales processes in post offices, the provision of PagoPA services and the release of new functions in the issuing area. Finally, following the launch of the Poste Energia offer, development activities continue on the management platform and the release of specific functions on digital channels (app and web).

For further details on initiatives aimed at accelerating the digitalisation processes and omnichannel use of the offers of the various Strategic Business Units, see the section on "Strengthening of digital channels".



**Net working capital** at 31 December 2023 amounted to €1,096 million and decreased by about €192 million compared to the end of 2022 mainly due to:

- higher trade receivables of €226 million net of higher trade payables of €19 million;
- net decrease of approximately €310 million resulting from changes in other assets and liabilities;
- increase in current tax payables, net of current tax receivables, of €103 million.

The balance of **Sundry provisions and other assets/liabilities** at 31 December 2023 amounted to €715 million and increased by €442 million compared to 31 December 2022 mainly due to the lower net deferred tax assets and liabilities of €579 million partially offset by the decrease in the employee termination benefits for €68 million, by the recognition of the investment in Cronos among the assets for sale for €50 million and by the decrease in the provisions for risks and charges of approximately €20 million.

**Equity** at 31 December 2023 amounted to €10,439 million, an increase of €2,560 million compared to 31 December 2022. This change is mainly attributable to:

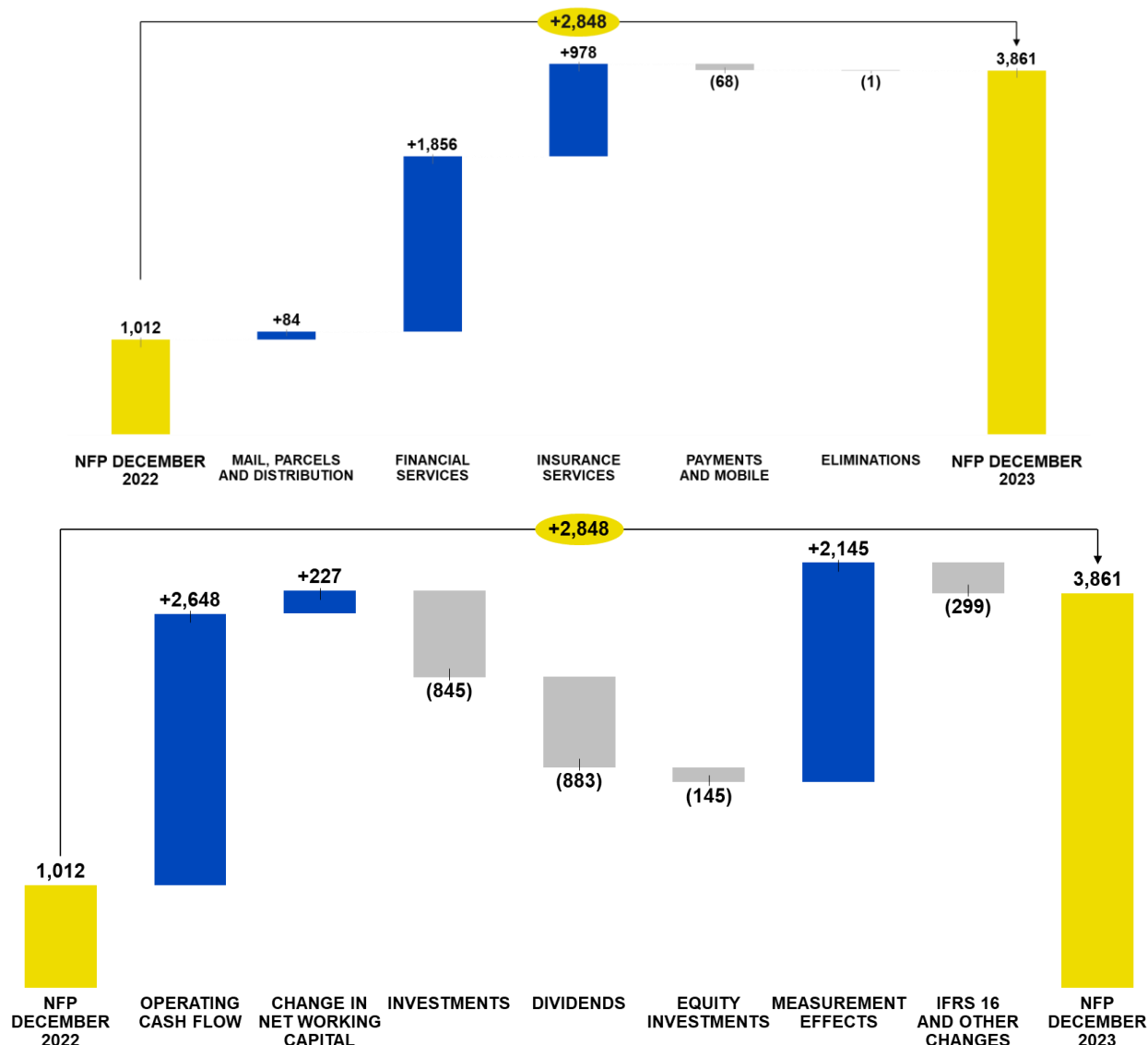
- the positive effect of the profit for the year of €1,933 million;
- the negative effect from the distribution of dividends in the amount of €883 million (of which €307 million as interim ordinary dividend planned for the financial year 2023);
- the net positive change in the fair value reserve for investments held by the Financial Services Strategic Business Unit of approximately €1,550 million;
- the decrease in the cash flow hedge reserve of about €170 million.

## Group Net Debt/(Funds)

<sup>152</sup> Improving the customer experience through the set of interactions between the various channels, especially digital.



(€m)



**Total net debt/(funds)** at 31 December 2023 showed funds of €3,861 million, an improvement of €2,848 million from 31 December 2022 (funds of €1,012 million). The following mainly contributed to this change:

- a positive operating result of €2,648 million (of which €1,933 million referable to the profit for the year and €882 million to depreciation and amortisation partially offset by the net uses of the employee termination benefits for €103 million and other items for approximately €64 million);
- the positive effect of the change in working capital and taxes (excluding the effects of changes in the scope of consolidation) amounting to approximately €227 million:
  - o increase in gross trade receivables of about €300 million (excluding the contribution from corporate transactions);
  - o €61 million of higher trade payables (excluding the contribution from corporate transactions);
  - o a decrease in Other Receivables and Assets net of Other Liabilities of about €318 million mainly attributable to the net decrease in tax-related items mainly connected to the operations of the Insurance Services and Financial Services Strategic Business Units;
  - o positive effect from the change in taxes for about €147 million;
- investments in assets for €845 million;
- the negative effect from the distribution of dividends in the amount of €883 million (of which €307 million as interim ordinary dividend planned for the financial year 2023);

- the positive valuation effects for the year amounting to €2,145 million, mainly attributable to positive fluctuations in the value of investments classified as FVTOCI, held mainly by the Financial Services Strategic Business Unit, and residually by the other SBUs;
- investments in shareholdings amounting to €145 million mainly related to the acquisition of Net Insurance (of which about €108 million for disbursement) and Cronos (€49.5 million including the second capital increase subscribed by Poste Vita for about €47.8 million);
- other decreases totalling €299 million, mainly attributable to the increase of €234 million in financial liabilities for leases falling under IFRS 16.

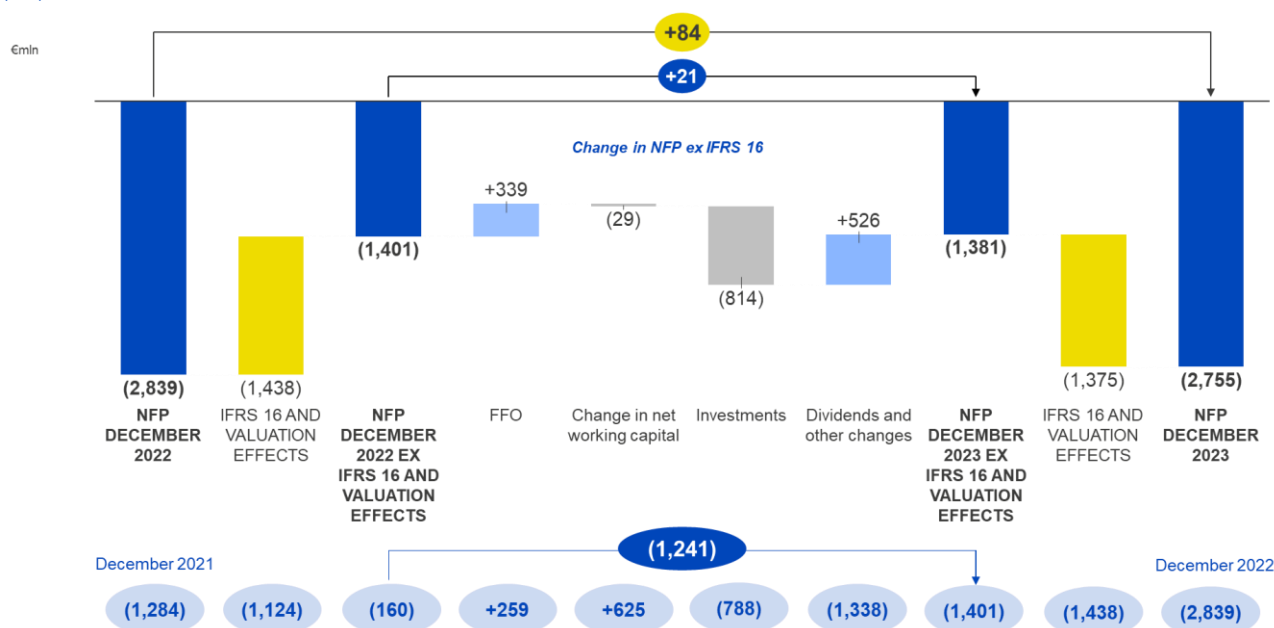
With reference to the financial instruments held by the Financial Services Strategic Business Unit, the overall change in the fair value during the year was positive for approximately €2.3 billion and a positive amount of €1.9 billion was recognised in the specific equity reserve for the part not covered by fair value hedge instruments and €0.4 billion for the part covered in the statement of profit or loss, offset by the negative change in fair value hedge derivative instruments.

At 31 December 2023, the total balance of derivatives in fair value hedge was positive for €3.6 billion (€5.4 billion at 31 December 2022).

In addition, as part of these hedging transactions, the Parent Company shows a balance of liabilities for Guarantee Deposits of about €4.8 billion (€2.8 billion at 31 December 2023). The change, compared to the previous year, is mainly due to the reduction in fair value hedge derivatives following early settlement transactions.

## Analysis of the net debt/(funds) of the Mail, Parcels and Distribution Strategic Business Unit

(€m)



The **Net debt/(funds) of the Mail, Parcels and Distribution Strategic Business Unit** at 31 December 2023 showed a debt of €2,755 million (€1,381 million net of lease liabilities and valuation effects), an improvement of €84 million compared to 31 December 2022, when it showed a debt of €2,839 million (€1,401 million net of lease liabilities and valuation effects).

Net of lease liabilities and valuation effects in the year, the change amounting to €21 million reflected:

- a positive operating result (FFO) of €339 million due to the negative result for the year of €155 million net of the capital gain realised following the renegotiation of the agreements with Sennder GmbH (€109 million), depreciation and amortisation (excluding rights of use) for €573 million and of the net uses of the provision for employee termination benefits, provisions for risks and other minor changes for approximately €79 million;
- a negative effect related to the change in net working capital of €29 million;
- new investments in fixed assets for €814 million;
- a net positive cash flow from dividends and other changes of about €526 million mainly due to the net effect of dividends received from companies (€1,397 million) and paid to shareholders outside the Group (€883 million).

The **Payables** shown in the net debt/(funds) of the Mail, Parcel and Distribution Strategic Business Unit primarily relate to:

- an EIB loan of €173 million maturing in March 2026;
- an EIB loan of €400 million maturing in October 2026;
- an EIB loan of €150 million maturing in May 2028;
- an EIB loan of €100 million maturing in May 2028;
- a CEB loan of €125 million maturing in December 2030;
- two senior unsecured bonds issued on 10 December 2020 with a total nominal value of €1 billion, the first of €500 million maturing in December 2024 and the second of €500 million maturing in December 2028.

## Analysis of the ESMA net debt/(funds) of the Mail, Parcels and Distribution Strategic Business Unit

(in €m ln)	31 December 2023	31 December 2022
A. Cash and cash equivalents	(650)	(575)
B. Cash equivalents	-	-
C. Other current financial assets	(6)	(1)
<b>D. Liquidity (A+B+C)</b>	<b>(656)</b>	<b>(577)</b>
E. Current financial debt (including debt instruments, but excluding the current portion of	813	379
F. Current portion of non-current debt	1	1
<b>G. Current financial debt (E+F)</b>	<b>814</b>	<b>381</b>
<b>H. Net current financial debt (G + D)</b>	<b>158</b>	<b>(196)</b>
I. Non-current financial debt (excluding current portion and debt instruments)	2,058	2,001
J. Debt instruments	498	997
K. Trade payables and other non-current payables	15	18
<b>L. Non-current financial debt (I + J + K)</b>	<b>2,571</b>	<b>3,017</b>
<b>M. Total financial debt (H + L)</b>	<b>2,729</b>	<b>2,821</b>

## ESMA financial debt reconciliation with Net debt/(funds) including intersegment transactions

(in €m ln)	31 December 2023	31 December 2022
<b>M. Total financial debt (H + L)</b>	<b>2,729</b>	<b>2,821</b>
Non-current financial assets	(647)	(539)
K. Trade payables and other non-current payables	(15)	(18)
Tax receivables Law No. 77/2020	(407)	(420)
<b>Net Debt/(Funds) Industrial</b>	<b>1,661</b>	<b>1,843</b>
Intersegment financial receivables and payables	1,094	996
<b>Net debt/(funds) for capital outside ring-fence including intersegment transactions</b>	<b>2,755</b>	<b>2,839</b>

**Existing cash and credit lines** are sufficient to cover expected financial requirements. More specifically, at 31 December 2023, the cash of the Mail, Parcels and Distribution Strategic Business Unit amounted to €0.6 billion (mainly relating to the Parent Company), while unused committed and uncommitted lines to support liquidity totalled approximately €3.4 billion.

The table below provides details of the credit lines at 31 December 2023 and 31 December 2022.

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022
<b>Committed credit lines</b>	<b>2,450</b>	<b>2,450</b>
Short-term loans	2,450	2,450
<b>Uncommitted credit lines</b>	<b>2,201</b>	<b>2,159</b>
Short-term loans	960	1,005
Current account overdrafts	185	145
Unsecured loans	1,056	1,008
<b>Total</b>	<b>4,651</b>	<b>4,609</b>
<b>Uncommitted uses</b>	<b>569</b>	<b>652</b>
Short-term loans	0	1
Unsecured loans	569	652
<b>Total</b>	<b>569</b>	<b>652</b>

## 7.7 PERFORMANCE OF POSTE ITALIANE SPA AND REPORT ON OPERATIONS OF BANCOPOSTA RFC

[OPERATING RESULTS OF POSTE ITALIANE SPA](#)

[FINANCIAL POSITION AND CASH FLOW OF POSTE ITALIANE SPA](#)

[REPORT ON OPERATIONS OF BANCOPOSTA RFC](#)

### 7.7.1 OPERATING RESULTS OF POSTE ITALIANE SpA

Reclassified profit or loss

(€m)	2023	2022	Changes	
Revenue from sales and services	9,880	8,904	+976	+11.0%
Other income from financial activities	271	428	(157)	-36.6%
Other operating income	1,003	721	+282	+39.1%
<b>Revenues</b>	<b>11,155</b>	<b>10,053</b>	<b>+1,102</b>	<b>+11.0%</b>
Total personnel expenses	5,348	4,987	+361	+7.2%
Other operating expenses	3,505	3,246	+259	+8.0%
<b>Costs</b>	<b>8,853</b>	<b>8,233</b>	<b>+620</b>	<b>+7.5%</b>
<b>EBITDA</b>	<b>2,302</b>	<b>1,820</b>	<b>+482</b>	<b>+26.5%</b>
Depreciation, amortisation and impairments	773	744	+29	+4.0%
<b>EBIT</b>	<b>1,528</b>	<b>1,076</b>	<b>452</b>	<b>+42.0%</b>
<b>EBIT MARGIN</b>	<b>13.7%</b>	<b>10.7%</b>		
Finance income/(costs)	90	24	+66	n/s
<b>Gross profit</b>	<b>1,619</b>	<b>1,100</b>	<b>+518</b>	<b>+47.1%</b>
Taxes	229	253	(24)	-9.5%
<b>Net profit</b>	<b>1,390</b>	<b>847</b>	<b>+542</b>	<b>+64.0%</b>

**Total revenue** generated by Poste Italiane SpA in 2023 amounted to €11,155 million, up 11% year-on-year (€10,053 million in 2022). The item Revenue and Income recorded growth of €976 million (+11%) compared to 2022, mainly thanks to the contribution of **revenue from financial services**, which show an increase compared to the financial year 2022 mainly attributable to the income from the use of postal current account deposits and free cash balances and to the remuneration of postal savings deposits. With reference to the former, the change in the item refers mainly to income from investments in securities and income from deposits held with the MEF, both related to the effects of the upward shift in the interest rate curve. With reference to the remuneration of postal savings deposits, the increase in the item compared with the previous year reflects the fees accrued at 31 December 2023, based on the Supplementary and Amending Deed of 30 January 2024 (effective retroactively from 1 January 2023 to 31 December 2023) to the Agreement in place with Cassa Depositi e Prestiti.

The decrease in **Other income from financial activities**, compared to the previous year, was mainly due to lower realised gains from financial instruments, partially offset by higher other income for interest accrued on guarantee deposits paid to counterparties. The increase in **Other revenue and income** was mainly due to higher dividends distributed by subsidiaries during the year and the capital gain of about €91 million generated by the sale of the controlling interest in the company sender.

**Total costs**, net of depreciation, amortisation and impairments, went from €8,233 million in 2022 to €8,853 million in 2023 due to the increase in total personnel expenses (+€361 million compared to 2022) and other operating costs (+€259 million compared to 2022).

The **total personnel expenses** increased by €361 million (+7.2%) compared to 2022. This change is attributable to both the increase in the extraordinary component and the increase in the ordinary component. The increase in the extraordinary

component is mainly related to the additional and extraordinary performance bonus (approximately €130 million) paid to employees in November 2023, as well as higher provisions for early retirement incentives. The change in the ordinary component compared to the previous year derives from the increase in the contractual minimums triggered in July 2022 and July 2023 in connection with the National Collective Labour Agreement renewed in June 2021 and the increase in the variable component driven by the share linked to commercial incentive.

The increase in **other operating costs** is mainly attributable to: i) the increase in financial operating expenses mainly due to the effect of the change in the interest rate curve, which generated higher interest expenses on deposits under guarantee received from counterparties, on repurchase agreements and on postal current accounts of public customers; ii) higher costs of goods and services mainly attributable to the general increase in costs generated by the international inflationary pressure, the increase in costs for logistics and delivery services related to the recovery in demand in the parcels segment and fees related to the increased use of Cloud technology. These changes are partially offset by the decrease in other costs and charges mainly attributable to lower provisions for risks on tax credits compared to the previous year (for further details, see Note B4 - Provisions for risks and charges and Note A10 - Tax Credits, Law no. 77/2020 in Poste Italiane's Financial Statements in the section Poste Italiane's Financial Statements).

The item **Depreciation, Amortisation and Impairments** increased by €29 million compared to the previous year due to higher amortisation on utilisation rights (€15 million), largely related to the expansion of the leased fleet, and depreciation of the item Property, plant and equipment (€5 million).

**Income taxes** went from €253 million in 2022 to €229 million in 2023, a decrease of €24 million.

Poste Italiane SpA's **net profit** for the year ended 31 December 2023 was €1,390 million (€847 million in 2022).

## 7.7.2 FINANCIAL POSITION AND CASH FLOW OF POSTE ITALIANE SpA

### Net invested capital and related hedging

(€m)	31 December 2023	31 December 2022	Changes	
Tangible assets	2,348	2,234	+114	+5.1%
Intangible assets	1,053	945	+108	+11.5%
Right-of-use assets	970	1,040	(70)	-6.7%
Investments	3,695	3,676	+18	+0.5%
<b>Non-current assets</b>	<b>8,066</b>	<b>7,895</b>	<b>+170</b>	<b>+2.2%</b>
Trade receivables and Other receivables and assets	5,556	5,281	+275	+5.2%
Trade payables and Other liabilities	(5,328)	(5,332)	+4	+0.1%
Current tax assets/(liabilities)	(81)	54	(135)	-48.6%
<b>Total net working capital</b>	<b>148</b>	<b>3</b>	<b>+144</b>	<b>n/s</b>
<b>Gross invested capital</b>	<b>8,214</b>	<b>7,899</b>	<b>+315</b>	<b>+4.0%</b>
Provisions for risks and charges	(1,228)	(1,257)	+28	+2.3%
Employee termination benefits	(608)	(678)	+70	+10.3%
Prepaid/deferred tax assets/(liabilities)	656	1,224	(567)	-46.4%
<b>Net invested capital</b>	<b>7,033</b>	<b>7,188</b>	<b>(155)</b>	<b>-2.2%</b>
<b>Equity</b>	<b>5,653</b>	<b>3,808</b>	<b>+1,845</b>	<b>+48.5%</b>
<i>of which profit for the period</i>	1,390	847	+542	+64.0%
<i>of which fair value reserve</i>	(825)	(2,374)	+1,549	+65.2%
Financial liabilities	96,863	104,704	(7,841)	-7.5%
Financial assets	(81,272)	(84,197)	+2,926	+3.5%
Tax receivables Law No. 77/2020	(8,318)	(9,021)	+703	+7.8%
Cash and deposits attributable to BancoPosta	(4,671)	(5,848)	+1,177	+20.1%
Cash and cash equivalents	(1,222)	(2,258)	+1,036	+45.9%
<b>Net debt/(funds)</b>	<b>1,380</b>	<b>3,380</b>	<b>(1,999)</b>	<b>-59.2%</b>

n/s: not significant

Poste Italiane S.p.A.'s net invested capital amounted to €7,033 million at 31 December 2023 (€7,188 million at 31 December 2022).

**Non-current assets** amounted to €8,066 million, an increase of €170 million compared to 2022. Investments in tangible and intangible assets of €780 million also contributed to the formation of non-current assets, partly offset by amortisation, depreciation and impairments of €550 million. The item Right-of-use assets recorded a negative change of €70 million, which takes into account the acquisitions of the year for €134 million (mainly referring to the rental of company vehicles used for the delivery of mail and parcels), positive adjustments of €54 million for contractual changes that occurred during the year, disposals (€35 million) relating to the early termination of existing contracts with respect to their natural expiry and depreciation and amortisation for the year amounting to €223 million. The value of equity investments increased by €18 million compared to 31 December 2022, mainly due to the effect of: i) the purchase, on 19 July 2023, of the remaining 30% of the share capital of MLK Deliveries SpA for a total of €20 million, following the exercise by Poste Italiane of its call option on the shares held by Milkman SpA in MLK Deliveries SpA. With the transfer of the stake, Poste Italiane acquired total control of MLK Deliveries SpA. and iii) the transfer, on 29 June 2023, of 35% of the stake held in sennder italia Srl to the shareholder sennder Technologies GmbH as part of the broader renegotiation of the current partnership between the company and Poste Italiane. Following the completion of the transaction, which resulted in the recognition in the statement of profit or loss of a total capital gain of approximately €91 million, Poste Italiane holds a 25% stake in sennder Italia Srl which, therefore, lost its status as a subsidiary and assumed that of an associate.

**Net working capital** at 31 December 2023 amounted to €148 million, up €144 million compared to year-end 2022, mainly due to the combined effect of: i) the increase in other receivables due from subsidiaries and associates mainly attributable to the amount due from Poste Italiane SpA in its capacity as tax consolidator (+€106 million); ii) the increase in trade receivables mainly attributable to the increase in amounts due from Cassa Depositi e Prestiti (+€225 million) in respect of amounts to be invoiced accrued at the date, based on the Supplementary and Amending Deed of 30 January 2024 to the Agreement in place with Cassa Depositi e Prestiti and mentioned above; iii) the increase in current tax liabilities (+€105 million) and the reduction in current tax assets (+€30 million) (net of the balance of current tax assets).

The balance of the **Provisions for risks and charges** stands at €1,228 million (€1,257 million at the end of December 2022) and mainly takes into account the risk provision for tax credits Law 77/2020 equal to €400 million (€320 million at 31 December 2022) for risks on tax credits and the provisions for early retirement incentive for €283 million (€352 million at 31 December 2022), which reflects the estimate of the liabilities that the Company has irrevocably committed to support for voluntary early retirement incentive payments, according to the management practices in place with the Trade Union Representatives for a defined number of employees who will terminate their employment relationship by 31 December 2025.

The balance also includes provisions for disputes with third parties hedging the expected liabilities deriving from different types of legal and out-of-court disputes with suppliers and third parties, the related legal expenses, and penalties and indemnities payable to customers. At 31 December 2023, the provision amounted to €209 million (€265 million at 31 December 2022). Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.

The Provision for personnel expenses amounts to €131 million (€101 million at the end of December 2022) to cover expected liabilities arising in relation to the cost of labour, which are certain or likely to occur but whose estimated amount is subject to change. They have increased by €121 million during the year to reflect the estimated value of new liabilities and decreased as a result of past contingent liabilities that failed to materialise (€31 million) and settled disputes (€60 million).

Provisions for operational risks relating to liabilities arising from transactions conducted within BancoPosta and amounting to €95 million at 31 December 2023 decreased compared with the balance at 31 December 2022 (€109 million). Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.

The net balance of **Deferred tax assets/(liabilities)** at 31 December 2023 was positive in the amount of €656 million (1,224 at 31 December 2022); the change in the period was largely attributable to the net negative tax effect on the net positive change in the fair value reserve of investments in available-for-sale securities.

**Equity** amounted to €5,653 million and increased by €1,845 million compared to the previous year mainly in relation to the profit achieved in the year (€1,390 million), the change in the fair value reserve (+€1,549 million) in which the fluctuations (positive and/or negative) from the valuation of investments classified in the FVTOCI category are substantially reflected. These changes are partially offset by the payment of the 2022 balance and 2023 interim dividend to shareholders (-€877 million) and the movement in the cash flow hedge reserve (-€170 million).



## ESMA Financial Debt of Poste Italiane SpA's capital outside the ring-fence

(€m)	31 December 2023	31 December 2022
A. Cash and cash equivalents	(564)	(469)
B. Cash equivalents	-	-
C. Other current financial assets	(61)	(29)
<b>D. Liquidity (A+B+C)</b>	<b>(625)</b>	<b>(498)</b>
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	2,105	1,590
F. Current portion of non-current debt	1	1
<b>G. Current financial debt (E+F)</b>	<b>2,106</b>	<b>1,591</b>
<b>H. Net current financial debt (G + D)</b>	<b>1,481</b>	<b>1,093</b>
I. Non-current financial debt (excluding current portion and debt instruments)	1,720	1,671
J. Debt instruments	498	997
K. Trade payables and other non-current payables	15	18
<b>L. Non-current financial debt (I + J + K)</b>	<b>2,233</b>	<b>2,686</b>
<b>M. Total financial debt (H + L)</b>	<b>3,714</b>	<b>3,779</b>

### Reconciliation of financial debt ESMA

(€m)	31 December 2023	31 December 2022
<b>M. Total financial debt (H + L)</b>	<b>3,714</b>	<b>3,779</b>
Non-current financial assets	(1,001)	(875)
K. Trade payables and other non-current payables	(15)	(18)
Tax receivables Law No. 77/2020	(407)	(421)
<b>Net Debt/(Funds) Industrial</b>	<b>2,291</b>	<b>2,465</b>
Intersegment financial receivables and payables	366	349
<b>Net debt/(funds) for capital outside ring-fence including intersegment transactions</b>	<b>2,657</b>	<b>2,814</b>

## 7.7.3 REPORT ON OPERATIONS OF BANCOPOSTA RFC

### CORPORATE GOVERNANCE AT BANCOPOSTA RFC

With regard to BancoPosta RFC's governance, the rules governing the organisation, management and control of BancoPosta's operations are contained in the specific **BancoPosta RFC Regulation** approved by the Extraordinary Shareholders' Meeting of 14 April 2011 and recently amended by the Extraordinary General Meeting of 29 May 2018. As a result of the issuance by the Bank of Italy on 27 May 2014 of an update to the Prudential Supervisory Provisions for Banks, the provisions for banks on the organisational and governance structure, the accounting and control system and the capital adequacy and risk containment institutions apply to BancoPosta RFC.

Further information regarding the corporate governance structure is provided in Poste Italiane's "Report on Corporate Governance and the Ownership Structure", approved from time to time by the Board of Directors and published in the "Governance" section of the Company's website.

BancoPosta also has an "**Organisational and Operational Regulation**" (ROF) approved by Poste Italiane's Board of Directors, the latest update of which dates back to 28 June 2023. These regulations describe BancoPosta's operating model, its organisational structure and the related responsibilities assigned to the various functions, as well as the processes for assigning BancoPosta's business functions to Poste Italiane and for outsourcing BancoPosta RFC.

The "Governance of Assigning and Outsourcing" process for BancoPosta RFC, which had already been reviewed in 2018, was further strengthened, most recently during 2023, with regard to the areas of oversight of assigned and/or outsourced

activities, both in relation to the actions included in the Bank of Italy's 2022 Action Plan, in particular for the aspects of monitoring and control over outsourced activities, and in line with the provisions of the 40th update of Bank of Italy Circular 285, with the extension of the scope of application of the Regulation to ICT third parties and the expansion of the requirements envisaged in the matter of outsourcing to cloud service providers.

During the first quarter of 2023, the process of renewing the Operating Guidelines<sup>153</sup> for the three-year period 2023-2025 was concluded. The signed Operating Guidelines were sent to the Bank of Italy in April 2023. During the year, a new Operating Guideline was also signed with the Group's Strategic Marketing Function for market research activities on products, analysis of BancoPosta customer satisfaction, and analysis of the positioning and trends of the various BancoPosta products on the market. This Operating Guideline, as part of the evaluations required by the Regulation governing the process of assignment and outsourcing of BancoPosta RFC, was classified as a Non-Essential or Important Function (FEI).

In 2023, with the aim of overseeing and strengthening the methods of dialogue on the assigned and outsourced functions, the **Operational Management Committees** continued with the Poste Italiane functions (Private Market, Digital, Technology & Operations, IT Security, Fund Movement, Business and Public Administration, Administration, Finance and Control, Legal Affairs, Privacy, Communication, Anti-Money Laundering, CERT also for the field of Business Continuity Management, Fraud Management and Human Resources and Organisation). Periodic meetings also continued with BancoPosta Fondi SGR, which provides the financial management service for BancoPosta RFC, and with PostePay, which manages for BancoPosta products such as pay slips, car tax, RAV, bank transfers, direct debits, postal orders, money orders, domiciliary collections, eurogiro, book cards and the payments platform.

In March 2023, the renewal activities for the contract between BancoPosta and PostePay relating to collection and payment services were concluded.

Still on the subject of outsourcing, in 2023, the risk profile assessments of the renewals for the outsourcing of Paper Archive Management and related dematerialisation (Postel), for the outsourcing of the Financial Back Office for the processing of bills, cheques and treasury, and for the outsourcing of back office services for judicial inspections in the Group's Anti-Money Laundering area were concluded with a positive outcome.

System integration and specialised back office services for the evolved advisory solution Premium and evolved advisory solution services for the private segment were also evaluated as outsourcing of Non-Essential and Important Functions.

Finally, in December 2023, three outsourcings of Essential or Important Functions were authorised for back office management services through a cloud-based case management and robotics platform called "Digital Desk", for cloud services to the provider Amazon Web Services Inc. and of financial back office services for the areas of Cheques, Bills, Treasury, Succession, Credit Statements, Foreclosures, Disallowances, Administrative Services and other activities related to financial services.

Also in December, the first report on outsourcing was sent to the Bank of Italy. The survey, which will be conducted on an annual basis, collects information on outsourcing contracts useful for assessing the main outsourcing risks arising from situations of concentration of service providers, the spread of the sub-outsourcing phenomenon and the increasing use of cloud computing.

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<sup>153</sup> Contracts whereby BancoPosta Assets assigns operational or control activities to functions of Poste Italiane. The Operating Guidelines establish, among other things, the applicable levels of service and transfer prices and are effective following an authorisation process involving the relevant functions, the Chief Executive Officer and, where required, the Company's Board of Directors. Please refer to the Information on BancoPosta RFC in the Separate Statement of BancoPosta RFC at 31 December 2023 in this Annual Report for further details.

**BANCOPOSTA RFC FINANCIAL REVIEW**

<b>Main indicators</b>	<b>2023</b>	<b>2022</b>
CET 1 CAPITAL <sup>1*</sup>	2,654	2,618
TOTAL CAPITAL <sup>2*</sup>	3,104	2,968
CET 1 RATIO <sup>3</sup>	18.9%	20.3%
TOTAL CAPITAL RATIO <sup>4*</sup>	22.1%	23.1%
ROA <sup>5</sup>	0.6%	0.6%
ROE <sup>6*</sup>	23.0%	23.0%
Net interest income/Net interest and other banking income <sup>7</sup>	37.6%	35.3%
Operating expenses/Net interest and other banking income <sup>8</sup>	85.5%	84.7%

<sup>(1)</sup> CET 1 Capital includes the initial equity reserve and non-distributable profit reserves (Tier 1 capital), taking into account the transitional regime (Regulation 2017/2395 EU).

<sup>2</sup> TOTAL CAPITAL includes CET 1 CAPITAL, and Additional Tier 1 capital (AT 1)

<sup>3</sup> The CET 1 Ratio represents the adequacy of Tier 1 capital in terms of Pillar 1 capital requirements (operational, credit, counterparty and market risks).

<sup>4</sup> The TOTAL CAPITAL RATIO expresses the adequacy of treasury funds (Total Capital) with respect to the weighted exposure to Pillar 1 risks (operational, credit, counterparty, exchange rate).

<sup>5</sup> ROA (Return On Assets). Represents the ratio of profit for the period and total assets.

<sup>6</sup> ROE (Return on Equity) represents the ratio of profit for the period and equity after deducting profit for the period and the valuation reserves.

<sup>7</sup> Represents the contribution from net interest income as a ratio of net interest and other banking income.

<sup>8</sup> Cost/income ratio is the ratio between Operating expenses and Net interest and other banking income.

\* The 2023 ratios and shareholders' equity take into account the calculation of the €60 million allocation of profit for the year 2023 as they are the subject of the resolution of the Board of Directors of Poste Italiane concerning the proposed allocation of profit for the year 2023 and in compliance with the provisions of Article 26 of Regulation (EU) No. 575/2013.

## OPERATING PERFORMANCE

## Profit or loss

(€m)	2023	2022	Changes	
Interest and similar income	2,778	2,095	+683	+32.6%
Interest expense and similar charges	(587)	(172)	(415)	significant
<b>Net interest income</b>	<b>2,191</b>	<b>1,923</b>	<b>+268</b>	<b>+13.9%</b>
Fee and commission income	3,670	3,454	+216	+6.3%
Fee and commission expenses	(200)	(216)	+16	+7.4%
<b>Net fee and commission income</b>	<b>3,470</b>	<b>3,238</b>	<b>+232</b>	<b>+7.2%</b>
Profits/(Losses) on hedging*	4	(49)	+53	+108.2%
Gains (losses) on sale of financial assets or liabilities	158	335	(177)	-52.8%
<b>Net interest and other banking income</b>	<b>5,823</b>	<b>5,446</b>	<b>+377</b>	<b>+6.9%</b>
Administrative expenses	(4,973)	(4,627)	(346)	-7.5%
<i>a) personnel expenses</i>	(35)	(32)	(3)	-9.4%
<i>b) other administrative expenses</i>	(4,938)	(4,595)	(343)	-7.5%
<b>Net operating expenses</b>	<b>(4,973)</b>	<b>(4,627)</b>	<b>(346)</b>	<b>-7.5%</b>
<b>Net operating result**</b>	<b>850</b>	<b>819</b>	<b>+31</b>	<b>+3.8%</b>
Net allocations to Provisions for risks and charges and other operating income and charges***	(4)	15	(19)	-126.7%
Net impairment losses/reversals of impairment losses due to credit risk	(12)	(1)	(11)	significant
<b>Current pre-tax result</b>	<b>834</b>	<b>834</b>	-	-
Taxes	(233)	(231)	(2)	-0.9%
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>600</b>	<b>602</b>	<b>(2)</b>	<b>-0.3%</b>

n/s: not significant

\* The value reported in the 2022 comparative includes a reclassification of €1 million classified in the 2022 Annual Report under the item "Profits/(losses) on financial assets and liabilities measured at fair value through profit or loss".

\*\* Net operating income differs from BancoPosta's operating income included in the consolidated operating income of the Financial Services SBU in that the latter includes "net provisions for risks and charges and other operating income and charges" and "net adjustments/reversals for credit risk", while it excludes the result from financial operations.

\*\*\* The value reported in the 2022 comparative includes a reclassification of €6 million classified in the 2022 Annual Report under the item "Other operating income/(expenses)".

**Net interest income** amounted to €2,191 million, an increase of 13.9% (+€268 million). Interest income, deriving mainly from the yield on investments in securities, interest-bearing deposits with the MEF, tax credits, repo transactions and collateralisation on derivatives, totalled €2,778 million, up 32.6% from €2,095 million in 2022. The change in this item is mainly due to higher income from investments in securities and the related derivatives portfolio, as well as from deposits with the MEF from postal current account deposits belonging to public customers.

Interest expense, essentially attributable to current account relationships, repurchase agreement transactions and collateralisation of derivative transactions, amounted to €587 million and increased compared to €172 million in 2022 (+€415 million). The change in this item is mainly due to the increase in interest paid to public customers on postal current account balances, as well as to higher charges incurred for repurchase agreements and guarantee deposits.

**Net commissions** stood at €3,470 million and showed an increase of €232 million (+7.2%) compared to the previous year. Commission income totalled €3,670 million, an increase of 6.3% compared to €3,454 million in 2022 (+€216 million). The positive change mainly reflects the effect of higher revenue from the postal savings business and an improvement in insurance brokerage commissions.

Commission expenses amounted to €200 million, a decrease of 7.4% compared to €216 million recorded in 2022 (-€16 million). The change in this item is essentially attributable to lower costs accrued under the service contract signed with the PostePay group company.

The Profits/(Losses) on trading and hedging of €4 million mainly includes the negative effect of the ineffectiveness component of existing hedging derivatives, as well as the positive change in the fair value of the Visa Incorporated Series C Convertible Participating Preferred Stock held in the portfolio, partially offset by the negative change in the forward sale derivative contract for the shares themselves. Last year, the item included the effect of charges generated by derivative instruments entered into to hedge the index-linked component to which the remuneration of the Public Administration deposits is linked.

Net income from disposals of financial assets stood at €158 million, a decrease of 52.8% compared to the €335 million of 2022 (-€177 million).

**Net operating expenses**, which totalled €4,973 million, included Personnel expenses of €35 million (+9.4% compared to 2022) and Other administrative expenses of €4,938 million, up 7.5% from €4,595 million in 2022 (+€343 million).

Net provisions for risks and charges and other operating income and expenses showed a balance of -€4 million, compared to +€15 million in the previous year, and include: (i) releases of Provisions for risks and charges of €8 million, which compares with the release of €21 million in 2022, which was affected by the revision of the estimate of certain risks related to the money order product and disputes relating to BancoPosta RFC; (ii) Other operating income and expenses, which amounted to a negative €12 million, up from the negative €6 million reported in 2022.

Net adjustments and reversals for credit risk amounted to -€12 million (-€11 million compared to 2022). The item mainly reflects the negative effect of the value of Expected Credit Losses on the securities portfolio; the 2022 value included the release of an impairment provision to cover an impaired loan, collected in the first months of 2023.

After taxes of €233 million (€231 million in 2022), the financial year 2023 closes with a **Profit for the period** of €600 million.

## RESOURCES OF BANCOPOSTA RFC

BancoPosta's average workforce, all permanent employees, at 31 December 2023 was 412 (15 more than the 397 of the previous year) and was composed as follows:

Average number in full-time equivalent terms	2023	2022
Executives	26	28
Middle managers	313	298
Operational staff	73	71
<b>Total</b>	<b>412</b>	<b>397</b>

At 31 December 2023, BancoPosta has 9 second-level functions, including: 2 Marketing Functions, Private Marketing and Business and Public Administration Marketing; the Product Channel Support Function, dedicated to the training of commercial channels for the offer of financial and insurance services; 3 Staff Functions: Administration, Planning and Control, Operating Processes and Technical Secretarial services; 3 Control Functions: Compliance, Internal Auditing, Risk Management and Outsourcing Governance.

Furthermore, within BancoPosta, there is the Financial and Insurance Services Committee, which has the objective of addressing, in line with the Product Governance process, the issues connected to the development and distribution of products and services placed by BancoPosta, with a view to unitary and integrated vision of the entire offering portfolio, as well as monitoring the performance of financial investments relating to deposits from private customers and public administration. The Committee is chaired by the Head of BancoPosta and meets in two sections: "Products" and "Financial Investments".

The Financial and Insurance Services Committee met a total of 19 times during 2023 (10 for the Products Section, 9 for the Investments Section); 4 written consultations were also produced: 3 for the Products section and 1 for the Investments section.

At 31 December 2023, over 31,000 hours of technical/specialist, regulatory/mandatory and behavioural/managerial training had been provided to BancoPosta staff via classroom, webinar and e-learning platform.

## Financial position and cash flow

### Statement of financial position

Assets (€m)	31 December 2023	31 December 2022	Changes	
Cash and cash equivalents	4,732	5,874	(1,142)	-19.4%
Financial assets measured at fair value through profit or loss	26	40	(14)	-35.0%
Financial assets measured at fair value through other comprehensive income	33,069	33,161	(92)	-0.3%
Financial assets measured at amortised cost	44,562	46,576	(2,014)	-4.3%
Hedging derivatives	4,257	6,109	(1,852)	-30.3%
Tax assets	642	1,157	(515)	-44.5%
Other assets	10,857	11,521	(664)	-5.8%
<b>TOTAL ASSETS</b>	<b>98,145</b>	<b>104,438</b>	<b>(6,293)</b>	<b>-6.0%</b>
Liabilities and Equity (€m)	31 December 2023	31 December 2022	Changes	
Financial liabilities measured at amortised cost	90,964	98,944	(7,980)	-8.1%
Financial liabilities held for trading	3	4	(1)	-25.0%
Hedging derivatives	1,136	971	+165	+17.0%
Tax liabilities	266	225	+41	+18.2%
Other liabilities	2,833	2,789	+44	+1.6%
Employee termination benefits	2	2	-	-
Provisions for risks and charges	163	188	(25)	-13.3%
<b>TOTAL LIABILITIES</b>	<b>95,367</b>	<b>103,123</b>	<b>(7,756)</b>	<b>-7.5%</b>
Valuation reserves	(841)	(2,223)	+1,382	+62.2%
Equity instruments	450	350	+100	+28.6%
Reserves	2,570	2,585	(15)	-0.6%
Net profit/(Loss) for the year (+/-)	600	602	(2)	-0.3%
<b>TOTAL EQUITY</b>	<b>2,778</b>	<b>1,314</b>	<b>+1,464</b>	<b>+111.5%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>98,145</b>	<b>104,438</b>	<b>(6,293)</b>	<b>-6.0%</b>

Assets are represented by cash and cash equivalents, financial assets, hedging derivatives, tax assets and other assets. The item Cash and cash equivalents amounted to €4,732 million, down by 19.4% compared to €5,874 million at 31 December 2022 (-€1,142 million, -19.4%), and is mainly composed of liquidity at Post Offices and valuables transport companies, amounting to €3,969 million, and deposits in accounts at the Bank of Italy intended for interbank settlements, amounting to €696 million. The decrease is mainly attributable to the improvement in market rates compared to the rates recognised on deposits with the Bank of Italy.

Financial assets at fair value through profit or loss amounted to €26 million and were attributable to the fair value of 32,059 Visa Incorporated (Series C Convertible Participating Preferred Stock) convertible shares, the change of which from 31 December 2022 is shown in Net income from financial assets and liabilities at fair value through profit or loss. During the first half of the year, 101,900 ordinary shares were sold for a total value of approximately €21 million.

Financial assets measured at fair value through other comprehensive income, which amounted to €33,069 million, decreased by 0.3% from €33,161 million at 31 December 2022 (-€92 million). The decrease in this item is mainly due to the negative effect of net sales of securities compared to the previous year, mitigated by the improvement in the fair value of the securities portfolio.

At €44,562 million, financial assets measured at amortised cost decreased by 4.3% from €46,576 million at 31 December 2022 (-€2,014 million). The decrease in this item was mainly due to the decrease in loans and deposits with the MEF (-€4,088 million) and in amounts due from other financial counterparties for collateralisation transactions (-€1,234 million), partially offset by a positive change in new investments in securities issued or guaranteed by the Italian State (+€2,498 million).

The change in loans and deposits with the MEF is mainly attributable to a contraction in deposits with the Public Administration and private deposits not yet invested in securities. The reduction in guarantee deposits, on the other hand, is mainly attributable to lower deposits paid as collateral in repo transactions, against a reduction in the volumes of the latter.

Hedging derivatives with positive fair value at 31 December 2023 amounted to €4,257 million, down compared to €6,019 million at 31 December 2022 (-€1,852 million). The change was mainly due to the reduction in the fair value of outstanding

derivatives and the significant decrease in the notional amount that occurred during the year as a result of forward sales and purchases reaching maturity, as well as the early termination of certain fair value hedges as part of a broader securities portfolio restructuring strategy.

Tax assets amounted to €642 million, a decrease of €515 million (-44.5%) compared to 31 December 2022, mainly due to deferred tax assets as a result of changes in Valuation reserves in Equity.

Other Assets decreased by 5.8% (-€664 million), from €11,521 million at 31 December 2022 to €10,857 million at 31 December 2023, mainly attributable to lower loans and higher offsets of tax credits acquired from customers (as per Law Decree no. 34/2020 then converted into Law no. 77/2020).

The principal liabilities are represented by financial liabilities, hedging derivatives, tax liabilities, other liabilities and provisions.

Financial liabilities measured at amortised cost, equal to €90,964 million (with a decrease of €7,980 million compared to the €98,944 million at 31 December 2022, -8.1%) include: (i) amounts due to customers of €80,628 million (€86,094 million at 31 December 2022, down by €5,467 million equal to -6.3%) attributable to deposits carried out through current accounts, repurchase agreements and to payables for guarantee deposits paid by counterparties; (ii) payables to banks for €10,336 million (€12,850 million at 31 December 2022, down by €2,514 million, -19.6%) referable, also in this case, to current account relationships and transactions in repurchase agreements and payables for guarantee deposits paid by banking counterparties. The change from the previous year is mainly attributable to lower deposits from customers through postal current account relationships, lower utilisation of repurchase agreements and a reduction in liabilities for guarantee deposits, mainly due to the negative change in the fair value of hedging derivatives.

Financial liabilities held for trading, amounting to €3 million, represent the fair value of derivative instruments entered into to hedge the Visa shares mentioned above.

Hedging derivatives with negative fair value relating to securities in portfolio amount to €1,136 million (€971 million at 31 December 2022, an increase of €165 million, +17%). The reasons for the change are described in Hedging derivatives with positive fair value.

Tax liabilities amounted to €266 million, up €41 million from €225 million at year-end 2022 (+18%).

Other liabilities, equal to €2,833 million (€2,789 million at 31 December 2022, an increase of €44 million, +1.6%), are mainly attributable to items of a tax nature by way of withholding tax and to items in progress.

The Provision for employee termination benefits, equal to €2 million, has not changed compared to the value at 31 December 2022.

Provisions for risks and charges, which include amounts set aside to cover disputes and charges with personnel, customers and third parties in general, as well as various risks arising from BancoPosta's operations, amounted to €163 million, down €25 million (-13.3%) on 31 December 2022.

BancoPosta RFC at 31 December 2023 stood at €2,778 million (€1,314 million at 31 December 2022, an increase of €1,464 million, +111.5%). The positive change is mainly due to the increase of €1,382 million in Valuation reserves, which went from -€2,223 million at 31 December 2022 to -€841 million at 31 December 2023, the improvement of which (+€1,382 million, +62.2%) is linked to the trend in the fair value of Financial assets.

The other components of Equity showed more moderate trends: the BancoPosta RFC reserve decreased by 0.6%, from €2,585 million at 31 December 2022 to €2,569 million at 31 December 2023 (-€16 million). The decrease of €16 million is attributable to interest expenses, net of tax effects, accrued on Equity instruments.

Equity instruments increased to €450 million, up by €100 million compared to the figure at 31 December 2022. They include €350 million for a subordinated, perpetual loan with a non-call period of 8 years granted to BancoPosta by the Parent Company on 30 June 2021 and €100 million for another subordinated, perpetual loan with a non-call period of 5 years granted by the Capital outside the ring-fence to BancoPosta RFC on 30 June 2023. The terms and conditions of both contracts allow them to be counted as Additional Tier 1 capital.

The Net profit of €600 million for the financial year 2023 decreased by 0.3% compared to €602 million for the financial year 2022 (-€2 million).

### BancoPosta RFC's internal control and risk management system

The elements that characterise BancoPosta's Control Area<sup>154</sup>, understood as the general context in which company resources carry out their activities and perform their responsibilities, are primarily represented by:

- the Group **Code of Ethics**;
- the **Organisational Model pursuant to Legislative Decree no. 231/2001** and the related corporate procedures;
- the **organisational structure of BancoPosta**, as reflected in organisational charts, service orders, organisational notices and procedures determining the roles and responsibilities of the various functions;
- **General Regulation governing the process of assignment and outsourcing of BancoPosta RFC**, which respectively regulates the assignment of RFC operations to Poste Italiane functions in terms of decision-making processes, the minimum content of operating guidelines, levels of services, information flows and control procedures, and the process of outsourcing BancoPosta functions to third parties of the Poste Italiane organisation, identifying the related operational phases and the roles and responsibilities of the various bodies and functions involved in the process;
- **the Guidelines in the Internal Control and Risk Management System (also "SCIGR")**, describing the roles and duties of BancoPosta RFC's control Functions, and the procedures for coordinating and ensuring the exchange of information between these Functions and Poste Italiane's control Functions and the flow of information to corporate bodies;
- **the system used for delegating powers** to function heads in accordance with their responsibilities.

With regard to BancoPosta's structure, the organisational model in place envisages autonomous and independent control functions, with respect to both the corresponding functions of Poste Italiane, as well as with respect to the operational functions of BancoPosta, in accordance with the provisions of the specific Supervisory regulations of the Bank of Italy: **Risk Management and Outsourcing Governance, Compliance and Internal Auditing**. The risk assessment techniques, methods, controls and periodic audit findings are shared amongst the above control functions to promote synergies and take advantage of the specific expertise available. It is also planned that BancoPosta, also in the context of controls, will make use of the other functions of Poste Italiane, in line with the Regulation for the process of assigning and outsourcing BancoPosta RFC mentioned above.

In compliance with the regulatory requirements contained in the Supervisory Standards of the Bank of Italy and CONSOB to which BancoPosta is subject, in early 2024 BancoPosta's Internal Auditing function prepared its **2023 Annual Report**, the purpose of which is to provide information to the various corporate bodies on the completeness, adequacy, functionality and reliability of the overall system of controls of BancoPosta.

The Report was prepared on the basis of the findings of the audit activities carried out by the function and set out in the **2023 Audit Plan**. The report contains information on the outcomes of the audit of the services contracted out by BancoPosta to Poste Italiane's Functions under operating guidelines and the activities outsourced to providers external to the Company. The activity revealed a situation of overall adequacy with the highlighting of certain aspects of attention addressed by management with specific strengthening actions.

The Annual Report, presented to the Board of Statutory Auditors and the Board of Directors, was subsequently submitted to the Bank of Italy. The specific section regarding investment services was, on the other hand, submitted to CONSOB.

The final audits were in part performed with reference to the findings of Poste Italiane's Internal Auditing function, which is responsible, in accordance with the specific operating guidelines for the IT audit and the audit of the local units and distribution channels within Poste Italiane's network, which are responsible for BancoPosta's processes and products.

<sup>154</sup> Represents one of the most relevant components of the internal control system, i.e. a body of rules, procedures and organisational structures, which aim to prevent or limit the consequences of unexpected events and enable the achievement of strategic, operating objectives, compliance with the relevant laws and regulations, and ensure the fairness and transparency of internal and external reporting.



Internal Auditing has also drawn up the **Annual 2024 and Multi-year (2024-2026) Audit Plan**, based on a risk assessment process designed to ensure adequate coverage of BancoPosta's Business Process Model, including risks, changing aspects of the business, regulatory issues and BancoPosta RFC's organisational structures.

This Plan has been presented to the Board of Statutory Auditors and submitted for the attention of the Board of Directors.

Lastly, it should be noted that Internal Auditing carried out, with a positive outcome, the planned verification and certification activities of the reinforcement measures defined in response to the results of the Bank of Italy's inspections conducted from 14 March 2022 to 15 July 2022, which focused in particular on BancoPosta's profitability and business model, governance and control systems, and interest rate risk management methods.

### Risk management system

BancoPosta RFC has an independent Risk Management unit, responsible for ensuring, among other things, in collaboration with the Group Sustainable Development, Risk and Compliance function of Poste Italiane SpA, an integrated, retrospective and prospective view of the risk environment and of BancoPosta RFC's capital and organisational adequacy. The function provides a detailed evaluation of the **risk profile of the financial products sold**, and provides the operational and business functions involved in product development and placement with advice and support. It is also responsible for periodic reporting. During the first half of 2023, the Risk Appetite Framework (RAF)<sup>155</sup> was revised. The 2022 Annual Report and the programme of activities for 2023 were submitted to the Board of Statutory Auditors, the Control and Risk Committee and the Board of Directors, as were the ICAAP (Internal Capital Adequacy Assessment Process)<sup>156</sup> report and the Public Risk Report for 2022. These bodies also received quarterly reports on the performance of the effective risk profile versus the determined risk appetite. The principal types of risk to which BancoPosta RFC is exposed in the course of its ordinary activities are described below:

- **credit risk** (including counterparty risk);
- **market risk** (including banking book rate risk);
- **liquidity risk;**
- **operational risk.**

As regards the development of relevant risks, 2023 was characterised by a decrease in Italian government bond yields (10-year BTP 3.7% at 31 December 2023, -100 bps in the last year) and in the 10-year BTP-Bund spread (168 bps at the end of December 2023, 75 bps lower than at the end of the previous year).

The evolution of rates and spreads led to a reduction in net capital losses at portfolio level, which went from approximately €7.2 billion at the end of December 2022 to €3.3 billion at 31 December 2023.

With regard to BancoPosta's capital structure, the Leverage Ratio stood at 3.2% in December 2023, the CET 1 Ratio at 18.9% and the Total Capital Ratio at 22.1%, confirming BancoPosta's capital strength.

Details of the various areas of risk and the methods used for their measurement and prevention are provided in other sections of the Annual Report of Poste Italiane for the year ended 31 December 2023.

### BancoPosta RFC events after 31 December 2023

With regard to significant events subsequent to the closing of the 2023 Financial Statements, it should be noted that on 30 January 2024, Poste Italiane SpA and Cassa Depositi e Prestiti SpA (CDP) signed a Supplementary and Amending Deed, to the Agreement for the Collection of Postal Savings Service in force for the four-year period 2021-2024, with respect to the terms and conditions applicable to the year 2023.

<sup>155</sup> The BancoPosta RAF is the framework of reference that defines - in keeping with the maximum acceptable risk, the business model and strategic plan - the risk appetite, risk tolerance thresholds, risk limits and risk management policies, together with the processes needed to define and implement them.

<sup>156</sup> Bank of Italy defines the internal processes for determining capital adequacy in the Supervisory Provisions for Banks Part One - Transposition of CRD IV Directive Title III - Prudential Control Process Chapter 1 - Prudential Control Process.

This contractual integration became necessary due to changes in macroeconomic conditions compared to the situation at the time the Agreement was signed.

Specifically, Poste Italiane and CDP negotiated a number of changes to the Agreement that mainly concerned the mechanisms for defining remuneration and the revision of the budgets for technological developments and communication. In addition, a comprehensive programme was planned to relaunch postal savings with CDP active participation in training activities and workshops for the sales network.

## Outlook for BancoPosta RFC

In the area of Retail Current Accounts in the first quarter of 2024, promotions with dedicated codes will continue, as well as the gradual release of the new front end of current account sales at the Post Office with the associated process simplifications and customer experience improvements.

With regard to Business and Public Administration Current Accounts, new digital services such as scheduled and standing credit transfers will be developed during 2024.

On the corporate finance side, the offer will be further enhanced by introducing the so-called "Phygital" model. The initiative envisages the enabling of the physical channel for the placement of business financing products currently placed online, through the development of new functionalities aimed at enabling the possibility of initiating the request at the post office with subsequent completion of activities on the digital channel independently by the customer. The offer will also be enriched with two new products assisted by the Central Guarantee Fund for SMEs: a short-term liquidity advance product on a POS transaction basis, placed initially on the physical channel and then on the digital channel, dedicated to partnerships and corporations that have subscribed to the PostePay acquiring service; and a medium- to long-term loan, placed on the digital channel, dedicated to corporations.

In the area of Postal Savings, initiatives aimed at collecting new liquidity on the Libretto Smart for actual and prospective customers are expected to continue, as well as the launch of important retention actions dedicated to the conversion of Interest-bearing Postal Certificates and Supersmart Offers expiring in the fourth quarter.

With regard to Investments, the expansion of the product range continues with the launch of new products. Specifically, with regard to investment products, the placement of new insurance policies in the Class I and Multi-class range is planned, as well as the launch of new funds and the placement of a Bond, from third-party bank issuers, dedicated to the Premium Segment.

## OTHER INFORMATION

### Related party transactions

Information on transactions between BancoPosta and its related parties is provided in Poste Italiane Financial Statements for the year ended 31 December 2023 (BancoPosta RFC's Separate Report, Part H of the notes).

### Separate financial statements

Poste Italiane SpA's statement of financial position includes the Supplementary Statement of BancoPosta RFC, prepared pursuant to art. 2, paragraph 17-undecies of Law 10 converting Law Decree no. 225 of 29 December 2010 which states that "the assets and relationships included in RFC are shown separately in the company's statement of financial position".

### Intersegment transactions

Intersegment transactions between BancoPosta and Poste Italiane functions outside the ring-fence are set out in Poste Italiane Financial Statements for the year ended 31 December 2023 (BancoPosta RFC's Separate Report, Part A of the notes).

MAIN RELATED TYPES OF CAPITAL



7.8 THE ESG VALUE

7.9 INTEGRITY AND TRANSPARENCY

Main types of capital	Objectives	Indicator (KPI)	Target	Baseline	Implementation status 2023	Outcome
<p><b>Human</b></p> <p><b>Intellectual</b></p> <p><b>Physical/Structural</b></p>	Adaptation of the Internal Control System framework on Sustainability Reporting in line with regulatory changes (e.g. CSRD)	• Adaptation of the Internal Control System framework	• Adaptation of the framework by 2024	• 2023	New	<p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p> <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p> <p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p>
	Increase staff training on ethical principles	• No. of initiatives undertaken	• 2 initiatives by 2024	2023	New	
	Group-wide implementation of the sustainable procurement framework	• % coverage on Group purchases	• 100% by 2024	2021	70%	
	Carrying out sustainability audits (ESG) aimed at defining, establishing and consolidating a supply relationship compliant with the Minimum Safeguards and capable of supporting the process of alignment to the Taxonomy of economic activities acquired from third parties by the Poste Italiane Group	• % of the Group's qualified suppliers subject to sustainability audits	• 100% by 2026	2022	30%	
	Implementation of the new Integrated Anti-Fraud Platform (PIAF) that combines fraud prevention objectives with improved customer satisfaction	• % financial, insurance, digital products	• 100% by 2024	2020	80%	
	Definition of ESG parameters in the participation requirements and in the evaluation criteria of the technical tender offers	• % ESG coverage for OEPV tenders	• 100% by 2024	2022	96%	
	Maintaining ESG parameters in the participation requirements and in the evaluation criteria of the technical tender offers	• % ESG coverage for OEPV tenders	• 100% by 2024	2023	New	

■ Objective achieved/Objective achieved and updated    
 ■ Objective not achieved    
 ■ Deadline for achieving the objective that has not yet expired

## Work with transparency and integrity



NFS

MAIN RELATED TYPES OF CAPITAL



Poste Italiane recognises ethics and transparency as founding values of the corporate identity, as they support the Company in driving a responsible business and managing relations with stakeholders in a direct and transparent way. Compliance with laws, regulations, internal and external policies and codes of conduct, respect for rules and the utmost fairness are elements of strategic importance for the Group and are the basis for preventing any situation of conflict that may arise between corporate and personal interests.

## Poste Italiane: signatory of the Global Compact principles

The Group is a member of the UN Global Compact and prepared an "Advanced" level Communication on Progress in 2023, in continuity with previous years

**Model 231**  
**"The principles that guide our organisation in the management of business activities."**

Since 2003, Poste Italiane has adopted its own Organisational Model, which is continuously updated in line with regulatory, organisational and business developments, with the aim of building a structured and organic system of guiding principles, operating procedures and other specific safeguards, inspired by criteria of sound business management and aimed, in line with the company's purpose, at preventing the commission of the offences set out in the Decree, as well as protecting the interests of stakeholders relevant to the company itself.

The Model consists of a General Section and Special Sections, each of which relates to a class of offence relevant to the Company. The General Section provides a description, adapted to the business specificity of Poste Italiane, of the contents explicitly required by Legislative Decree no. 231/2001, (e.g. the regulation, the governance of the Company, the Supervisory Board, training/information activities, the system of sanctions, etc.) as well as the company's integrated internal control and risk management system (e.g. the integrated risk management process, the Company Regulatory System, the Group's Code of Ethics and Policies, the Corporate Governance System); the individual Special Sections outline, according to a logic based on processes, the different types of offences concretely and potentially relevant in the Company, as well as the corporate processes, sensitive activities, rules of conduct and specific control principles analysed for each class of offence.

In Poste Italiane's Model 231, sustainability issues are also of significant importance, in line with the Company's strategic direction and in consideration of the correlations and synergies between them and Decree 231. Model 231 constitutes a tool that, through the identification of specific control measures to prevent the perpetration of offences ascribable to Decree 231, also contributes to supporting the Company in the realisation of the material topics defined by it within the 8 Pillars of Sustainability that contribute to the achievement of the United Nations Sustainable Development Goals.

The Organisational Model is constantly updated in order to ensure, on an ongoing basis, its adequacy and effectiveness in relation to the various changes affecting both the organisation and the external context, also taking into account the progressive expansion of the so-called "predicate-crimes" referred to in Legislative Decree no. 231/2001, as well as the orientations of case law on this subject.

In order to clearly define the values and social role with which the Company contributes to the processes of cohesion, inclusion and sustainability of the country, as well as the rules of conduct in the performance of professional activities, the Poste Italiane Group has adopted a Code of Ethics for directors, supervisory boards, management, all employees and all those who work, directly or indirectly, permanently or temporarily, to pursue the objectives of Poste Italiane. The Code is disseminated to all levels of the organisation with the aim of spreading its values, including through training and information initiatives, so that all persons to whom the document is addressed become aware of its contents.

The Code enshrines the principles that inspire the culture, behaviour and way of doing business of the Company and its stakeholders, such as, for example, the principle of legality, impartiality and fairness, respect and development of people,

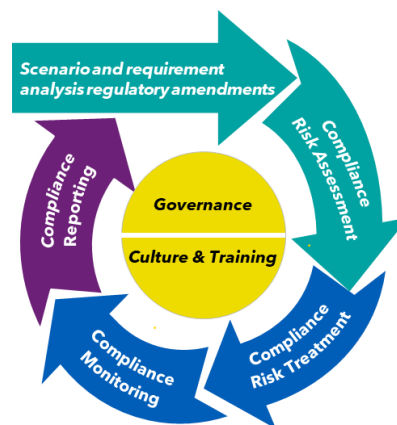
transparency and completeness, confidentiality, quality, diligence and professionalism. In this document, Poste Italiane affirms its commitment to adopting criteria of conduct that exclude conflicts of interest with the Group and promote the ability to make decisions that are consistent with the Company's objectives; criteria that avoid corruption, money laundering and terrorism and that encourage conduct of integrity, while respecting the health and safety of workers and protecting the privacy of all the recipients of the Code. Five years after the last update, in 2023, the Code of Ethics has been revised, attributing a decisive and central role to the People of Poste Italiane who, by applying the Group's values in their relations with all stakeholders, contribute to the creation of value. Moreover, in line with regulatory developments, sustainability policies, the values enshrined in the Sustainability Pillars, as well as the role that Poste Italiane plays for the territory and the communities, new guiding principles have been introduced and existing principles have been revised and integrated. In addition to the Code of Ethics, the Company adopted a Group Integrated Policy, which reflects and documents the commitment made to all Company's stakeholders, to improve its performance and, at the same time, build and develop trusting relationships with them, as part of a process of generating and sharing value for the Company as well as for the communities in which it operates, with a view to achieving continuity and reconciliation of the related interests.

In addition, Poste Italiane has set up a reporting system and an Ethics Committee with the task of managing reports and violations. In this regard, the Group has introduced the "Guideline on Whistleblowing", a document aimed at regulating the system through which reports can be made by personnel and third parties, with reference to acts or facts referable to violations of internal and/or external regulations, as well as illegal or fraudulent conduct that may determine, directly or indirectly, a financial or image damage for the Company. The Group has made a reference portal available to the recipients of the Guidelines, the management of which is entrusted to the Whistleblowing Committee, which also performs the functions of the Ethics Committee and is responsible for receiving, examining and evaluating the communications received. The Whistleblowing Committee envisages assigning to an external professional with high standards of professionalism, honourableness and independence and the permanent presence within the Committee of the Group Sustainable Development, Risk and Compliance function/Oversight 231, in order to ensure constant assessment of the relevance of the reports received.

Poste Italiane's internal system for reporting violations is further strengthened by the provisions of the Organisation, Management and Control Model, prepared pursuant to Legislative Decree no. 231/01 and approved by the Board of Directors as of October 2022. With reference to the management and monitoring of corporate risks, the Company, as part of its Internal Control and Risk Management System (SCIGR), has adopted and implemented a management system that, through an organic and integrated vision, is able to provide an unequivocal and effective response to the risks to which the Group is exposed, thus defining an integrated risk management process.

The Integrated Compliance Model adopted by the Company fits into this context, creating operational synergies between the various compliance risk specialists and guaranteeing unified governance in the management of these risks, thanks also to a clear definition of the roles and responsibilities of the players involved in the process. This Model has been formalised in the Integrated Compliance Guideline, drafted in line with best practices and in particular with the provisions of the ISO 37301:2021 (Compliance Management Systems), becoming a further fundamental pillar for the strengthening of the SCIGR, with the specific purpose of guarding against the risks of non-compliance to which the Group is exposed, fully implementing the principles of integrity, transparency and legality.

Moreover, in line with the Group's Integrated Compliance Process and in order to respond to the Group's opening to the international market as a result of significant agreements and the acquisition of foreign companies, Poste Italiane has defined the Foreign Compliance Process that disciplines governance aspects and reporting flows to and from the Parent Company, as well as the operating procedures at the level of individual Foreign Group Companies for the execution of the various compliance activities.



## ISO 9001 and ISO 37001 certification to the entire perimeter of company's processes and sites

Compliance with the UNI ISO 37001 standard, relating to anti-corruption management systems, represents an opportunity for Poste Italiane to strengthen its commitment to fight corruption and contribute to consolidating the principle of legality, with obvious benefits for the protection of the company's reputation and assets. In 2023, the commitment made by Poste Italiane with its stakeholders regarding the certification in accordance with ISO 9001 and ISO 37001 "Quality Management and Corruption Prevention System" to the entire perimeter of the company's processes and sites (approximately 16,000 sites) was achieved. In particular, the activities carried out have made it possible, in line with the extension initiatives of previous years, to maintain the Integrated Quality and Anti-Corruption Certification covering the entire Poste Italiane perimeter. With regard to Group companies, all certifications obtained, as of 2019, by the companies Poste Vita, PostePay, BancoPosta Fondi SGR, SDA Express Courier, Poste Assicura, EGI and Postel were confirmed.

## ISO 37301 and ISO 37002 certifications

ISO 37301 "Compliance management systems - Requirements with guidance for use" governs the elements necessary for an organisation to develop, implement, maintain and improve an effective Compliance Management System, focussing on the importance of spreading a culture of compliance within the organisation that contributes to the pursuit of sustainable success.

Poste Italiane - the first company in Italy to obtain, in 2022, this certification for the management of Integrated Compliance to oversee the design, development and delivery processes of Postal, Financial and Logistics Services in the areas of administrative, accounting and fiscal responsibility - maintained compliance with this certification also in 2023.

Furthermore, again in 2023, Poste Italiane maintained the certification of conformity with the ISO 37002 "Whistleblowing" standard, an international standard which aims to provide a complete guide to help organisations define, develop, implement and effectively maintain a Management System on the process of receiving and managing reports.

As evidence of Poste Italiane's commitment to disseminating the principles of integrity, preventing corruption and ensuring regulatory compliance, the Company adopted a Group-wide Competition and Consumer Protection Compliance programme and drew up the "Guideline on Competition and Consumer Protection Compliance", which is the cornerstone of the programme.

The document provides indications on the regulations for the protection of competition and the consumer and defines the rules of conduct that corporate bodies, executives, employees and all those who work to achieve the Group's purpose and objectives must observe. In particular, the objectives set out in said document concern: i) ensuring compliance with competition and consumer protection rules, of which no violation is tolerated; ii) strengthening awareness and disseminating knowledge about the importance of competition and consumer protection regulations; iii) consolidating an operating and control environment that mitigates the risk of commission of antitrust and anti-competitive offences as well as violation of consumer protection regulations; defining a guide to prevent actions, behaviours and omissions that violate competition and consumer protection regulations, and outline monitoring tools to identify any violations.



## Poste Italiane and Guardia di Finanza together to ensure legality and transparency

The historic collaboration with Guardia di Finanza (Finance Police) and the signed protocol provide even more effective and up-to-date tools to counter any abuse and make a concrete contribution to the country's development.

The Memorandum of Understanding with Guardia di Finanza consolidates the entrenchment of company standards and rules in processes, through the increasingly widespread dissemination of the principles of legality and transparency in the market and the prevention of financial offences. In particular, within the framework of the Protocol, the shared objectives are the fight against tax evasion, avoidance and fraud, offences relating to public expenditure, economic and financial crime, money laundering, counterfeiting and fraud concerning payment systems. The Protocol also stipulates that Poste Italiane shall assist in the work of prevention and law enforcement by sharing with Guardia di Finanza its wealth of information against unlawful acts in areas of institutional interest carried out also by exploiting technological and IT means. Under the agreement, Poste Italiane will make available to Guardia di Finanza the data in the "Identity Check" system, which will be useful for investigations to prevent and repress fraud and any other offence of an economic or financial nature. The Protocol also establishes regular meetings to review the progress of the collaboration and share information on new fraud scenarios and initiatives to be implemented.



## Poste Italiane and Arma dei Carabinieri

Through the Memorandum of Understanding with Arma dei Carabinieri, Poste Italiane consolidates the rooting of company rules and regulations in its processes and strongly reaffirms - internally and externally - the organisation's position on issues of legality, safety at work and training. On the basis of the Protocol with Arma dei Carabinieri, Poste Italiane also relies on the expertise of the Carabinieri to ensure maximum compliance with labour, social security and work safety regulations at construction sites opened for building work at Poste Italiane premises.



## Poste Italiane and Polizia di Stato (State Police)

Security agreement with the State Police to guarantee the security of communications and postal services through the repression of offences involving products and production processes of the services offered by the Poste Italiane Group, surveillance activities in post offices during scheduled payment periods, and the creation of task forces functional to the study of new computer fraud scenarios, in continuity with what the State Police constantly ensures in all strategic sectors of the country, to protect essential services and the fundamental rights of citizens.



A further element in the path undertaken by Poste Italiane to pursue sustainable success, including through activities aimed at the evolution and streamlining of governance controls and the continuous strengthening of the SCIGR in compliance

with the principles of integrity, transparency and legality, as well as to efficiently and uniformly cope with the growing complexity of the various legislative and regulatory requirements, is the Internal Control System over Financial Reporting.

In line with the strategic guidelines defined by the Company, the internal control system on financial reporting, through the analysis of risks and the identification of specific control measures, is therefore among the tools useful to contribute to the achievement of the objectives related to the material topic of working with integrity and transparency.

The "System of Internal Control over Financial Reporting" Guideline (hereinafter also referred to as "SCIIF") defines the rules and methods for establishing and maintaining the Poste Italiane Group's system of internal control over financial reporting over time, as well as for assessing its effectiveness. These standards and methodologies are consistent with the regulatory provisions and the market main best practices as well as with the Internal Control and Risk Management System Guidelines adopted by Poste Italiane SpA and with the Group's Integrated Risk Management and Compliance processes. By adopting such an integrated model, it is possible to ensure synergies between the specialised units of the various compliance areas and to avoid redundancies in the operational activities of risk management models and specific compliance programmes, rationalising processes, optimising the effectiveness and efficiency of control activities, and facilitating the sharing of information between the various second-level functions.



In order to prevent and combat fraudulent phenomena, Poste Italiane carries out verification, assessment and monitoring activities on individuals and counterparties (corporate, financial and asset analyses on companies and exponents, analysis of existing relations with Poste Italiane) through the identification of all the operational and reputational details necessary to verify the reliability and honourableness of individuals or counterparties. Boosting prevention of illegal activities, via integrated analysis of information within and beyond Poste Italiane, enables detection of direct and indirect relations that highlight possible critical issues. The fight against fraudulent phenomena is therefore implemented through a process of continuous monitoring of the degree of exposure to the risk of fraud and risk factors, through the collection and analysis of reports and indications of potential wrongdoing, the review of processes and

the adoption of adequate and increasingly rigorous measures of governance and control aimed at preventing fraud.

In line with the provisions of the Corporate Sustainability Directive, Poste Italiane is strengthening its internal control system by establishing an internal process capable of integrating financial information, operational data and sustainability information in order to ensure the reliability of internal and external sustainability reporting, adequately supporting the decision-making processes of all categories of stakeholders.

## The new Integrated Anti-fraud Platform (PIAF)

During 2023, the fraud prevention management process was further strengthened through an integrated anti-fraud system. In particular, the Integrated Anti-fraud Platform (PIAF) is operational, an innovative fraud prevention system that includes all digital financial products and services of: On US e-money, e-commerce and digital banking, based on predictive analytical models and enabling - in real time in pre-authorisation mode (as required by the Regulations) - the monitoring of transactions ordered by customers. This platform includes the implementation of a single behavioural prevention/detection machine learning solution for all channels, and the subsequent start of the migration of all Payment Cards to the new Integrated Anti-fraud Platform (PIAF).

## Fraud Prevention Centre

On 21 March 2023, the Fraud Prevention Centre was inaugurated, a centre that monitors 24 hours a day the security of transactions carried out in the more than 12,700 Post Offices across the country and online, through payment cards, e-commerce transactions and those of Poste Vita's insurance business.

The centre employs more than 100 specialists with long experience in the field of financial and cyber security, together with young graduates selected from top Italian universities. In support of the specialists who govern the entire control process, from prevention to the management of suspicious transactions, the Centre adopts the most advanced technologies in Fraud Management and Fraud Intelligence to further raise the level of security of the financial activities of the entire Group and strengthen the tools to protect citizens against offences and fraud.

The Centre is an example of Poste Italiane's innovative capacity also in the field of security because it adopts a very effective integrated operating model that has increased its prevention capacity in the face of the continuous increase in the number of physical and digital transactions each year between Poste Italiane's different business areas.

With the aim of disseminating the Group's ethical principles, Poste Italiane invests in training and information activities for its employees, offering seminars and courses on transparency, integrity and anti-corruption, communicating its principles to stakeholders through the dissemination of the Code of Ethics, Policies and Guidelines. Training and communication constitute, in fact, a continuum of coordinated actions aimed at supporting the dissemination of the culture of compliance and legality in line with the roles, responsibilities and levels of risk exposure of each individual, including through adequate top management commitment.

## Legality rating

In 2023, Poste Italiane confirmed its **legality rating**, receiving the **highest three star rating** from the AGCM, which is awarded to **just 8.5% of companies**

### Fiscal transparency policies

In January 2020, both Poste Italiane and its subsidiary, Poste Vita, were admitted to the Collaborative Compliance regime with the tax authorities, an award granted following a positive assessment by the tax authorities of the system for identifying, managing, controlling and mitigating tax risk. This institution, provided for by the Delegated Law for the reform of the Italian tax system (Law 23/2014) and introduced in Italy by Legislative Decree no. 128/2015, allows for a relationship to be

established with the financial authorities, one built on trust and collaboration. The goal is to increase the level of certainty on significant tax issues by creating an open line of communication so that issues that might give rise to risky tax scenarios are addressed in advance. Poste Italiane's admission to Collaborative Compliance consolidates the path inspired by the values of ethics, integrity and transparency also in the financial and fiscal area.

#### Poste Italiane Tax Control Risk Framework

Poste Italiane has developed its own tax risk management and control system, which, as part of the wider Internal Control and Risk Management System (SCIGR), meets the following requirements in line with legislation and best practices:

- the Tax Strategy in which the Group has defined its objectives and the approach adopted in managing the tax variable. The Tax Strategy is arranged as a set of principles and rules aimed at promoting dissemination of the values of honesty, fairness and compliance with tax regulations, thereby encouraging the development of collaborative and transparent conduct towards the tax authorities and third parties, in order to minimise any substantial impact in terms of either tax or reputational risk;
- adequate processes, procedures and tools for the detection, measurement and management of tax risks, as well as for monitoring the tax risk control system;
- a system of delegated powers, roles and responsibilities regarding the processes of detecting, measuring, managing and monitoring tax risk, defined within a specific Guideline, as well as detailed in the relative operating procedures and in the tax risk map (i.e. Tax Risk Assessment);
- adaptation to major changes affecting the Company, including changes in tax legislation;
- sending an annual report to the management bodies containing the results of the checks carried out and any action plans to be implemented to remedy the shortcomings that emerged from the monitoring. This report is also sent to the Revenue Agency for evaluation of the Tax Control Framework.

In line with its sustainability strategy and with the values set out, in the Group's Code of Ethics, the Poste Italiane Group has always managed taxation in full compliance with the principles of honesty, fairness and compliance with tax regulations, characterised by cooperative and transparent conduct towards tax authorities and third parties, in order to minimise any material impact in terms of tax or reputational risk. To this end, the Group has adopted a Tax Strategy<sup>157</sup> within which the Company has defined its objectives:

- manage the tax variable by protecting the interests of all stakeholders, including the government, shareholders, employees and the community in which it operates, including at local level, being aware that tax revenue is one of the main sources of contribution to the economic and social development of the country;
- always operate in compliance with tax regulations with regard to both the letter of the rules and the underlying rationale, monitoring and overseeing regulatory changes, including through continuous dialogue with the relevant institutions at national and international level;
- carry out transactions in application of the arm's length principle and applying transfer pricing at arm's length;
- make decisions on tax matters in line with national and international best practices and with the guidelines dictated by sector bodies, as well as in line with its own strategic objectives and risk appetite;
- promote professional diligence in the management of tax-relevant activities and processes, and ensure that the related procedures are appropriate;
- ensure adequate technical training for all employees involved in the management of tax-related obligations and activities;
- establish complete and accurate information flows to management bodies and tax authorities;

<sup>157</sup> Poste Italiane S.p.A.'s Tax Strategy is available on the Group's website at the following link [www.posteitaliane.it/it/strategia-fiscale.html](http://www.posteitaliane.it/it/strategia-fiscale.html)

- encourage the development of constructive, professional and transparent relations with the Tax Authorities, based on the concepts of integrity, collaboration and mutual trust.

The tax risk management and control system implemented by the Group requires top management to be kept constantly informed of the tax consequences of all strategic and operational business transactions, both planned and to be carried out, thereby ensuring that every decision taken on tax matters is consistent with Poste Italiane's tax strategy and that the Tax function is involved in the preliminary assessment of the tax impact of such transactions. The Tax function is divided into eight areas that are assigned distinct roles and responsibilities and are: Tax Planning and Business Support, Tax Risk Management, Processes and Procedures, Regulations, Studies and Tax Replacement, Business Income, Indirect Taxes, Local Taxes and Litigation, VAT and IT Compliances and Financial Tax Compliances. In detail, the Tax function provides support to top management, as well as to the functions concerned, for the preliminary analysis of tax aspects arising from strategic, business and financial transactions.

## The Collaborative Compliance Regime

admitted Poste Italiane and its subsidiary Poste Vita with the tax authorities

Poste Italiane SpA's Board of Directors, subject to the opinion of the Control and Risk Committee, is responsible for assessing the adequacy and effectiveness of the internal control and risk management system. To this end, with specific reference to the tax risk management and control system, the Board of Directors, supported by adequate preparatory work by the Control and Risk Committee, examines at least once a year the report prepared by the head of the Tax function containing the results of the periodic review of this system.

Poste Italiane also coordinates with Group companies to ensure that they operate in compliance with current tax legislation and in line with the Group's risk management and control system.

As previously stated when it entered the Collaborative Compliance regime, the Poste Italiane Group is committed to establishing relations with tax authorities that are based on the utmost transparency and cooperation, undertaking to:

- communicate in a clear and transparent manner to the Revenue Agency any changes in the tax strategy, in the medium/long-term tax planning and the possible risks related to the most relevant transactions;
- provide correct, accurate and timely information and respond promptly to questions and requests for information received by the Revenue Agency;
- resolve any problems in a timely manner prior to the filing of tax returns, and, if differences subsequently arise, work out an agreement with the Revenue Agency to resolve them.

In addition, for risks that arise during the interpretation of a regulation, either before the regulation in question is actually applied or afterwards, the Company:

- participates in working groups with the relevant institutions, both national (e.g. Assonime, Confindustria, ABI, Assofondi, Ania) and international (e.g. OECD, European Commission), and carries out in-depth internal investigations, if necessary initiating discussions with external consultants, in order to arrive at a shared interpretative thesis;
- proceeds, if it perceives that margins of uncertainty remain in relation to potentially contestable issues or issues of doubtful interpretation, to an informal discussion with the Revenue Agency and/or, in cases of particular relevance that require an official formalisation of the interpretative thesis, avails itself of the use of the instrument of prior appeal (so-

called Tax ruling); these procedures are followed in cases of complex corporate, financial or commercial transactions with tax-relevant outcomes, in particular, if they fall under aggressive tax transactions.

Following the Poste Italiane Group's entry into the Collaborative Compliance regime, the Group has adopted a well-structured set of procedures to govern the management of tax risk, including the activities, controls, roles and responsibilities defined within the processes.

Poste Italiane has also made it the responsibility of the Tax function to monitor updates to the relevant legislation. More specifically, the task of the Regulations, Studies and Tax Substitution (NSSI) unit, which is part of the Tax function, is to: monitor the evolution of the national, EU and international tax system, in order to propose measures to guarantee the interests of the Group and the optimisation of operating obligations; guarantee the study, interpretation and dissemination of tax regulations, assessing their impact on the Company and the Group in collaboration with internal functions/companies. To this end, the NSSI unit, thanks to the continuous exchange with the operational structures of reference, receives suggestions and input that give greater consistency to the actions implemented in this area. As part of the monitoring of regulations, the Processes and Procedures unit, in conjunction with other internal functions, analyses the impacts on processes and systems deriving from changes in tax regulations, defining the related adaptation plans. Finally, the Tax Risk Management unit monitors, with reference to the compliance plans developed by the Processes and Procedures unit, the proper execution of controls and related activities.

#### *Tax Risk Assessment*

During the year 2023, the Tax Risk Assessment was updated, which entailed a review of certain of Poste Italiane's tax risks, also in consideration of the regulatory updates that have taken place, both in terms of existing risks and their assessment, as well as the updating of certain activities and the related control measures. In general, the review of the Tax Risk Assessment covered the following points:

- integration/modification of tax risks due to changes in tax legislation, the review of risks with a view to continuous improvement;
- update of the qualitative/quantitative assessment of tax risks, where appropriate, mainly following the outcomes of monitoring;
- update of the activities and related control measures identified to mitigate tax risks, where necessary, depending on the evolution of tax regulations, organisational and process changes that occurred during the period, alignment to the detected operations and/or any opportunities for improvement in the design of controls, detected during testing activities, or with a view to optimisation.

During 2023, the controls to guard against the risks envisaged within the framework of Poste Italiane's tax risk management and control system were monitored, in accordance with what was defined in the 2021-2023 Monitoring Plan and in line with the methodology adopted.

### Communication and training on tax issues

In accordance with what stated in the Tax Strategy and aware of the fundamental role played by training in an area such as the tax area characterised by rapid change, the Tax function trains and supports all personnel involved in the management of tax-related activities, not limiting itself to resources specifically dedicated to tax matters, in order to ensure that all personnel have the right skills and experience to fulfil their responsibilities.

During 2023, the courses delivered by the Tax function covered the following topics:

- tax treatment under the procurement code of registration tax and stamp duty in respect of framework contracts and application contracts and/or delivery notes;
- tax impacts of settlement deeds;
- general principles and novelties introduced by the Simplification Decree;
- functionalities and usage of the tax risk management platform (GRC Archer).

### Legality and incorporation of ESG in the procurement process



NFS

MAIN RELATED TYPES OF CAPITAL



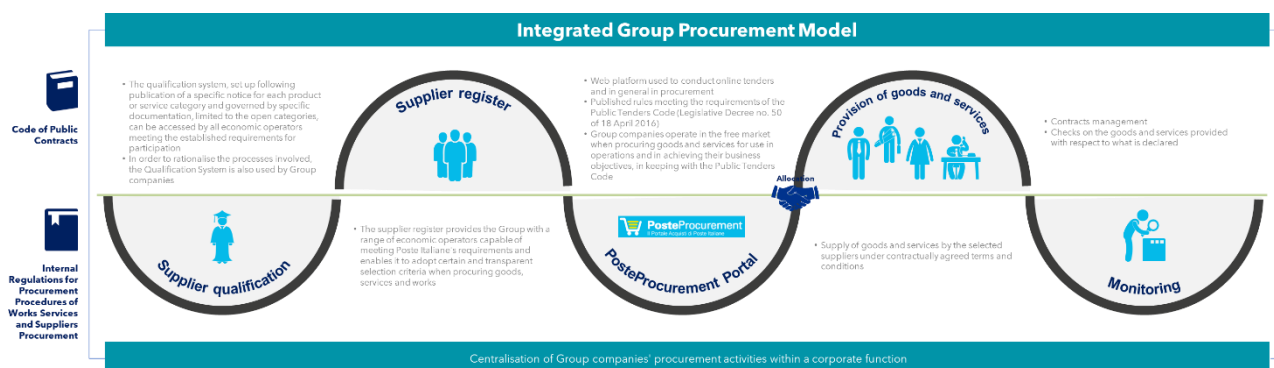
Poste Italiane manages its supply chain responsibly, aiming to certify the sustainability, functionality and traceability of the materials purchased. To ensure this, in addition to complying with current regulations and company directives, the Poste Italiane Group is committed to basing its purchasing processes on pre-contractual and contractual relations based on the values of legality and transparency. Focusing on compliance with agreements, payment terms and deadlines, the Company includes in its supplier network those who demonstrate appropriate quality characteristics and are committed to protecting workers and complying with environmental standards.

The Poste Italiane Group guarantees each supplier the possibility of competing in award procedures, ensuring fairness and avoiding preferential treatment. Suppliers involved are obliged to comply with the EU and Italian legislation on competition, and shall refrain from anti-competitive or unethical conduct that is contrary to the rules that safeguard competition. In addition, the Company requires suppliers and any subcontractors, as well as their partners to formally accept the guiding principles and criteria of conduct outlined in the Code of Ethics and Group Policies.

*In selecting suppliers, the Group follows objective and documentable criteria, including those linked to ESG aspects, with the aim of guaranteeing suppliers' loyalty, impartiality, transparency and equal opportunities for collaboration*

Through internal rules, Poste Italiane regulates the purchasing process for contracts subject to the Public Contracts Code, and for those which are excluded from the scope of application of the Code itself.

With the aim of promoting and strengthening relationships with suppliers, as well as ensuring efficient and integrated management of the supply chain in compliance with the principles of confidentiality, authenticity, competitiveness, integrity and availability in data exchange, purchases are made through the PosteProcurement Purchasing Portal. The Portal is a telematic system dedicated to procurement activities and the management of the Supplier Register.



The purchasing procedures of the Poste Italiane Group follow the trend of recent years, characterised by frequent use of competitive procedures aimed at guaranteeing competitive advantages for the Company.

The purchasing process considers ESG issues into account with the aim of favouring sustainable procurement, acting as a vehicle for disseminating the culture of sustainability - understood as the set of the Group's sustainable policies integrated in the company's regulatory system and outlined in the purchasing process itself.

## Poste Italiane receives the ISO 20400 certification

Since 2021, Poste Italiane has been among the leading Italian economic and production companies qualified in the sustainable management of purchasing processes and supplier relations.

The ISO 20400 certification on Sustainable Procurement defines guidelines for integrating sustainability into an organisation's procurement processes.

The Group's Sustainable Development, Risk and Compliance Function in the Corporate Affairs area is committed to identifying possible elements of risk to ensure compliance with the requirements of reliability and integrity, through the assessment of the corporate, financial and equity profiles of the companies and representatives of the respective relationships with the Company. In particular, relationships with suppliers can become sources of strategic and reputational risks. The objective of risk management is to reduce the risks deriving from transactions with third parties, ensuring adequate supplier rotation and minimising losses linked to the non-collectability of receivables, thanks to a constant monitoring process. To identify direct and indirect relationships prone to critical issues, it is necessary to strengthen the prevention activities of illicit phenomena through an analysis that takes into account internal and external information.

## Poste Italiane obtains the Recognition of the UN Global Compact Network Italia

The Poste Italiane Group's adherence to the ideals of the UN Global Compact was officially recognised by the UN Global Compact Italy Network, which included the Group's example in its Position Paper entitled "Sustainable supply chain management: between responsibility and opportunity for companies". This document, presented during the exhibition dedicated to Corporate Social Responsibility (CSR) and Social Innovation, highlights the commitment of various companies, including Poste Italiane, in managing supply chains with a sustainable perspective, underlining their ability to recognise the opportunities associated with this challenge.

### Main types of goods and services purchased

Within real estate procurement, in continuity with the previous year, also in 2023 all tenders for the supply of furniture, cleaning services and works included compliance with the Minimum Environmental Criteria (MEC). In particular, the objective of reducing the environmental impact on natural resources and increasing the use of recycled materials was



pursued in works tenders. To this end, specific reward criteria have been introduced for the use of new materials produced with a certain percentage of recycled content which, at the end of their life cycle, can be subjected to selective dismantling, recycling or reuse. For each product receiving a reward score, it was required to present a specific form containing the general description, physical characteristics, brands, environmental labels and certifications attesting to the recyclable or eco-friendly nature of the material.

The concessions for catering services at the real estate complexes also respected the principles of Green Public Procurement (GPP - Green Purchasing of the Public Administration), ensuring the provision of a corporate catering service with reduced environmental impact, in terms of processes and contents, respecting environmental, economic and social sustainability. Poste Italiane continued to reward the supply of foodstuffs, such as BIO, IGP, DOP, sustainable fishing products, etc., in excess of the minimum quantities prescribed by the MEC. In this context, local suppliers who guarantee certified products are potentially involved in the supply chain of food products for canteens and bars.

As regards the supply of electricity for the Group, in 2023, the Group continued with the purchase from the reference market with a percentage of 100% from renewable sources certified with Guarantees of Origin. A residual share of the demand was self-generated by proprietary photovoltaic plants, the total number of which in 2023, including installations from previous years and including also the plants built as part of the Polis Project, was 308, with a total capacity of approximately 15,753 kWp.

Poste Italiane's main photovoltaic plants include the recent site in Palermo, the site at its Rome headquarters, which houses a photovoltaic plant in instantaneous self-consumption mode to produce the energy needed to power, among other things, five electric car charging stations, and the plants in operation in Pomezia and Melzo.

## Poste Italiane's Photovoltaic Project Largest photovoltaic plant in the centre-south of Italy inaugurated in Palermo



The new photovoltaic plant, which went into operation in Palermo in 2023, claims to be the largest in the centre-south of Italy, with a production capacity of around 250 homes.

The inauguration of the plant allows Poste Italiane to accelerate its path towards the goal of carbon neutrality by 2030.

The Group plans to construct 1,400 photovoltaic systems by 2026, which will cover 15% of the Company's energy needs. Of these, around 300 medium to large ones, such as the one inaugurated in Palermo, capable of meeting the energy needs of 250 homes, will be built by 2024.

As part of the Smart Building Project, aimed at monitoring consumption and environmental parameters, as well as the automated remote management of systems, with particular focus on lighting, heating and cooling, data was acquired on energy consumption and the main environmental parameters such as temperature, humidity and lighting. This system enables significant energy efficiency and emission reduction, thanks to the ability to remotely manage and operate the systems, as well as adjust and optimise their operating set points.

In the course of 2023, a total of approximately 355 new installations were carried out, also taking into account the 24 installations under the Polis Project and the 9 related to the so-called "improved offer" of the "Multiservice" contracts. These interventions brought the total number of locations certified on the BEMS platform to 1,976, including those involved in POLIS projects and Multiservice contracts, which totalled 2,009.

# +355

new interventions of  
monitoring systems  
for consumption and  
environmental  
parameters

Efforts are also continuing to build charging points that will become operational within the next three years on roads and in city centres, with more than 21,000 charging stations to be installed. Similarly, as part of the Polis Project, the commitment continues to the creation of a charging infrastructure across the entire national territory continues, with 5,000 columns that can be used by the community every day and at any time.

With regard to logistics purchases, within the scope of the maintenance of the operating fleet owned by Poste Italiane, in order to ensure the maximum efficiency and operability of the vehicles used for deliveries, as well as the safety conditions of employees, an EU tender was carried out for the activation of the fleet management service for Poste Italiane's own vehicles, including tricycles and motorbikes, both thermal and electric, distributed throughout Italy.

With reference to plant and equipment maintenance, some of the main certifications were introduced (ISO 14001:2015 - "Environmental Management Systems", ISO 45001 - "Occupational Health and Safety Management Systems", ISO 37001:2016 - "Management Systems for the Prevention of Corruption"- UNI EN ISO 14064:2019 Carbon Footprint of the Organisation), as well as the use of environmentally sustainable cleaning/sanitisation products (UNI EN ISO 14024 or equivalent) and the presence of a corporate Policy on diversity, inclusion and sustainable procurement. With regard to the airport handling service at the international airports of Milan Malpensa and Milan Linate, in order to maintain operational continuity inherent to the handling of postal dispatches and the support and assistance activities for controls on shipments, a tender was carried out that confirms, in the ESG area, the adoption of some of the main certifications (ISO 14001:2015 - "Environmental Management Systems" and ISO 45001 - "Occupational Health and Safety Management Systems") and introduces the adoption of its own code of ethics. For the transport service, on the other hand, the tenders published in the year 2023 also confirm, in the ESG area, the adoption of some of the main certifications (ISO 14001:2015 - "Environmental Management Systems" and ISO 45001 - "Occupational Health and Safety Management Systems"), as well as the adoption of its own code of ethics. There are also award criteria for the environmental approval class of the vehicles to be applied on the transport services covered by the contract.

The main supplies using plastics (e.g. postal seals, courier bags and packaging films) were characterised by the reduction of the raw material required, as well as the use of PCR (Post-Consumer Recycled) plastics, while maintaining the physical characteristics of the products necessary for the provision of services. With regard to supplies for Postal printing production sites, all competitive comparisons concerning the supply of paper and envelopes for mass printing included the requirement of FSC (Forest Stewardship Council) product certification, which guarantees proper forest management from both an environmental and a social point of view and the traceability of derived products. Almost all competitive comparisons involving printing supplies and services for Commercial Printing & Direct Marketing also included the requirement of FSC-COC certification for participating economic operators to guarantee the continuity of the supply/service chain. In the second half of 2023, in the best-price competition for the supply of roll paper for printing, the participation requirement concerning the scope of Governance was introduced.

In the context of the ongoing competitive tendering procedure, concerning the services of transport, escort, counting, sorting, authentication and custody of money and/or valuables at the Post Offices of Poste Italiane and the offices of SDA Express Courier, a bonus is envisaged for economic operators able to provide uniforms with sustainable characteristics regarding the chemical substances they contain (ecological quality conformity ecolabel/ISO 14024/OEKOTEX), to the special security guards employed in the services.

In the area of ICT procurement, the computer hardware necessary for the implementation of the ATMs within the Polis Project, digital shop windows and virtual counter kiosks, were purchased in compliance with the principles and specific obligations of the NRRP/PNC with regard to not causing significant harm to environmental objectives (so-called "Do No Significant Harm" - DNSH). In addition, the IT requirements for servers and storage systems were acquired in accordance with the latest criteria for energy efficiency, reduced environmental impact and increased reliability. In particular, for the

power supplies of the aforementioned equipment, minimum technical specifications have been defined in the technical tender specifications that allow for a reduction in energy waste, decreasing electricity consumption and the production of heat to be dissipated, resulting in less need for air conditioning in the premises where the equipment is installed (data centre). These technical features can also achieve direct savings in energy expenditure and a reduction in CO<sub>2</sub> emissions.

With reference to the sector-specific characteristics of its supply chain, there are three prevailing types of supply chains with respect to real estate purchases: those characterised by labour-intensive (cleaning, maintenance and portage sector); those for works, building supplies and waste disposal; and those for intellectual services, i.e. professional engineering and architectural services.

With respect to logistics procurement, on the other hand, the target market is very distinct by product area. In particular, the supply concerns the following types:

- transport services, which are entrusted to small and medium-sized enterprises registered in the Supplier Register in the "local network transport service" category, and which manage the transport network of postal products, linking Sorting Centres, Distribution Centres and Post Offices, including the service of emptying mailboxes, within the individual Logistics Macro Areas;
- fleet rental, characterised by a concentration of operators in the Long Term Rental sector;

automation service for the sorting of objects (letters/correspondence, parcels, packages), which is influenced by the growing demand for parcel automation (closed loop systems) and the shrinking mail (linear systems).

#### Supplier qualification procedures

In accordance with current legislation, the Poste Italiane Group established its own Supplier Register in 2006 with the aim of simplifying the awarding procedures and guaranteeing homogeneity among the selected subjects, in every product sector, as well as transparency towards the market.

The Regulation of the Supplier Register and the Regulation of the Qualification System, which respectively govern the Qualification System in the Supplier Register and the qualification system and procedure for each of the product categories, regulate the formation and management of the Register. For each product category, access to the Register is possible at any time by submitting the application and the required documentation.

To be qualified in the Register, all suppliers must meet general requirements, such as moral quality and professional suitability, and special requirements, including those of an economic-financial and technical-organisational nature. These requisites aim at consolidating the governance of the Group's purchasing process.

In the context of relationships with suppliers of works, services and supplies, Poste Italiane's contractual clauses are constantly updated based on new regulatory provisions and the specific needs communicated by the internal customer. This contributes to the acceleration of contractual time and ensures adequate governance of the most relevant issues.

Poste Italiane Group ensures a high level of disclosure of its procurement process, in conformity with the principles of transparency. In fact, pursuant to Law no. 190/2012 entitled "Provisions for the prevention and repression of corruption and illegality in the public administration", it regularly and voluntarily publishes information on both the purchasing procedures indicated by law and those not explicitly mentioned in the regulatory provisions. To facilitate access to this information, the "Open and transparent contracts" portal has been created and can be consulted on the Company's website.

### Selection of suppliers

The integration of environmental, social and governance aspects into Poste Italiane's purchasing procedures implies that suppliers undergo sustainability audits to verify that they meet specific requirements.

## 90.5%

of suppliers have an ISO 14001 or EMAS certified environmental management system

The Poste Italiane Group pays particular attention to the ESG aspects linked to the management of the supply chain, aware that establishing transparent and lasting relationships with suppliers, as well as paying maximum attention to quality, respect for the environment, safety and social implications in the procurement process, can contribute to the public interest of the entire country system<sup>158</sup> and the continuous improvement of the service offered to its customers.

For this reason, there are specific environmental, social and governance criteria in

the supplier selection process, in the participation requirements, in the evaluation parameters of the technical offer and/or in the contractual conditions, of the tender procedures carried out during the year. In particular, the Group provides for specific contractual clauses related to sustainability issues (e.g. human rights, health and safety at work, ethics, etc.) in its relations with its suppliers.

Confirming the Poste Italiane Group's constant attention to these issues, there were significant increases in the number of tenders carried out on the basis of environmental, social and governance criteria in 2023.

Specifically, 87.9% of suppliers, compared to 84.5% in 2021, were selected in accordance with specific social standards during 2023. Said indicator, when considered net of tenders without a technical offer (as they were awarded to the lowest price), certifies that almost all tenders launched require social criteria (> 98%).

On the other hand, 90.5% of the tenders issued in 2023, compared to 83.4% in 2021, meet certain environmental performance standards. Again, the percentage of tenders selected on the basis of these criteria would become greater than 99% if those without a technical offer were excluded from the calculation.

The Group maintained the governance indicator, introduced in 2021, by requiring specific qualification and evaluation principles from suppliers in the technical offer, in order to refine the ESG model in the procurement process. An analysis of the tender procedures with amounts exceeding the community thresholds highlights the adoption of specific governance criteria in the qualification, in the evaluation criteria (e.g. ISO 37001, Legality Rating, Code of Ethics/Conduct, Policy etc.) and in the contractual clauses.

In addition, as part of the strategic objective to define ESG parameters in participation requirements and tender evaluation criteria, the first phase on the definition of ESG parameters in OEPV tendering procedures was completed in 2023, with the definition of +60 k-ESG validated, adoptable both as participation requirements and tender evaluation criteria, in relation to the maturity of the relevant product sector. The mapping of the Minimum Environmental Criteria into requirements and criteria was also completed, and a percentage of 96% of OEPV tenders covered by k-ESG was achieved. In addition, the activities conducted to support the achievement of the target included: the implementation of the ESG-box (expansion of the offer of applicable keys); the revision of procurement procedures with ESG grafts; the implementation of an impulse plan for material substitution (changeover); and the implementation of the green check model during the tender construction phase.

## +7.1%

of tenders carried out on the basis of environmental criteria compared to 2021

## +3.4%

of tenders carried out on the basis of social criteria compared to 2021

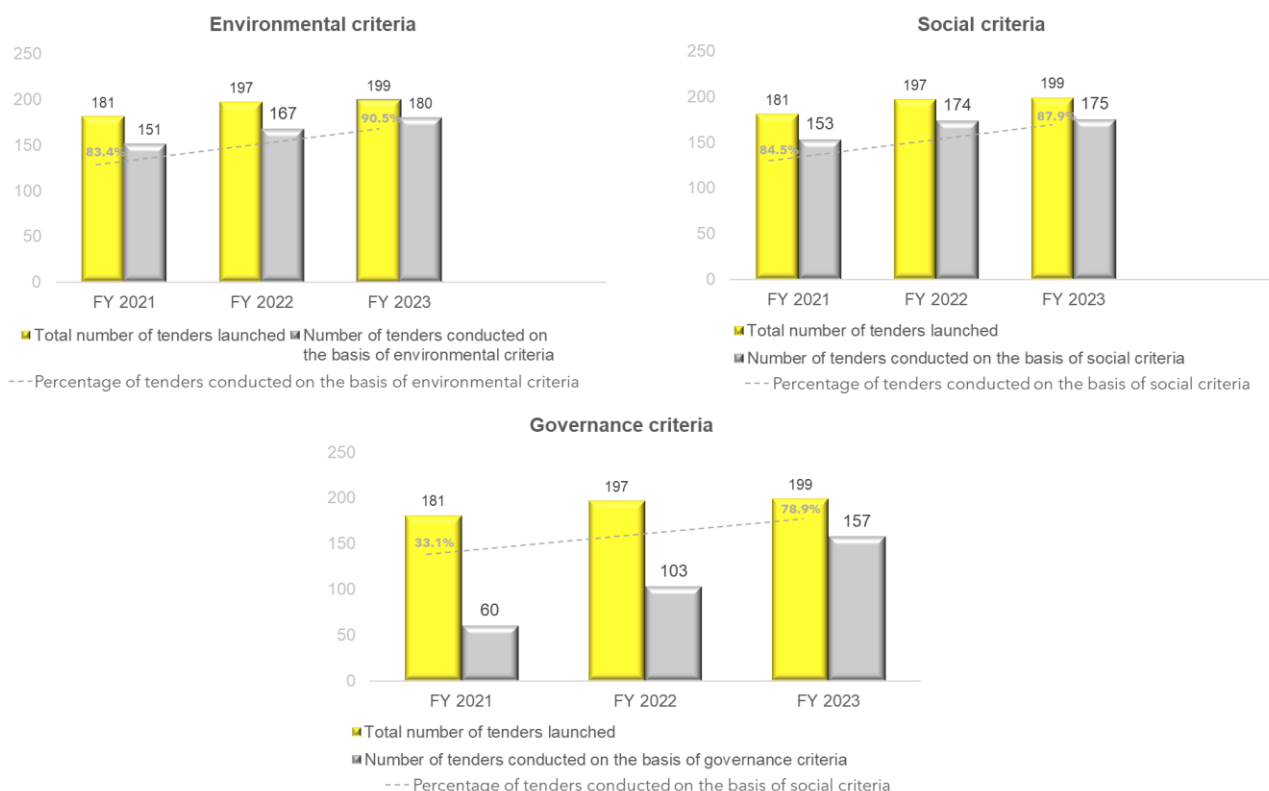
<sup>158</sup> In 2023, there are zero instances of supplier non-compliance with environmental and labour rights policies.

Of the tenders issued during the year, 78.9% took governance aspects into account, compared to 33% in 2021. By eliminating tenders without technical offers, the same indicator shows that almost all tenders launched require governance criteria (>98%).

The reporting scope refers to the current special sector procurement thresholds, conventionally extended to non-code tenders, for the lowest price (PBB) and economically most advantageous (OEPV) award criteria.

**+45.7%**

of tenders carried out on the basis of governance criteria compared to 2021



The Sustainable Procurement function is responsible for the timely monitoring of ESG issues within its supply chain management. This function ensures a constant integration of sustainability issues within tender processes and ESG criteria in the technical evaluation of offers. By defining highly relevant projects, such as logistics, the decarbonisation of properties, consumables, and promoting attention to the use of resources, investment plans and technological development, together with the green implementation of the most traditional, the goal of sustainable change can be achieved.

The growing trend of Environmental, Social and Governance indicators is associated with the significant increase in the ESG impact of the technical offer. In this regard, more than 78% of the tenders launched are ESG, a percentage that rises to 97% for the perimeter of tenders launched with technical offers, with the stable presence of criteria related to Environmental Management and Occupational Health and Safety (82%), Attention to People (56%) and Integrity and Transparency (79%). Poste Italiane, by promoting the adoption of ESG criteria in the selection, assessment and monitoring of suppliers, as well as mitigating potential ESG risks, is committed to improving the effectiveness of business processes and competitiveness. Consistent with previous years and with the aim of combining sustainability through the reduction of environmental impacts and rationalisation of costs, the Poste Italiane Group has integrated the criteria envisaged by the Green Public Procurement by implementing, when required, the indications on the Minimum Environmental Criteria (MEC),

established with specific Ministerial Decrees. Furthermore, the ESG model in the Group's procurement process was implemented with the introduction of specific Integrity and Transparency (Governance) criteria.

## Poste Italiane's Vendor Rating system

The Vendor Rating (VR) supplier assessment system, implemented by Poste Italiane, was conceived in order to provide the Company with a system for measuring supplier performance and assessing them in an ESG context. This system plays an essential role within the supply chain, having as its main objective the definition and implementation of a scoring model that allows an accurate assessment of suppliers in relation to quality, safety, punctuality and environmental respect of services offered, as well as commercial conduct and correctness of billing. The Vendor Rating, therefore, allows Poste Italiane to make considered choices in the acquisition of goods and services. All suppliers who had contractual relationships with Poste Italiane during the reporting period, including framework agreements and spot tenders, were subject to evaluation through this tool.

In the supplier qualification phase, in order to monitor their performance, Poste Italiane implemented a rating methodology characterised by the adoption of a customised approach, which resulted in the creation of an ad hoc questionnaire for each supplier (100% of qualified suppliers). The model is risk-based, allowing for the assessment of how each provider manages the ESG risks identified as relevant according to the company's sector and size. As far as the sector is concerned, suppliers are classified by the Poste Italiane Group within the 99 recognised ATECO sectors. Since each sector has specific risks

# 100%

of suppliers classified by  
ATECO sector and size

depending on the nature, the companies belonging to it are also affected by them and, consequently, are evaluated according to them. Poste Italiane used internationally recognised external references to identify the various types of risk, identifying around 40 main ones (environmental, social and socio-environmental). For each risk considered relevant to the sector in question, an

evaluation of the companies is carried out considering the specific safeguards adopted to mitigate the negative impact of the individual risks examined. In relation to the size of the organisation, defined by the European Commission as small, medium or large, the Company has indicated 8 main Governance risks potentially relevant for the suppliers subjected to assessment.

## Specific ESG Ratings

assigned for the selection of  
suppliers on the basis of the controls  
used to manage the various relevant  
risks



Subsequently, the information obtained is subjected to analysis and processing through the definition of an ESG scoring process which provides, for each aspect analysed, the attribution of a rating for each relevant risk and a total ESG rating.

These elements give the model the following advantages:

- assessment focused on the supplier's relevant ESG risks, through the use of specific questionnaires for each economic sector, adopting a risk-based approach;
- solidity of the analysis ensured by the use of a quantitative algorithm that guarantees the attribution of a rating extremely representative of the level of risk coverage guaranteed by the supplier;
- risk visibility on different levels, with the opportunity to analyse ESG risk at the aggregate level, at the level of single E/S/G aspects, and at the level of individual risks;

accurate identification of areas for improvement on the basis of the rating given to the way individual risks are managed;

facilitated completion of the questionnaire, characterised by multiple closed answers;

reliability and recognisability of the proposed methodology, based on internationally recognised studies that are affirmed best practices in relation to the area under analysis;

marketability of the proposed model by the Poste Italiane Group, which may consider making it a proprietary model and offering it on the market once it has been registered with the appropriate trademark.

In order to raise awareness among suppliers and support them on a path of sustainable growth, Poste Italiane is committed to gradually introducing, over the years, environmental, social and governance criteria into its tender procedures. This initiative guarantees a constant expansion of the required areas, coverage and weight of ESG criteria on the tender score.



MAIN RELATED TYPES OF CAPITAL



7.10 PEOPLE DEVELOPMENT

Main types of capital	Objectives	Indicator (KPI)	Target	Baseline	Implementation status 2023	Outcome
<p><b>Social-relational</b></p> <p><b>Human</b></p>	Provide continuous training to all Group employees	Hours of training provided	• 25 million by 2024 • 25 million by 2023	2020	• 24.4 million hours	<p><b>3 GOOD HEALTH AND WELL-BEING</b></p> <p><b>4 QUALITY EDUCATION</b></p> <p><b>5 GENDER EQUALITY</b></p> <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>
	Campus Italia: Dedicated training centres for Group employees	No. of Training centres	• 5 Training centres by 2028	2023	New	
	Implementation of a range of initiatives to strengthen the development, motivation and professional growth of employees by developing the Poste Italiane Group's people	% of initiatives	• +3% by 2024	2021	• +18%	
	Strengthen communication and listening to the Group's community of employees, which is large and varied by geographical origin, age, professional role, providing timely responses in order to improve the continuous dialogue between the Company and employees	No. of thematic communities promoted with engagement strategy, moderation and responses to comments, qualitative and quantitative reporting	• 1 by 2024	2021	2 Community realised: Volunteering Community, Diversity & Inclusion Community	
	Inform and raise awareness of employee care, wellbeing and prevention activities with dedicated, integrated communications (Interviews, TG Poste reports, intranet news, multimedia material)	No. of continuous internet editorial plans on employees health and well-being topics on different initiatives (target of 50 news items)	• 1 by 2023	2022	2 editorial plans realised: Poste Centro Medico and Poste Mondo Welfare	
	Release of new NoldiPoste app and intranet version on Sharepoint platform with the aim of making content and services more accessible to employees of Poste Italiane and the Group companies concerned	% average daily users compared to average for previous years	• +5% by 2023	2022	• +7% average daily visitors	
	Implement the upskilling and reskilling process targeting supervisors, consistent with the updates introduced by Law 215/2021, to improve their level of role awareness, performance and positive impact on the overall workplace safety system	No. of supervisors to whom informational materials were distributed, in view of more effective exercise of the role and maintaining and developing skills	• 14,000 by 2023	2022	• +100% of supervisors involved	
	Implementation of a new corporate welfare model: development of accessing programmes for the prevention of illnesses and corporate welfare programmes to protect the health and safety of Poste Italiane's personnel and aimed at improving their welfare and well-being	% employees involved in prevention initiatives	• 100% by 2024 • 100% by 2024	2020	• 100% • +80%	
	Environmental monitoring for the determination of the annual average concentration of radon gas in the air, aimed at assessing the risk of exposure to ionising radiation, in accordance with Legislative Decree no. 101/2020	% of Poste Italiane buildings monitored	• 100% by 2024	2020	• 73%	
	Reduce the number of Group employees' occupational injuries	Number of injuries	• 100 events in the PCL area by 2025	2023	New	
	Reduce the occupational injury frequency rate for Group employees	Injury frequency rate	• -2% by 2025	2023	New	
	Increasing the participation of women in coaching and mentoring and in leadership development programmes	% participation of women in coaching and mentoring and leadership development programmes	• +10% by 2024	2023	New	
	Ensuring participation in engagement and change management programmes	No. of participants in programmes	• approx. 2,000 participations by 2024	2023	New	
	Devising and defining a parent campaign of value reference and positioning with a focus on the centrality of people, subsequently declined in the various areas of service, business and development (e.g. Digital HR, Change Management, Performance Management, Talent Management)	No. of launch/positioning campaigns with umbrella concept development and multi-subject declination in 5 thematic strands Editorial and multi-channel communication plan to support	• 5 supporting communication campaigns and channel planning by 2024 • 1 Editorial plan by 2024	2023	New	
	Information and awareness of care and wellness activities. Prevention seminars by PCM specialists	No. seminars (organisation and management with related communication campaigns to inform and raise awareness among employees on the importance of prevention) Dedicated intranet and app publishing plan	• 7 seminars by 2024 • 1 Editorial plan by 2024	2023	New	
	Improving employees' digital experience on NoldiPoste app/intranet	No. new releases on internal communication digital channels (e.g. app navigation menu, evolution of personal profile, evolution of horizontal navigation tools, evolution of social component) Google Play and App-Store ratings	• 5 new releases by 2024 Rating: >2 by 2024	2023	New	
	Strengthen welfare initiatives in favour of company caregivers to support care and work-life balance for the improvement of their personal and family well-being	No. of initiatives to support caregivers	• 2 initiatives by 2025	2023	New	
	Fostering the alliance between the corporate and educational worlds, with new orientation opportunities for the younger generations (children of employees and students) also through the active involvement of corporate professionals	No. of editions	• 40 editions by 2025	2023	New	
	Implementation of a training campaign on the subject of "health risk prevention" focusing specifically on risks to the musculoskeletal system and with the aim of continually improving safety and efficiency in carrying out activities	No. of editions	• 150 editions (max. 20 participants/edition) by 2024	2023	New	
	Encouraging employee listening through continuous surveys	No. of Surveys	• 10 surveys by 2024	2023	New	
Enhancing the contribution of participants in training initiatives through the introduction of digital solutions for feedback collection	% redemption of perceived quality questionnaires of classroom training activities	• 50% by 2025	2023	New		
Empowering people to expand their knowledge and skills to achieve period business objectives related to the market segments covered	No. of training initiatives on the evolution of the sales network services model No. of training initiatives on Transformation operation for logistics personnel No. of training initiatives on the evolution of products and services (at least one initiative per Energy, Telco, Financial/Insurance, Logistics sector)	• 2 training initiatives by 2024 • 1 initiative by 2024 • 4 initiatives by 2024	2023	New		

■ Objective achieved/Objective achieved and updated
 ■ Objective not achieved
 ■ Deadline for achieving the objective that has not yet expired



## Staff training and development

NFS

MAIN RELATED TYPES OF CAPITAL



For Poste Italiane, the role of human capital is particularly important, being a distinctive and essential element for the achievement of the company objectives and the creation of competitive advantage. Precisely for this reason, the Group actively promotes and invests in training courses aimed at preparing staff to effectively meet the challenges and needs of a constantly changing business context. In particular, the role of training within the Company is a fundamental aspect of the process of continuous development of personal and professional skills, targeted at each person in the Group. With this in mind, Poste Italiane, through the adoption of innovative formats and knowledge sharing tools, is constantly striving to improve the learning experience in order to simplify access to training content and ensure continuity of learning.

The Company, in accordance with the principles expressed in the Code of Ethics, expresses its commitment to recognising and valuing the individual contribution of each member of the company population, committing itself to guaranteeing equal opportunities in career paths for all employees, without making distinctions of any kind.

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*The Group considers training an essential lever for achieving competitive advantage in the market, constantly promoting its innovativeness and continuity*

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In line with the Strategic Plan, the training initiatives are part of a much broader project, which, in accordance with company principles and the demands of the market, customers and regulations, provides for the provision of approximately 25 million hours of training in the five-year period 2020-2024. To ensure regular and effective carrying out of training activities, in 2015, the Company established the Corporate University, identified as a Human Resources function which, through the organisation in various Academies, provides training on different business contents, depending skills to develop. The Corporate University aims to define and ensure the carrying out of the training process in its entirety (including operational training). In particular, the "Training and Operational Training" Procedure, aimed at all company functions and all staff, describes the Group's operational training model, explaining the operating mechanisms and organisational responsibilities regarding training and operational training activities. The guidelines of the Procedure aim to ensure the effectiveness, efficiency and conformity of the expected results, through the implementation of relevant organisational and control measures, also in compliance with Legislative Decree no. 231/01.

In 2023, the training plan, in addition to a strong focus on the role skills needed to support new business models and new service models, focused on the development of the transversal skills needed to operate in an ever-changing context and to steer behaviour towards sustainability, innovation and continuous improvement.

In 2023, the learning experience improved through the introduction of new innovative formats, but also through the continuous updating of the e-learning platform, which allows simplified access to all training content, and the adoption of digital learning tools used for specific training objectives.

In fact, the focus on digital learning technologies for the continuous improvement of the learning experience remains constant, as part of the process of continuous evolution that the Corporate University is committed to pursuing in terms of content, teaching methods and tools with the aim of implementing continuous training programmes and using innovative learning methodologies to support and develop people's skills. Of particular note during the year was the commitment to the topic of accessibility and inclusion. For this purpose, a specific online format was developed that includes new

navigation and interface features to facilitate the use of courses by people who may have varying degrees of visual and hearing impairment and reduced mobility.

A total of approximately 6.5 million hours of training were provided during 2023. To respond to the specific training needs of the various businesses of the Group, targeted training courses have been developed, dedicated to specific targets (e.g. tellers, postmen, customer service representatives, salespeople) in order to provide, consolidate and develop technical

**6.5 mln**

hours of training in 2023

and specialist skills specific to each role. Transversal training courses were also provided on topics focused on the adoption of cultural tools and models aimed at all Company employees, without distinction of specific role. Finally, through individual training courses, especially dedicated to developing resources, skills useful for more complex roles, such as customer relationship management, were

strengthened, promoting the adoption of responsible marketing and sales practices in order to prevent any disrespectful or discriminatory treatment of customers.

## Campus Italia with Universities Poste Italiane for the development of its people

In 2023, Poste Italiane launched the "Campus Italia" project, an initiative that stems from the alliance with the country's leading universities and destined to give rise to the first five development and training centres for Group employees. The Company has entered into around 50 agreements with the best Italian universities and training institutions, with the aim of developing these partnerships to the maximum in order to create advanced technological and training spaces.

The new training centres are planned in the cities of Milan, Venice, Bologna, Rome, Naples and Palermo, so that Poste Italiane's people can be deployed throughout the country.

"Campus Italia" is intended to be a project of excellence, through which Group employees will have the opportunity to develop new skills and obtain certifications. Aware that valuing people is one of Poste Italiane's strategic pillars, the project will help make the Company even more attractive on the labour market.

Thanks to the involvement of various organizational functions, the Corporate University plays a central role in the training process and ensures the governance of the entire training process itself. This is structured in five Academies, each dedicated to specific skills. Three Academies focus on vertical business areas: the Commercial Finance and Customer Support Academy oversees the development of financial and insurance skills of the financial advisor and salesperson networks on the basis of sector regulations (ESMA/IVASS), as well as customer relationship skills; the Postal, Logistics and ICT Academy oversees the development of skills of the delivery and logistics network, as well as those of the ICT professional family; the Corporate and Faculty Academy, on the other hand, is dedicated to the development of skills linked to the professionalism of corporate functions, as well as managing Poste Italiane's internal teachers, ensuring their training and certification of skills. In the Faculty area, efforts continue to develop and maintain the skills of in-house teachers, a valuable figure who provide their know-how and experience by dedicating themselves to the development of technical or operational skills. In addition, the training course of the Poste Italiane Coaches' School aimed at enriching their methodological knowledge and increasing their role awareness, through individual supervision meetings with certified coaches, continues. Coaches were engaged in coaching courses aimed at high-potential resources and personnel returning to service after a long absence.

The other two Academies, on the other hand, focus on transversal core competencies. Specifically, the Managerial Academy oversees the development of managerial skills for key roles, professionals and talents who will fill more complex roles, while the Digital Academy and Innovation ensures the design and development of online courses and the re-engineering of learning processes and tools. Finally, a Planning and Governance function that deals with the consolidation of the training plan and the periodic monitoring and control of progress. Furthermore, with the aim of enhancing the synergies of tools, methodologies and skills, starting from May 2022, the Education initiative merged into the Corporate University, which aims to promote campaigns, initiatives and opportunities for discussion aimed at encouraging dialogue with citizens on issues of social and inclusive value.

The training process begins with the drafting of the annual Training Plan, which takes into account the training needs identified by the various company lines consistently with the objectives of the Strategic Plan. Listening to and collecting training needs represents, in fact, the first step in creating paths and planning interventions aimed at updating, qualifying for the role and consolidating skills for the entire company population, from resources newly added to managers. In addition, the HR Business Partner functions are also involved through the figures of the training contact persons and the resources working in cross-services in the Human Resources macro-area.

To evaluate the achievement of the established training objectives, the Group has implemented a monitoring and control system shared periodically with the business lines, which includes:

- a general KPI system monitored on a monthly basis through the verification of:
  - hours of training provided (by function/area);
  - percentage of coverage;
  - value of perceived quality;
  - advancement of external costs;
  - recovery progress from Fondi;
- a specific control system for the individual training initiatives that evaluates:
  - effectiveness, i.e. the ability to achieve the training objectives of the individual course through the pass rate of the end-of-course test;
  - participation rate;
- specifically for compliance training, there are additional periodic reporting and monitoring systems for the control functions. In particular, on the progress of the training plan in terms of hours, participation, intervention backbones and trends, the Company has provided monitoring of utilisation for specific training campaigns being delivered.

In addition, the Company planned periodic audits conducted by internal/external control functions (internal audits/certifying bodies/supervisory authorities) that assess the model adopted.

To support the monitoring system, Poste Italiane uses a number of additional tools such as surveys or focus groups in order to improve the design of the initiative and assess the effectiveness of the participants. The Company pays particular attention to the role of the means of communication, such as the company website, Poste News, interviews with TG Poste, to raise awareness among potential employees of the importance of the training courses offered. Finally, through long-term partnerships with leading business schools and suppliers, the Group has made available constantly updated training content that optimises the procurement process.

**100%****of employees covered by  
People Analytics practices**

To improve systems, processes and strategies, Poste Italiane is oriented towards achieving sustainable business success, using People Analytics practices, also known as HR Talent or workforce analytics, i.e. the practice of collecting and analysing organisational data of human resources through the application of statistics and other data techniques. In particular, the Group used People Analytics practices in 2023 for the following purposes:

- a) strategic workforce planning through the collection of the needs of the various business lines combined with the management levers available (market recruitment, transformations from part-time to full-time, mobility flows, etc.) with the aim of defining the medium-term workforce frameworks consistent with the requests. The Group anticipates and guides workforce dynamics through People Analytics tools, considering in particular the use of incentive redundancies as a low-impact lever for controlling surpluses and directing prospective trends in resource deployment. People Analytics provides the possibility to analyse the impact of business projects and to identify and manage surpluses via "WebPers Pensionamento". This system makes it possible to identify employees close to retirement and to manage the related exit process end-to-end, directly through the expulsion policy addressed to surplus organisational areas, while at the same time creating indirect redeployment spaces in different organisational areas, also according to the needs of the various business lines (e.g. counter, insourcing, etc.). Thanks to this tool, the Group managed the corporate reorganisation in advance and effectively and was able to guide the management dynamics to achieve business objectives;
- b) promotion through the Corporate University of a diversified training offer also through the analysis of a series of data (personal, organisational, of training assigned, used, completed and passed) in order to define, launch and monitor training courses for the development of basic skills (in the regulatory and general area), of related role (technical-specialist skills in the banking, insurance, postal-logistics, commercial and corporate compliance areas), aimed at specific segments of the population or even at individuals, from newly hired resources to managers. All data reside in an LMS platform and allow for constant analysis of training trends in terms of volume and impacted population, phenomena broken down by function and other dimensions of analysis;
- c) recruiting and hiring (e.g. evaluation of recruiting channels, candidate screening, talent supply/demand assessment) the data of which refer to external applications and are managed by several systems, in particular HCM Oracle, which is used to collect the information needed to start the candidate selection process;
- d) competitive Intelligence: through the HR Research Centre, which, as part of the Human Resources and Organisation function, aims to promote the alignment of the professional family with market trends and best practices concerning the main processes that impact on human resources strategies, through the study, sharing and socialisation of new experiences and approaches. By way of example, SpazioRUO, an online platform, was created to make work tools available to all people in the function and present organised content and innovative solutions from the HR world, with a multidisciplinary and user friendly approach, aimed at the contamination of knowledge and the emergence of practices to be incorporated into functional strategies; furthermore, contributions are proposed from the various functions for the pooling of knowledge and for facilitating implementation synergies with respect to company objectives, also with a view to achieving integration into people strategy plans;
- e) analysis of the organisational network by understanding information flows, collaboration networks and informal exchanges between the various actors, in order to provide support for the re-engineering of organisational processes through the analysis of key relational dynamics. Organisational network analysis is also carried out by means of the Organisational Network Analysis methodology, which makes it possible to graphically represent the networks of interaction between people in the company. This methodology develops statistical and graphical models (maps) allowing for the study of the emergence of informal networks in the organisation, at the same time enabling the redesigning/restructuring of formalised organisational structures.

- f) In addition, as part of its People Analytics practices, the Development function uses a wide range of additional data, including personal, organisational, performance and potential information, to define, monitor and initiate human resources development and enhancement paths in line with business objectives. The integration and analysis of such data allows to clearly identify employees with distinctive capabilities and performance, who can be taken into consideration for possible access to potential assessment programmes or for the possible activation of paths towards specific roles. In addition, as part of the HR Digital actions, an area of the Intranet called "Services for People" was set up, which outlines the services offered by the Company. The aim is to evolve the relationship model between employees and HR according to criteria of usability, simplicity, transparency and personalisation.

With the same objective in mind, an OnBoarding and Pre-Onboarding platform has been set up to accompany the entry of new colleagues into Poste Italiane, enabling a more effective employee experience and at the same time, more efficient internal operations related to personnel induction. As part of its training model, the Group always dedicates close attention to compulsory regulatory training, which includes cross-cutting issues aimed at the entire company population (Safety at Work, Legislative Decree no. 231/01, GDPR, Integrated Quality and Corruption Prevention System, etc.) and role aimed at specific professional figures (e.g. ESMA/IVASS and Air Safety training).

**3.110 mln****hours of training for compliance**

**Legislative Decree no. 231/2001****Compliance  
training**

The online course "The Decree 231 in business ethics" continued to be delivered in 2023. It describes, through the stories of its protagonists, the general contents of Legislative Decree no. 231/2001 and the tools adopted by Poste Italiane to comply with the principles and provisions established by the Decree itself. The course falls within the scope of compulsory training and is therefore intended for all Poste Italiane Group staff. The training initiative deals with general topics of Decree 231, which are also of interest to the Subsidiaries; however, it remains the responsibility of each Subsidiary to evaluate any further training needs on this subject, considering the specific activities carried out by its employees and the operational and organisational peculiarities of the Company itself. In addition, with regard to training initiatives aimed at the Poste Italiane Group's managerial figures, specific training events were held on the topics of Legislative Decree no. 231/01 "The types of corruption offences" and "Market protection and corporate offences" were introduced.

**"The GDPR: General Data Protection Regulation"**

Since 2019, the Group has been delivering the online course "The GDPR - General Data Protection Regulation", which provides an overview of the new features introduced and the obligations established by the General Data Protection Regulation EU 2016/679, focusing on the principle of accountability and the security measures that the data controller and data processor must adopt in order to ensure the protection of personal data. The course ends by outlining the relevant supervisory authorities, means of redress and sanctions in the event of a breach of the Regulation. The initiative is intended for all Poste Italiane Group staff, as part of the mandatory training programme. In addition, for the resources that hold the role of Data Processing Delegate, of Compiler to support the delegate and their collaborators involved in the activity of keeping the processing register, the Company has organised training workshops on the subject of "Data Processing" delivered through webinars that provide an overview of the organisational and regulatory aspects of the GDPR, focusing in particular on the management of data processing, and aim to strengthen accountability and specific knowledge on the subject of personal data processing. As of March 2022, the online course "Privacy Protection in the Post Office" is being delivered to all personnel working in Post Offices.

**IT security**

Like in previous years, the Group continued the delivery of the online course "Cybersecurity", which illustrates the topic of cybersecurity, highlighting its importance in relation to the many aspects of professional life on which it can impact. The initiative is intended for all Poste Italiane Group staff. With regard to specialised technical training for resources working in Information Security, a training plan on IT Methodologies and IT Best Practices was delivered in 2023. The new online course "Fraud management" was also launched in 2023, course progressively aimed at the entire Group population and for which the first accessible training format was used.

### **Integrated Compliance and Antitrust**

Since May 2021, Poste Italiane has been delivering the training webinar entitled "New Group Compliance Programmes - Integrated Compliance and Antitrust Compliance" aimed at the Group's management figures. In addition, the Company has started delivering the online course "Group Integrated Compliance", which promotes awareness of the guiding principles of the "Integrated Compliance Programme" adopted by Poste Italiane.

The course presents the main corporate regulatory tools through the analysis of the reference guidelines and contributes to promoting and disseminating a corporate culture that is aware and attentive to the issue of compliance, which represents a strategic objective and a fundamental value for the Company. The training initiative is intended for resources working in the Group's central and territorial staff functions. The training offer also includes an additional online course called "Competition and Consumer Protection Compliance" for the same target group.

### **Anti-corruption**

In 2023 was the start of the new version of the online course "The Integrated Management System: the Rules of the Game", an anti-corruption training activity which, in continuity with previous editions, is intended for all Poste Italiane Group staff and describes the integrated Quality and Anti-Corruption Management System with which Poste Italiane has equipped itself, focusing on the provisions of the reference legislation on the subject and focusing attention, through the description and analysis of concrete cases, on the good practices to be followed to ensure quality and prevent corruption.

### **Anti-money laundering and anti-terrorism**

In the year 2023, in line with the regulations of the financial and insurance sector, the usual ESMA/IVASS induction and refresher training programmes were provided, with particular focus on the topics of Anti-Money Laundering, Credit Protection Insurance policies, supplementary pensions and Ethics. For the Group Anti-Money Laundering function, a professional course was delivered with the aim of further deepening the knowledge of the pillars of AML regulation.

### **Sustainability and corporate policies**

In this area, the Group continued with the provision of two courses in 2023 in continuity with the previous years:

"Business and Human Rights Protection", an online training programme open to all employees and aimed at promoting the knowledge and dissemination of the guiding principles adopted by the UN Human Rights Council. The course contents are produced and certified by SIOI (Italian Society for International Organisation), which can be taken through digital learning.

"Document Management", a course intended for all Poste Italiane Headquarters personnel, down to the third organisational levels, which describes the "Document Management" procedure, essential to ensure that Poste Italiane's Corporate Regulatory System achieves its objectives. The Regulatory System regulates both the reference principles, architecture and life cycle of regulatory documents and the roles and responsibilities of the various players involved in the document management process. It is therefore fundamental that these players, when drafting or updating company documents, know and apply the rules defined by the "Document Management" Procedure.

**Transport safety and dangerous goods**

The Group has organised "Air Security" training courses aimed at the resources involved in ensuring - for air freight - that security checks are carried out on cargo or mail in accordance with the regulations and in liaison with ENAC. In particular, they are made up of "Initial Training" and "Periodic Update Training" separated according to the activities/role performed.

In addition, in order to ensure the safety of employees driving HGVs, the Group organised "CQC - Carte Qualificazione Conducente" training for them. Again, the course consists of an "Initial Training" (CQC issue) and a subsequent "Periodic Update".

Finally, with a view to ensuring regulatory compliance of the services provided by Poste Italiane with regard to the transport of dangerous goods, the company provided courses on "Dangerous Goods". Organised training is differentiated according to the mode of transport. For air transport, the "Dangerous Goods Regulation" course was delivered, a specific training activity to support resources in the proper handling of dangerous goods. With regard to road transport, on the other hand, the course "ADR: European Agreement concerning the international carriage of dangerous goods by road" was organized.

**Integrated management system**

The online course "The Integrated Management System: the Rules of the Game", which provides an overview of the Poste Italiane Group's Integrated Management System and focuses on the application of the fundamental rules to improve the quality of its services and prevent corruption, promoting greater awareness and improving skills and the quality of work to achieve the company objectives, was delivered to all Group staff in 2023. We also highlight the launch in February 2023 of the online course "How to best prepare for a Management Systems Audit". The course illustrates the purpose of a Company Management Systems Audit and provides guidance on how to carry out this important audit.

**Business continuity management**

In November 2023, the BIA course for Business Continuity Roles, Responsibilities and Workflows on GRC Archer was delivered in webinar mode. The course, dedicated to about 140 resources working in different corporate functions, aimed at illustrating the new Business Impact Analysis methodology for business continuity implemented on business processes according to the new methodology derived from the Group CM/BCM/IM Model.

The Group has implemented targeted training programmes for the managerial class. In particular, webinar cycles were held to enhance managerial skills in the context of the guidelines of Poste Italiane's Business Plan and to compare them with the best practices of excellent national and international realities. Institutional pathways were developed for new managers to accompany them in their new role and in order to foster cross-functional skills development and promote an exchange of personal and professional value. Again this year, managers were involved in D&I-related initiatives, such as workshops focusing on Gender, Generations, Vulnerability and Culture of Inclusiveness, aimed at developing a common culture and promoting inclusion at all levels of the organisation. In addition, a webinar on LGBTQ+ was organised to raise awareness of labour inclusion and increase awareness of affective orientation and gender identity.



In addition, activities aimed at developing managerial skills related to the Business Units in Mail, Communication and Logistics (PCL) continued with training on the Lean methodology (Lean Academy), while in the Post Office network, courses were developed dedicated to Sales Managers and Operational Management Managers to strengthen their roles following the revision of the territorial organisational model. The top management of MIPA and DTO were involved in experiential activities in order to strengthen collaboration, integration and sharing strategies in the management team. Finally, for the BancoPosta function, a training course for managers based on the Crafting Leadership model was implemented, aimed at increasing leaders' awareness of their active role in promoting the development of people and the organisation.

Finally, the Group has implemented innovative and immersive training interventions for managers and high-potential resources, in order to spread the culture of leadership and improve skills in managing complexity, decision making and problem solving.

Of particular relevance is the "Study Tour" training initiative that aims to create moments of contamination with Italian companies that represent excellence in various product sectors, from whose history to gather insights and with whom to compare best practices. "Study tours" are active, participative and cognitively and emotionally stimulating learning opportunities during which the people involved have the opportunity to engage with colleagues and managers of the host companies, reflect and develop strategic skills for their own work. Accompanied by professionals as facilitators and lecturers, in these training initiatives, participants have the opportunity to gain greater awareness of the distinctive factors of the markets and make useful comparisons with their own reality.

## Diversified skills development within the Poste Italiane Group

### Mail, Parcels and Distribution

Training initiatives focus not only on upgrading skills and verifying compliance with IVASS and ESMA regulations, but also on developing digital skills, innovation and the management of change and complexity. The Group invested in important training projects, involving the commercial structures of the Post Office Network and the Business and Public Administration Market. In 2023, in line with the regulations of the financial and insurance industry, the usual ESMA/IVASS-compliant induction and refresher training programmes were implemented for sales staff, customer service staff and internal trainers of the BP-Channel Product Support function. The mapping of development and training needs (annual assessment) was conducted for both the financial and insurance areas with a particular focus on Anti-Money Laundering, Credit Protection Insurance policies, supplementary pensions and Ethics. In December, the ESMA tests valid for maintaining the ISO 22222 investment advisory service certification of MP's sales network were completed. Training activities in the area of Postal Savings included in the distribution agreement with Cassa Depositi e Prestiti also started in 2023. In support of the Polis Project, training was provided to Post Office network staff progressively involved in the provision of Public Administration services to citizens: INPS certificates and voluntary jurisdiction for the Ministry of Justice. In addition, a specific basic knowledge initiative on Polis objectives and characteristics was dedicated to the entire company population. In the Customer Operations sector, particularly in the area of Customer Assistance, training initiatives were launched dedicated to specific targets such as Tutor Trainers, Operations Tutors and Financial Services Operators focused on the evolution of the assistance model towards a greater commercial proposition and an integrated and omnichannel customer experience. It is also worth mentioning the launch of a specific training project on Artificial Intelligence and Conversational Design dedicated to resources working in the Customer Service Models structure. In the Postal and Logistics area, training initiatives were carried out, in continuity with last year, to foster the orientation towards transformation through the dissemination of the Lean methodology as a cultural model and approach to work, as well as specific projects concerning postmen and women and other professional figures, thus also strengthening management and operational effectiveness. In particular, training courses were held for Quality Managers and Safety Specialists, with the aim of enhancing integration, proactivity and cross-functional relations. To further support technical expertise and with a view to continuous improvement, training initiatives were carried out on the Methods-Time Measurement (MTM) methodology. In the area of Information & Communication Technology (ICT), numerous training activities were carried out to develop, strengthen and update specialised IT skills. Given the highly specialised and broad context of Information Technology, the acquisition of an ICT Catalogue of over 4,800 courses made it possible to cover the thematic macro-areas of interest, supporting the training of specifically qualified structures.

For Group companies, we highlight the training initiatives implemented by SDA to pursue innovation and optimisation in order to meet future challenges related to new business, and the training activities carried out by Poste Air Cargo to maintain and develop the specific knowledge of flight and maintenance personnel. With reference to Nexive, the Quality culture initiatives aimed at increasing awareness of the importance of customer value within the Group's Quality model are highlighted. In Postel, with the aim of accompanying the transformation phase of the company's business model, a training course on Digital Marketing skills was set up, aimed at supporting the strengthening and evolution of the skills of the professional family in the light of the changes in the context, market and offer (digital and innovative services). Finally, MLK Deliveries Spa completed the mandatory regulatory courses aimed at ensuring the compliance of company processes and activities.

In the Corporate sector, training plans were implemented for the Real Estate function on both energy and environmental and safety site compliance. In addition, in the last quarter, a knowledge mapping exercise was initiated in B.I.M. (Building Information Modelling) in order to customise the designed training courses to the specific needs and peculiarities of the resources involved. In the area of Corporate Protection, training initiatives on Physical Security involved specific targets on active security topics such as best practices in the design of video surveillance systems and anti-robbery and anti-intrusion and passive security systems as reference standards and design of an integrated, burglar-resistant system. Training was also provided on security management issues, in compliance with national regulations and the international standard, with the launch of training initiatives on emergency management in the event of adverse events during travel (travel risk management) and on security management at major events. In the regulatory/contractual area, the year saw training courses dedicated to the impact of the Cartabia reform on civil and criminal proceedings and to the new Public Contracts Code. For the Communication function, training continued, aimed at upskilling skills, consisting of courses on the evolution of social media, mobile and digital journalism, effective writing techniques and data storytelling. Finally, a series of meetings on inspirational topics involving academics and testimonials from external companies was launched for the Human Resources function. Update meetings on key internal HR processes such as people and performance management were also held. In the area of Administration, Finance and Control, specialised courses were organised, with internal lecturers, on tax matters (settlement deeds and tax treatment of framework agreements and delivery vouchers). Training activities also continued, at various levels, on a wide range of ISO standards (D&I, corruption management and prevention, business continuity, quality, computer incident prevention, privacy, etc.).

### **Financial Services**

At BancoPosta, a training initiative on Consumer Protection was carried out to deepen knowledge on the subject across the function (e.g.: Marketing, Channel Product Support and Compliance) and specialised training for the Compliance function on Data Literacy and Financial Intermediation Risks. In order to offer BancoPosta people the same training opportunities as the reference sector, an agreement was made with ABI for the participation of professionals in training courses organised by the Association. In order to support business developments, a collection of synchronous training proposals from leading market institutions on the topics of industry evolution (Observatory "Innovation in Financial Services") was compiled.

At BancoPosta Fondi SGR, the offer of sector-specific regulatory courses continues (e.g. Knowledge and Competence, Privacy, Anti-Money Laundering, Business Continuity and Management etc.). With regard to technical-specialist training, the focus was on strengthening industry-specific skills. In this context, the training activity "Money Market Derivatives" was proposed, which analyses the return and risk profiles of a bond portfolio and illustrates how to use instruments to control interest rate risk and volatility. Initiatives were also promoted to explore the skills required for the company's activities, with a focus on "sustainable finance", considering the BancoPosta Fondi SGR position as one of the main players within the Poste Italiane Group in this area.

### **Insurance Services**

The aim of the training for the PosteVita Group (PosteVita, PosteAssicura) was to update the skills of the various professionals. In particular, the updating of skills has concerned regulatory and compliance issues specific to the insurance sector (IVASS regulations, Legislative Decree 231/01, Anti-Money Laundering and Anti-Terrorism, Quality and Anti-Corruption, GDPR Privacy, Information Security, Fraud Management, Occupational Safety, Sustainability and Company Policies, ISO 9001 and 37001, Data Quality, Business Continuity Plan, Company Regulatory System, Privacy-Processing Register). In addition, training activities were aimed at developing specialised knowledge of the company's business, such as actuarial issues, risk and claims management, regulatory updates on insurance product design and sustainability factors in the insurance industry. Courses were offered on IT aspects such as the use of Bloomberg financial software to support investment management and asset allocation, as well as training on innovation, digital transformation and blockchain. In addition, refresher courses were provided on finance topics such as financial statements and taxation in insurance. Finally, at NET Insurance, in order to support the company's strategic plan, the main regulatory issues, both general and specific to the insurance sector, were addressed in 2023, technical and specialised training courses were provided (P&C Technical Training, Finance, Innovation, ESG, SQL Training, Agile, ITIL, etc.), and Development, Welfare and Equal Opportunity and Transversal Skills courses were offered.

### **Payments and Mobile**

The training courses dedicated to Postepay continue to focus on cross-cutting topics, with a focus on digital, financial and professional effectiveness. The Group promoted the strengthening of skills in banking, service design and ICT. At Postepay, a training initiative on Consumer Protection was implemented to deepen knowledge on the subject across the function. Training on specific target groups on Banking Transparency issues also continued, and, in order to provide a comprehensive compliance training proposal, a number of Digital Compliance events were held. To foster managerial development and the acquisition of key competencies for the company, several Executive Labs and mini-master courses were delivered in cooperation with leading national and international business schools. Finally, the higher education programmes continued with diversified Master's programmes on Competition Law and Innovation, Data Science and Quantitative Finance, Marketing & Sales and Flex ESG and Sustainable Development.

## **Continuous performance improvement**

The Group undertakes to regularly monitor the effectiveness, efficiency and quality of the training programs provided, as they constitute key indicators of their performance. Effectiveness is assessed through learning tests conducted at the end

of the training activities, while efficiency is measured by the ability to achieve the aforementioned objectives by appropriately using the available economic and organisational resources. Finally, quality is evaluated by means of questionnaires administered to employees to assess their level of satisfaction with the various aspects of training provision.

### The development system

The Development, Change Management and Digital HR Function sustains the growth of the business through the valorisation of people, with a view to employee experience, capturing potential and talent, supporting motivation and enhancing experience. Specifically, the function guides the evolution of the corporate culture by promoting the change of mindset, behaviour and operating methods of employees in a logic increasingly projected towards widespread leadership, which makes responsibility, integration and collaboration its main drivers. Furthermore, through an integrated system of policies, programs and development tools, as well as through People Review and engagement processes, the Group promotes an organisational culture centred on people as a whole, considering them from both a personal and professional point of view.

Each initiative is designed to involve a diverse audience belonging to all corporate functions and all Group companies. Particular emphasis is dedicated to guaranteeing equal opportunities for participation, in terms of age, gender, functional and geographical affiliation, without prejudice, however, to the specific entry criteria of each initiative.

The Development System is built on the following three pillars that integrate an articulated set of processes, tools and methodologies:

1. **scouting:** allowing the differentiation of growth opportunities according to target audience and level of professional maturity. Scouting programmes contribute to enhancing talent through activities to detect and develop the potential of resources;
2. **management planning:** aimed at identifying development priorities with a view to succession and the reduction of "managerial risk";
3. **development:** to accompany people in their growth and expand the enhancement of skills in relation to company and business needs.

All Development, Talent and Change Management initiatives are periodically communicated to the company population through the main internal (TG Poste, newsletter, corporate Intranet, etc.) and external (social media, specialised press) communication channels.

The objectives pursued in 2023, in continuity with previous years, were aimed at maximising the effectiveness of scouting and development programmes, expanding their capillarity and impact, including in terms of numbers, with a priority focus on business and the needs identified by internal customers. Furthermore, the establishment of the Development, Change Management and Digital HR function was crucial to maximising the integration between the scouting, development and People Review processes; furthermore, this facilitated the start of an HR digitalisation process within a broader strategy for the evolution of the services offered by Human Resources and Organisation.

The main drivers directing activities are as follows:

- expand knowledge of people, their skills, potential and motivation, to support business functions in defining talent pipelines at various seniority levels;
- consolidate People Review processes aimed at the shared identification of talents and the implementation of development paths dedicated to them;
- greater impact on the company population through a more widespread use of development tools and their consolidation with a view to continuous improvement;

- promote and systematise the use of relation-based development programmes, such as mentoring and coaching, as enablers for the enhancement of the skills needed for change management;
- ensure equal opportunities in participation in development programmes, also considering the broadening of career prospects for women;
- improve people's involvement and motivation through bottom-up processes of participation in initiatives with a strategic focus;
- experiment with innovative tools for the promotion of new models of work, interaction and collaboration;
- improve the knowledge of the initiatives activated and their impact on the organisation, through the activation of multiple channels and communication opportunities.

## Platform "INSIEME 24 SI"

Poste Italiane, in order to consolidate its sustainable development strategy, launched in 2021, "INSIEME 24 SI", the platform for collecting ideas and contributions aimed at the entire Group population. It is open to the entire population and transversally involves the different areas of the company's organisation, consistent with the objective of responsible growth and the process of digitalisation and social cohesion, promoting proactivity, innovating and creating shared value. Within the framework of Poste Italiane's Strategic Plan, "INSIEME 24 SI" represents a space in which the contribution of all stakeholders is taken into account, as fundamental contributors to the realisation of the Plan. This initiative fits within the eight pillars of the sustainability strategy, highlighting the Group's commitment to actively involve the business community in order to contribute significantly to the Company's sustainable development path.

The first edition, which opened in November 2021, was immediately followed by the second, which ended in September 2023. Both editions received wide involvement and interest, with more than 1,300 proposals submitted by colleagues and subsequently evaluated by more than 50 business managers from all business functions from the programme's launch to date.

During the course of these two editions, two Bootcamp events were organised, veritable "innovation marathons" in which more than 470 participants worked in teams to develop and explore their proposed ideas and presented their pitches to the jury of in-house managers.

From the outcome of the two Bootcamps, the best 20 proposals were selected, which then followed a typical start-up incubation path. The teams, comprising a total of 115 people, worked with agile/sprint methodology and, thanks to internal mentors and external tutors, produced prototypes that were later presented live to top management during the programme's final events. Some of these prototype solutions, supported by the business functions, are currently going through a consolidation and implementation phase, with the aim of turning into concrete projects capable of generating a positive impact inside and outside the company.

Both editions registered a wide participation and involvement, also witnessed by the accesses to the intranet and campaign news (about 60 thousand in total) and the likes collected during the social vote of the ideas (about 36 thousand).

With regard to people development and the promotion of professional development, the Group, in line with its work in previous years, digitally delivered scouting programmes to intercept potential and skills that could feed the talent pipeline at various organisational levels. The programmes are part of a digital structure that spans and supports all process steps. *Ad-hoc* platforms allow optimal access from all devices, both fixed and mobile, thus increasing the efficiency of both dispensing times and the environmental impact of dispensing in terms of CO<sub>2</sub> emissions and zero paper use.

These initiatives return information both with respect to the level of potential that has emerged and integrated quantitative and qualitative indications regarding the monitoring of the Leadership Model's capabilities, the orientation of participants and their motivation. These are:

- **POP:** the process of intercepting young people with limited company seniority, who are included, based on predefined criteria, in a Development process, functional to growth towards roles of greater complexity. The process is directed by internal Developers certified to digitally conduct Development Center sessions
- **MLAB:** the process of intercepting professionals and managers, with consolidated experience in the role of manager to be developed on more important management positions. This path has also been entirely redesigned in a digital perspective.

Following the assessment of potential, both programmes provide specific interventions to reinforce the identified skills

# 450

people involved in the  
POP and MLAB  
programmes in 2023

profile, with a special focus on coaching as the preferred support tool. In addition, managerial scouting processes, aimed at executives growing into roles of greater responsibility, were further expanded to include individual assessment solutions. Both programmes received a positive evaluation from the participants, who appreciated the usefulness, the level of professionalism of the Assessors and the IT tools made available for use.

In addition to the scouting processes, the Leadership Assessment programme is aimed at senior managers, with a view to supporting executive development policies, contributing to the design of career paths and succession plans. In line with the Diversity & Inclusion objectives defined by Poste Italiane to support the 24SI strategy, the 2023 programme has given priority to the involvement of women managers, identified in periodic Review meetings as potential "successors" for more complex positions. With this initiative, Poste Italiane strengthens its commitment to supporting the growth of the skills necessary for leadership development.

With the aim of increasing involvement in potential assessment processes, also involving populations not attributable to those eligible for the scouting programmes already in place - POP, MLAB, Leadership Assessment - the Company continued to invest in smart potential assessment tools, usable online and characterised by rapid administration times, which made it possible to involve an additional 884 people compared to 2022. In particular, this new approach was used in the People Review processes, for the valorisation of the resources of the HR, Group Engineering and PCL Centre Managers families.

In the context of scouting processes, considerable attention was paid to skill assessment, programmes aimed at assessing the coverage of professional roles through an analysis of technical and specialised skills, as well as soft skills, within Poste Italiane's Professional System. Skill assessments are implemented through specific campaigns designed in response to the particular needs of Professional Families. During 2023, these initiatives focused on DUPs in Post Office networks and PCL Centre Managers, involving a total of 3,472 resources. The campaigns made it possible to map the coverage of roles by identifying any discrepancies between current skills and those required, thus initiating the design of training and development actions aimed at strengthening skills and assessing the potential for growth into more complex roles.

# +884

resources involved in mass  
scouting compared to 2022

The results of the potential, together with the performance trend and seniority have guided the structured implementation of the People Review, a process aimed at enhancing the talents of the Group, which involves the business lines together with RUO, in a transversal comparison, aimed at bringing out a shared concept of talent within the organisation.



During 2023, the People Review involved the professional families DUP, Group Engineering and HR. The line managers and HR managers discussed a talent pool of around 1,000 resources, with the aim of defining accelerated development solutions and expanding the pipeline of candidates to cover positions of business or interest, also transversally within the Group. For the talents identified in 2023, the Blooming Programme continued, a personal programme for Group talents aimed at developing cross-functional skills, broadening vision and relationships, and enhancing leadership. With regard to the introduction of innovative tools in the area of skills development, the SkillGym initiative continued. During 2023, over 1,200 employees were involved in the practice of "critical conversations" aimed at strengthening soft skills relating to the management of the feedback process, through the use of a digital platform that offers simulated environments guided by artificial intelligence.

**+50%**

presence of **women in  
coachee activities  
compared to 2022**

In 2023, coaching activities were strengthened, carried out by both internal and external coaches, which involved managers and young talents in paths to strengthen transversal skills useful for improving performance. The number of coachees increased by 50% compared to 2022, with significant female participation. In addition, the Mums at Work programme continued, aimed at employees returning from maternity leave, accompanying them in the process of reintegration into the Company through dedicated coaching courses. The initiative is in line with the Support for Active Parenting Policy, launched in 2022, which defines the company's framework to support both women before and after motherhood and the evolution of the concept of shared parenting. The Policy emphasises the responsible role of leaders and managers in creating an environment increasingly based on trust and engagement, encouraging the expression of the personal and professional skills of each employee. In order to accompany the cultural and social paradigm shift, continuous dialogue, through anticipatory plans and time-structured moments, is an enabling lever to spread a growing awareness of the value of differences and inclusion. The Policy therefore introduced management and caring processes that offer a concrete response to male and female workers in innovative ways, approaches and perspectives.

In addition, with the aim of promoting a leadership style that facilitates change management uniformly within teams, coaching activities have assumed a central role. In fact, in addition to traditional individual coaching, collective coaching programmes, such as group and team coaching, were also consolidated in 2023. These forms of collective coaching have been implemented to support groups, which are regarded as fundamental elements of the organisation, during change processes in order to improve their efficiency and productivity.

In the constant commitment to enhance people based on the results achieved and the expertise gained, the "Development paths in the territory" project continued which, in continuity with 2022, outlined specific paths for key roles in the territory, through co-planning between central and territorial HR and Line functions, in an agile manner and capable of strengthening, at the same time, the development skills of the functions involved. Particularly significant in 2023 was the start of the process of designing tailor-made pathways for the IT professional family, as part of a broader plan aimed at developing skills and providing growth opportunities for professionals belonging to this family.

In a context characterised by a constant drive for change, people are called upon to express greater responsibility, autonomy and flexibility. In response to this need, the Poste Italiane mentoring programme has evolved, establishing itself as a stable and widespread process throughout the company as a space for

**+22%**

**female mentors  
compared to 2022**

discussion with recognised managerial best practices and role models. In 2023, more than 457 mentors and mentees actively participated in the Company, with a significant female presence (+22% female mentors compared to 2022). Mentoring ensures the expansion of a global

**457**

**Mentors and  
Mentees in 2023**

vision as it allows a comparison between diversity of gender, age and experience. Cross fertilisation, understood as the promotion of transversality between different functions and effective integration between the centre and the territory, constitutes the main driver of the programme, as it promotes mentorship relations between managers and professionals coming from different areas and functions.

With a view to enhancing intergenerational exchange, a call for mentoring was launched specifically targeting the group of NAL-Newly Hired University Graduates. In particular, these young talents were invited to join coaching courses with senior mentors on a voluntary basis. NAL represent 36% of the total number of mentees in 2023.

In connection with the assessment campaign for white collar workers, 2023 saw a further consolidation of assessment and feedback tools.

In order to provide support to the teams and increase the level of engagement, the possibility of involving the project teams in the performance assessment was integrated into the PSP, both during the assignment of goals (goal management) and in the actual assessment phase. During this process, Project Managers, Organisational Contacts and members of cross-functional teams are therefore involved as additional providers of feedback on the performance of employees involved in cross-functional projects. This approach allows direct managers to broaden the view of their staff and take this into account in the overall performance assessment.

In compliance with the provisions of the Corporate Governance Code for Listed Companies, during 2023, succession plans were carried out as part of the Poste Italiane Group's annual Management Review process. Through dedicated meetings with each function manager, valuable resources within the Group were identified and mapped, which, at various levels of the organisation, are considered as the priority pool for managerial development opportunities. The definition of succession plans ensures that key positions in the organisation are covered, helping to contain managerial risk. The Succession Coverage Index, which measures the "completeness" of succession plans, showed very positive results. Particular attention was paid to the presence of women in management succession plans, with the aim of increasing the representation of women in top positions within the Group. Specifically, there is an upward trend on the Gender Index for all mapped positions, indicating a progressive increase in the presence of women in the Group's future leaders.

The implementation of the Oracle HCM Cloud platform over the last three years has enabled the integrated management of people assessment and development processes. The platform made it possible to rethink the evaluation process as a pivotal process for people's development. To emphasise the relevance and centrality attached to individual competence development and performance, the assessment process is called the Performance Development Plan (PSP), which is based on the promotion of a culture of results, collaboration and feedback.

Feedback plays a fundamental role within the PSP, acting as an essential tool for growth and constructive confrontation between people, their manager and the team to which they belong. It also raises people's awareness, ensuring continuous improvement of the performance expressed.

All programmes managed by the central Development, Change Management and Digital HR function are constantly monitored. Data and information on the various topics are periodically shared with the HRBP involved in the process. As regards data management and governance, internal IT systems or digital platforms from HR partner suppliers are used (e.g. SAP, WEB PERS, MS Teams, Oracle HCM).

Following the initiatives, RUO-SCMDH regularly conducts satisfaction surveys to evaluate their effectiveness. The final figures generated and the feedback collected allow us to evaluate the degree of effectiveness of the development initiatives.

To encourage broader involvement of people, the implementation of a work model has been expanded that provides for greater individual responsibilities and organisational and participation integration (bottom up, team) that goes beyond the traditional evaluation model (top down, manager-collaborator).

This provides:

- self-assessment, with which to give an opinion on the achievement of goals and the skills implemented during the year, also for the purpose of further comparison during the feedback interview;
- self-assignment of objectives, both operational and developmental, with the possibility of direct monitoring of the progress of the assigned objectives;
- participation in the assessment of employees and project leaders for members of cross-functional teams.

## Cross- training to support the Company



Transversal training initiatives play a significant role for the Group, as they enable the expansion of knowledge on topics common to several professional families, promoting the development of skills in a cross-functional perspective and fostering an exchange of value, both on a personal and professional level.

In fact, the year saw the launch of the "Transversal Competence Plan", aimed at the indirect production population, with the objective of fostering reskilling in specific competence areas. This initiative was promoted in line with the European Community's proclamation of 2023 as the European Year of Skills, in order to assist both companies and individuals in successfully coping with the changes taking place, fostering innovation, the transition to a green and digital economy. The Plan consists of three "hybrid" training paths, which supplement compulsory courses with additional courses that can be freely enrolled in. Topics covered include: Mindset and Behaviour, Digital and Innovation, and Sustainability.

In addition, the use of the Open Learning Area content, freely accessible by the entire company population for on-demand use of the training offer, is confirmed. The learning area enables staff to choose their own training in a self-development perspective. In support of the initiative, a wide-ranging campaign to engage the company population was carried out with the Internal Communication function, in several stages and with specific objectives. A survey was launched to raise interest in the initiative itself and to increase the number of active participants. Subsequently, a series of news items related to national and international events in 2023 (such as Innovation Day, Book and Copyright Day, Creativity Day) and dedicated to the launch of new courses available for automatic enrolment were published. An important transversal initiative was dedicated to the topic of Eco-Driving. The actions implemented by Poste Italiane to contribute to the reduction of CO2 emissions into the air and raise awareness among the resources involved towards eco-sustainable driving also include the event "Green Talk: Together for the conscious consumption of energy", which involved the heads of organisational/operational structures to make them aware of the subject and the procedures to be applied in order to reduce energy consumption, and the online course "Noi Green - L'Eco Routine in Poste Italiane", which provides data and useful elements for reflecting on the value of sustainability and the benefits of adopting environmentally aware and respectful behaviour.

The focus on the development of soft skills, which are increasingly important to support change, is confirmed: from the way of relating to colleagues to the ability to solve more or less complex problems. Hence, new initiatives to enhance decision making, problem solving and critical thinking skills, all necessary to meet the challenges that the environment imposes, as well as public speaking courses and various project management and language training proposals.

## Benefits of employee development programmes

### Insourcing and re-employment

Poste Italiane's "Insourcing and Re-Employment" project aims to re-employ, on outsourced activities, internal Group personnel who, as a result of organisational initiatives and/or production-digital developments, are not allocated to fully productive/value-added areas.

The programme, designed to train and provide new skills with a view to professional growth and flexibility, was also dedicated to the re-employment of "workers in a condition of fragility" within the meaning of current legal provisions who, unable to work on company premises in relation to health emergencies, found different employment to protect health and safety in the workplace. The re-employment of internal staff allows for the in-house management of previously outsourced activities, with benefits both in terms of maximising productivity and saving on the income statement, which in 2023, stood at €36.8 million, enabling the reduction of the recourse to external supplies.

During 2023, 2,500 people were interviewed, of whom 1,684 (equal to 1,561 FTE) were redeployed within the targeted functions/areas of re-employment through reskilling and training aimed at enrichment and acquisition of new knowledge. The programme was very successful among the employees.

### Best Performer Development Programme

Dedicated to resources identified as "best performers", the programme aims to strengthen the participants' soft skills profile, increase personal awareness and make people aware to take responsibility for their own professional development.

Specifically, the programme provides diverse individual development paths such as, for example: scouting processes (MLAB; POP; Smart assessment, Talent Review, etc.) functional to bring out talented resources;

competence development initiatives (Coaching; Mentoring; Counselling, etc.) functional to accompany people in their growth and accelerate their development in relation to company and business needs;

engagement activities (INSIEME 24SI) and putting into play a self-entrepreneurial and innovative approach to contribute to the realisation of the company's strategic objectives.

In general, the programme leads to the empowerment of participants' competencies, leading to a competitive advantage of the company in the market, and is linked to broader business benefits in terms of engagement, motivation and sense of belonging of the resource to the company. The path to the development of the best performer target in 2023 led to benefits both in terms of containing the absenteeism rate and the impact on the turnover rate on a voluntary basis with exit from the Company. Furthermore, the enhancement of the skills of the programme participants led to promotions within the target group involved and an increase in the turnover generated.

As evidence of these benefits, the following results were achieved in 2023, with reference to the best performers target:

- absenteeism rate of 1.66 % compared to Poste Italiane's absenteeism rate of 3.9 %, to be understood as referring only to sickness in 2023, net of Covid;
- turnover with voluntary resignations constituted by about 1% of the best performer target compared to about 2% at Group level, with reference to the resignation case in 2023;
- promotions in 2023 equal 12% of the best performer target compared to 6% at Group level;
- 53% of the target group surveyed reported a superior/excellent performance rating.

In order to improve the working conditions of employees, Poste Italiane dedicates particular attention to active dialogue with the company population. In this context, the Group has effectively developed an internal communication channel, the NoidiPoste Community, which aims to generate, promote and implement constant interaction between all members of the Group, facilitating the sharing and management of information, also contributing to spread the company culture more widely, support the brand reputation and encourage the active participation of employees in company dynamics.

## **Poste Innovation Jam The importance of exchanging ideas and experiences**

In order to spread a mindset related to innovation and a new way of working, strengthening skills related to collaboration and enhancing the richness of diversity in terms of collaboration, confrontation and inclusion, Poste Italiane has promoted the "POSTE INNOVATION JAM" initiative, which consists of a series of internal Hackathons and Datathons, i.e. "innovation marathons" of three days each in which participants work in teams to develop solutions to respond to the business "challenges" identified from time to time. The teams are supported by Experts from Poste Italiane and Mentors from Elis, partners in this initiative, and at the end of the three days, they present their idea to a jury of managers from the impacted business functions, who select and award the best ones.

The initiative gives participants the opportunity to get to know new colleagues, facilitates the exchange of experiences and skills, and experiments with the agile approach to tackle real problems with innovative tools that stimulate collaboration between different areas, functions, generations and territories.

During 2023, 3 editions of the programme were realised, which saw the participation of about 180 employees: a Datathon in the DTO area, to develop innovative solutions using data, a Hackathon dedicated to the Marketing professional family and another in the Post Office network/Operational Management area.

## **Poste Italiane obtains ISO 29993 certification**

Confirming the validity of Poste Italiane's training offer, the Group obtained certification of its training processes in November 2021, valid until 2024 (UNI ISO 29993:2019). The certification came after the profound transformation of training processes through the revision of the organisational model of the Corporate University for Academy, the implementation of new tools and support systems, and the delivery of training almost exclusively by remote. This certification is important for the robustness and solidity of the implemented training model. In October 2023, the annual surveillance audit was passed.



## Staff welfare and well-being

In 2023, the Company's commitment to the protection and well-being of its people continued, through initiatives aimed at strengthening the welfare system, with interventions in favour of employees and their families in a growing logic of proximity and personalisation of the caring. The relevant character of the path undertaken can be traced back to the integration of the initiatives promoted, which involved personal services, organisational behaviours and relations within the Company.

*Welfare is a distinctive feature that qualifies Poste Italiane's positioning in the market and its relationship with civil society. Well-being represents a "collective feeling" rooted in Poste Italiane's natural inclination to take care of people, territories and social contexts.*

Poste Italiane is dedicated to promoting activities aimed at improving the well-being of its employees, facilitating more favourable living conditions and, at the same time, encouraging superior work performance. These initiatives are integrated into the process of enhancing staff commitment, which is considered essential to create a positive corporate climate that ensures social well-being and productivity levels in line with company objectives.

The adoption of the company welfare system is characterised by taking a comprehensive perspective on the individual, going beyond the work sphere. This approach is also able to consider the individual experience in social, family and territorial contexts, highlighting an increasing focus on listening and valuing individual contributions. This is all part of a logic of greater involvement towards common and shared goals.

### Poste Italiane's inclusive company welfare system

A continuous process accompanies company welfare policies and is based on the value of people and the skills they can generate if they are put in a position to express the potential they are capable of, without cultural and social conditioning and without prejudice. The aim is to generate organisational well-being, releasing the generative and innovative potential present in all people regardless of age, gender, health status, role and social status.

The implementation of the inclusive company welfare system has been predominantly characterised by certain distinctive assets:

- adoption of an integral vision of the person, which goes beyond the work aspect and takes charge of the individual's experience, including in the social, family and territorial spheres;
- listening to and valuing individual contributions in a logic of greater involvement towards common and shared objectives;
- strengthening of "proximity" welfare solutions as opposed to a more impersonal and generalist service system

At the organisational level, there is a corporate function dedicated to Welfare, within the Human Resources and Organisation function, embedded in the Industrial Relations structure, called "Labour Legislation, Social Security and Welfare".

The company welfare plan can be traced back to illustrative documents, which are developed in line with sustainability policies. For the main welfare initiatives, in addition to contractual agreements setting out requirements and performance conditions for suppliers, internal regulations and policies are also available. A strong monitoring of the impacts of welfare

initiatives is also designed, which is mainly reflected in the definition of strategies, objectives, organisational managers and, above all, cultural awareness of the context through communication and listening plans to encourage the active participation of people in the co-generation of welfare solutions to increase motivation and engagement towards common objectives.

The system for measuring the corporate impact of the welfare plan is therefore linked to a constant and programmatic survey of the various initiatives put in place, having clear metrics of appreciation that, in addition to purely objective elements, are also clearly identifiable on a subjective level in terms of involvement, listening, motivation, skills and soft skills of both suppliers and work teams. The aim is therefore to make explicit how the proposed initiative should manifest itself in terms of:

- Output: identifying the result of the action implemented
- Outcome: defining the object of the action
- KPIs: indicators to measure the various aspects of the plan
- Trend: to give comparability and comparison with previous editions.

Thanks to the adoption of more and more timely and targeted welfare policies, it has been possible to identify certain behaviours that promote personal and organisational well-being:

- disclosure: what the Company does for its people must be brought to the knowledge of the entire organisation, without intermediaries or cascading processes through the hierarchy;
- proactivity: managers, the HR function and employees must be mutually active in order to foster the dissemination of values and plans that support people's well-being;
- proximity: solidarity mechanisms must be activated in the workplace that facilitate proximity and exchange relationships between people, including through horizontal collaboration models;
- customisation: the identification of the most suitable levers, measures and solutions is shaped on the individual through listening and involvement;
- dynamic adaptation: the solutions and responses identified at a given moment may not be the final ones, as people change and, often, the organisation does too. For this reason, it is necessary to activate work adjustment mechanisms to ensure that proposals and solutions respond to the evolution of work situations, the relational and social context and the market.

Poste Italiane's aim is to structure a company welfare system capable of intervening to neutralise inequalities and conservative resistance with intergenerational, modular and solidarity-based programmes and levers for the well-being of individuals and, in general, for collective balances.

## Poste Italiane listens to its personnel

**Survey "Poste Mondo Welfare":** survey aimed at non-executive employees of the Parent Company and the Group Companies participating in the programme to detect the satisfaction of the participants in the plan to convert the result bonus into welfare and to incorporate the needs of the entire company population for the launch of the edition referring to the year 2023. In particular, the activity consists of a series of surveys aimed at programme members to detect their enjoyment of the experience of the various services and their prospective needs, and at the entire company population to increase the level of engagement and participation on the value of the programme in relation to the launch of the annual edition as well as the better setting of the offer in relation to the real needs of the company population. The rating scale on which the survey was based provided values from 1 to 10.

**Survey Home-work travel 2023:** annual survey that analyses employees' home-work travel habits in order to identify, in the medium and long term, sustainable mobility solutions to reduce CO2 emissions in the interests of employees and the community. The survey was conducted using CAWI methodology. The survey featured multiple-choice questions, radio buttons and open fields. In 2023, the survey was targeted at approximately 39,000 employees of the 135 locations with more than 100 employees, in 75 municipalities in the territory

**Survey "Services for the person":** annual survey aimed at the entire company population analysing user satisfaction with the content and navigability of the section on the corporate intranet.

**Survey "IINostroXcorso":** survey addressed to the entire company population aimed at investigating satisfaction with the initiative for all employees launched on the occasion of Poste Italiane's 160th anniversary celebrations.

**Survey "Car rental service":** survey to investigate satisfaction with the company car rental service. Target: fellow recipients of the service delivered via e-mail and managed by the Real estate function.

**Survey Webinar Sponsorship:** survey aimed at investigating satisfaction with online webinars dedicated to sponsorship activities. Target: macro area managers and webinar participants.

**Survey on the OLA Platform:** survey to assess staff needs regarding the voluntary training platform, aimed at the entire company population.

**Survey "InEvidence":** survey aimed at investigating colleagues' needs and opinions on internal communication channels, tools and initiatives. .

**Survey Disability - Vulnerability - Inclusion:** survey addressed to the entire company population, aimed at identifying the main needs and perceived level of inclusion related to the health conditions of both colleagues with disabilities and those with vulnerabilities, also comparing it with those who are not affected by any of these conditions. The survey also provided suggestions to expand the organisation of events and initiatives in support of disability, so that more can be said about it and more information can be disseminated on the subject.



**Survey "Research project with PoliMi":** the survey is part of the research project conducted by the Polytechnic of Milan to build an interpretative model on employee engagement/disengagement with respect to established variables. Target for 2023 was approximately 13,700 people representing the main company functions, including employees already involved in 2022. In addition, the analysis of the results of the second survey was completed in 2023.

**Survey D&I Event "Poste, Plurale, Universale":** feedback questionnaire conducted anonymously among employees who participated in the corporate event Diversity & Inclusion day with testimonies from employees and external guests on the topics of gender, generations, vulnerability, interculturality to collect satisfaction and programmatic ideas for the next editions of the initiative.

By intensifying its internal communication activities, Poste Italiane Group, through innovative projects and methodologies, has been able to strengthen the dialogue with its employees and achieve multiple international recognition. In this regard, in June 2023, the magazine Postenews reached its 50th edition, in tabloid-type daily format and with a 32-page spread.

**Over 50**

editions of  
**Postenews** from 2018  
to 2023

Through news, reportages, interviews and focus on Poste Italiane, the aim of the new house organ is to recount topics involving the Company's people and business, from sustainability to logistics, passing through innovation, welfare and the constant attention to the territory. TG Poste, on the other hand, was created in response to the Group's need to continue its mission of being close to its employees on information issues too, providing the most important news, and to tell the outside world about the Group's business inspired by the principles of sustainability and customer focus. TG Poste is broadcast every day, Monday to Friday, and is streamed live on the Poste.it

website and on screens in Post Offices, as well as being visible on demand at tgposte.poste.it and for employees also from the company intranet or the NoidiPoste app.

#### Work-life balance

**+200%**

of participants to the  
**Poste Mondo Welfare**  
programme compared to  
2022

In the area of contractual welfare, the Poste Mondo Welfare programme was implemented for the fifth consecutive year, implementing the trade union agreement on the Results Bonus, which allows employees, on a voluntary basis, to convert all or part of their Results Bonus into welfare goods and services with specific social, educational, recreational and welfare purposes, accessing tax benefits linked to current legislation and additional company welfare credits for an ever greater appreciation of the opportunities linked to the programme and to support the increased purchasing

power of employees and their families.

The launch of the initiative was preceded by a process of listening to colleagues to understand their individual and family needs for the development of services based on the prevailing needs. The 2023 programme achieved record results with participants tripling from last year to 28 thousand. The success of the 2023 campaign was characterised by an improvement in the employee experience with new solutions available on the platform to encourage an informed choice of participation, by a capillary and multi-channel internal communication plan, by training briefs addressed to staff to increase their knowledge of all the opportunities of the programme, and by information workshops involving all company structures to ensure maximum

**28 thousand**  
**participants**

with over 500 employees  
in the role of dedicated  
ambassadors

territorial proximity. In particular, the 2023 edition saw the preparation and active involvement of more than 500 dedicated ambassadors, who also disseminated the programme on the basis of their personal experience, giving continuity to the coaching of colleagues, together with promotional stands in the most staff-intensive organisational structures, as well as an expansion of the network of goods and services offered.

In addition, the opportunities arising from current tax legislation were exploited, especially with regard to employees with dependent children in the area of fringe benefits and reimbursement of bills.

# 88%

percentage of utilisation  
of the Bonus converted  
into welfare in 2023

All this led to a higher percentage of premium utilisation converted into welfare, averaging 88%, also higher than market trends and observers. This indicator attests to the social and reward value recognised in the model, the effective support for the reconciliation needs and social well-being of people and the appreciation of the plurality of goods and services offered on the platform, in line with the needs and requirements of the participants.

## PosteXTe: The digital catalogue with all agreements dedicated to Poste Italiane employees



As part of Poste Italiane's initiatives to improve the well-being of employees and their families, "PosteXTe" was launched, a programme to purchase products and services at advantageous prices from carefully selected partners.

In May 2023, the first digital catalogue was launched, with over 150 participating partners and, to date, continuously growing and updating offers.

The partners and product categories within the programme allow for a broad coverage of the territory, encompassing a wide range of offers concerning, personal well-being and home care, essential needs related to mobility but also shopping, travel, sports, catering, leisure and entertainment.

## Poste Italiane and parenting support



The company's commitment to support Active Parenthood continues in line with corporate policy, which has led to diversified initiatives aimed at fostering gender balance, including through measures accompanying a change in the cultural paradigm in the sharing of family responsibilities, as well as the introduction of measures and paths aimed at enhancing the skills acquired during parenthood, which are also essential for professional growth. The Company aims to generate a management alliance capable of overcoming dysfunctional cultural systems and biases to enhance inclusion and life balance in the family as well as at work.

In continuity with previous years, the company PosteBimbi crèche service remains active at the Rome and Bologna sites for the children of employees and a portion for users from municipal and third-party entities. The service is provided for the children and grandchildren of Group employees. The service is extended to more than 100 families with children from three to 36 months; an employee contribution from the company of 55% of the value of the monthly fee is provided. The objective is to guarantee a flexible educational service in relation to work pace, to combine professionalism and quality in respect of the values expressed by families. The distinctiveness of the educational programme is represented by an integrated relational approach on the part of all the players involved in the process, by attention to the values of environmental sustainability, by cross-culturalism (bilingualism) and by inclusion and educational alliance with families to foster dialogue through innovative communication methods. There is also a counselling service within the nurseries to support families in dealing with their children's developmental processes, together with the structuring of a cycle of dedicated seminar programmes.

The Company has set itself the objective of contributing to the strengthening of measures and pathways aimed at promoting active parenthood, also as levers to combat the phenomenon of denatality and to encourage an increasingly balanced distribution of care burdens. In this context, 4 parenting support seminars were held for all employees, innovative and structured parental involvement programmes with a kick-off and 6 webinars dedicated to raising awareness of dedicated projects such as the Lifeed Parents programme (about +33% compared to last year with a 40% representation of fathers), as well as the launch of gradual actions in relation to the return-to-work accompaniment paths provided for in the company Policy.

To celebrate its 160th anniversary, Poste Italiane promoted an initiative, called "Il NostroXcorso" (OurXcourse), which continued to develop in 2023, with the aim of keeping employees connected, sharing passions and creating a strong community. The initiative is accessible through a specially created application available on the NoidiPoste app and intranet and allows people to share travel experiences, alone or in company, made by using a green vehicle or simply walking. Connecting to the app allows to share and upload posts of trips and share with colleagues the roads, nature, views and places visited, enriching the description of the trip with phrases, kilometres travelled, type of green vehicle used.

## Health and prevention

As part of its welfare policies, the Poste Italiane Group pays particular attention to the issue of health, also with a view to prevention.

### "Poste Centro Medico" Poste Italiane's healthcare facility for its People



In 2023 the activities of Poste Centro Medico, which with over 17 thousand healthcare services performed in three years, represents the centre of excellence dedicated to the care and prevention of Poste Italiane employees, their families and pensioners continued, with the aim of strengthening the well-being of employees in the workplace by offering medical services and preventive healthcare. The Outpatient Clinic is coordinated by a Clinical and Healthcare Director and brings together a significant number of professionals working in the most important national healthcare facilities.

Poste Centro Medico offers qualified services and provides specialist examinations, instrumental and ultrasound examinations in 13 medical areas, as well as diagnostic imaging and other medical services. The Centro Medico is also equipped with state-of-the-art medical equipment (state-of-the-art ultrasound scanners, mammograph, videodermatoscope, gynaecological unit, ophthalmic equipment, etc.). In particular, in October 2023, a programme dedicated to the prevention and early diagnosis of breast cancer was activated at the Outpatient Clinic in order to raise awareness among an increasing number of women.

The Company always pays attention to people's well-being and promotes initiatives to inform, educate and support the health of employees and families. With this aim in mind, a series of seminars for employees on prevention in cooperation with specialists from the Poste Centro Medico started in 2023.

Finally, the Poste Centro Medico's initiative dedicated to blood donation, in collaboration with AVIS Comunale Roma, continued this year, contributing to the good of the entire community also with a clinical purpose as an act of preventive medicine.

In line with previous years, in order to guarantee the health of staff and the protection of the environment, post officers have been provided with uniforms bearing the green OEKO - TEX Standard 100 certification, which ensures that the product is carefully checked for ecological and health aspects. In 2023, the distribution of the new uniforms, which combine sustainability, innovation, safety and the well-being of all employees who wear them every day, began for the staff of the production and delivery centres. The new uniforms, in fact, have greater elasticity, breathability and have been produced, with a view to the circular economy, through the use of recycled components. The design was made possible by incorporating direct input and experiences of employees gathered through an intranet-based survey of a sample of employees in the delivery centres and plants. With regard to the PDA given to post officers, on the other hand, over the years, Poste Italiane has developed a new feature that allows a voluntary request for help to be sent in the event of the need for medical intervention. In this way, the device used by post officers also becomes a tool to increase safety at work through certain functions, such as the SOS function that allows, in the event of an emergency, to activate a call to the so-called "Situation Room" where a team of operators is ready to respond to distress calls. In addition, before leaving for the delivery, a reminder function is activated on the smartphone reminding the post officer of the protective equipment he must always have, such as a jacket or high-visibility waistcoat. Finally, twice a month, a pop-up reminds the postman to check the maintenance status of the vehicle and to report any service requests.

## Culture and education

Poste Italiane strengthens its corporate commitment to the development of new generations, actively contributing to the growth of young people through numerous initiatives including scholastic and professional orientation programmes, as well as activities aimed at developing soft skills and aimed at the children of employees and children also from vulnerable social realities.

The Group, in fact, has implemented, for the fourth consecutive year, the "Next Generation" project dedicated to the children of employees and children from secondary schools located in fragile territories. The programme aims to introduce young people to issues of innovation, diversity and social inclusion and to the professions of the future. In this regard, several training meetings and workshops were organised throughout the year, with lessons in virtual classrooms to explore topics of relevance for the development of new skills, which involved the collaboration of professionals from various sectors, with whom the students had the opportunity to exchange ideas and reflections useful for their professional orientation. This year, the project focused the children's attention on the value of the handwritten letter as a means of communication, an expression of freedom and a means of establishing contact with others. An important phase of the project was the Creathon week, a creative marathon in which the students, divided into six groups, tried to design a postage stamp, which ended with a final vote, and subsequent awarding, by a corporate jury. The course ended with participation in a summer camp, where participants came together for a week to realise the winning Creathon idea. They acquired new skills by learning to use graphics programmes, as well as a conscious use of artificial intelligence.

# 19

**scholarships for deserving  
children of employees**

In addition to the two-year "School4Life 2.0" project, extensively covered in the previous chapters, STEAMcamp courses have been created which, dedicated to the children of employees and their families, promote innovation and the valorisation of the distinctive skills necessary to carry out future professions through a learning and gaming experience that stimulates comparison with new models ranging from coding, artificial intelligence, gamification, robotics and much more, whose only boundary is represented by creativity. Furthermore, in 2023, two awareness-raising proposals called "Social Media Lab" were created with the aim of bringing employees' children closer to understanding the evolution of identity on the internet and acquiring greater awareness of digital sociality.

Also for the children of employees, two new editions of the "Future Lab" programme were carried out, aimed at fostering their integration into the world of work, stimulating reflection on their personal development plan on the ability to design a study and career path. Specifically, the programme aims to bring young people closer to the world of work in a more conscious way, offering them support in their choices so that they can pursue paths in line with their skills and passions and learn about the main market trends related to the professions of the future.

Lastly, with a view to promoting intercultural exchange, 19 study abroad scholarships were awarded in 2023 reserved for deserving children of employees, supported entirely by the Company, with the aim of enabling young people to confront international realities socially and culturally different from their own.

## Sense of belonging

As part of the initiatives aimed at consolidating the sense of belonging, in 2023, 65 Group employees received the "Star of Merit for Work" recognition for having distinguished themselves due to their particular expertise and industriousness in the context of their work in the Company. Stars of Merit are awarded annually to workers employed by public and private companies, who are at least 50 years old and have worked continuously for at least 25 years. Half the honours are reserved for those who started their activity from the lowest contractual levels and have distinguished themselves for their human and professional contribution to the company. Specifically, the male and female employees were selected throughout the national territory and represent the majority of the professions present in the Company. The honour carries the title "Maestro del Lavoro" (Master of Labour) and is conferred by Decree of the President of the Republic, upon proposal of the Ministry of Labour and Social Security.

## Financial and non-financial benefits for personnel

### Financial benefits

Below is a list of the main financial benefits that are paid to executive personnel.

- **Life insurance and coverage for disability and invalidity:** in the interest of the executive, Poste Italiane takes out an insurance policy that ensures an additional sum, with respect to the normal salary, in the event of death, permanent disability and injury occurring even if not during work;
- **Healthcare:** the Company contributes to the financing of the FASI Healthcare Fund and other supplementary funds, so that services supplementary to the National Health Service may be recognised;
- **Pension:** the Company contributes to the financing of the PREVINDAI Supplementary Pension Fund in order to provide pension benefits in addition to the compulsory pension.

The main financial benefits due to non-executive personnel are listed below.

- **Parental leave:** more favourable treatment than that provided for by law (art. 43 National Collective Labour Contract);
- **Healthcare:** the Company provides a supplementary healthcare plan with a contribution paid by the Company for the "Basic" package (art. 79 National Collective Labour Contract);
- **Pension:** payment of contribution to the FondoPoste by the Company (art. 79 National Collective Labour Contract).

### Non-financial benefits

To complete the remuneration package, Poste Italiane Group provides executives and certain types of managers with additional non-financial benefits, in compliance with applicable regulations and taking account of market practices. These benefits are subject to specific guidelines, which require the application of common criteria depending on the uniform category of employee concerned. Examples of non-financial benefits attributed to executives and certain categories of middle managers are the company car for mixed use and the medical check-up.

## Relations with social partners

NFS

MAIN RELATED TYPES OF CAPITAL



Poste Italiane, through regular meetings with the Trade Unions (OO.SS.), maintains constant dialogue with workers' representatives, not only with regard to ordinary management but also in the event of major organisational changes, with the aim of placing the well-being and protection of workers' rights at the centre. Therefore, it stipulates agreements compliant with the National Collective Labour Agreement (CCNL) and the Consolidated Law on Representation, aiming to encourage the creation of a positive corporate climate and ensuring compliance with current legislation. The Group implements all the activities envisaged by the Industrial Relations System, outlined in Chapter I of the CCNL of Poste Italiane S.p.A. (Information, Consultation, Participation, Bargaining), also in order to accompany the actions envisaged in the Company and Group Strategic Plan. In this way, the Company ensures adequate and fair solutions on issues that can have significant impacts not only on the organisation and the business, but also and above all on human capital, which is considered a fundamental element.

In compliance with the provisions of current legislation, Poste Italiane guarantees impartiality and independence in the promotion of its relationships with Trade Unions, as established by the Group's Code of Ethics, and at the same time undertakes to preserve the well-being and guarantee the protection of the rights of its workers, ensuring their freedom of association and collective bargaining.

*Poste Italiane's commitment to ensuring the well-being and protection of its employees, as well as to maintaining an ongoing dialogue with the social partners, underlines the importance the Company attaches to human capital and the creation of a healthy and collaborative working environment. This approach is crucial for building positive relationships and achieving business goals.*

Poste Italiane refers to the national collective bargaining, which provides for a specific procedure of discussion between the Company and the national Trade Unions stipulating the CCNL in the event that significant organisational changes (such as company reorganisation and/or restructuring and/or transformation processes) entail social consequences, with repercussions on working conditions.

**100%**  
of employees covered  
by collective bargaining  
agreements

In this regard, the Group is required to provide prior information to the National Trade Unions stipulating the CCNL, indicating the date of the start of the discussion, in order to seek possible solutions to manage the social effects. The negotiations shall be completed no later than 25 working days, including Saturdays, following the date set by the Company for the first meeting. During this period, the Trade Unions must refrain from any direct action, while the Company cannot implement the planned projects. After 25 days, if the outcome of the discussion is negative, the Parties may make their own autonomous decisions; in the event of a positive outcome, on the other hand, the Company shall provide adequate information to the competent territorial structures of the Trade Unions. Prior to the start of discussions at the territorial level, the RSUs (Unitary Labour Union Representatives) must be consulted, a phase which must be completed no later than 13 working days, including Saturdays, from the date on which the hypothesis of agreement was signed. Subsequently, the Parties shall meet at a territorial (regional) level to carry out a joint examination, to be concluded within 7 working days, including Saturdays, following the end of the consultation of the RSUs.

The continuous dialogue and constructive relationship between the Company and the Social Partners are a distinctive and significant element in the Group's growth and evolution strategy. The continuity of the dialogue with the Trade Unions is guaranteed through an important information and negotiation activity with the social partners conducted by the Industrial Relations function. The most significant results of this activity are manifested in the signing of specific agreements with the Trade Unions, concerning both the matters expressly indicated by the National Collective Labour Agreement of 23 June 2021 (CCNL), and additional topics relating to the achievement of the objectives of the Plan that may have regulatory and/or managerial implications on staff.

### The National Collective Labour Agreement

Poste Italiane's commitment to promoting the well-being of employees and guaranteeing the protection of their rights, both during ordinary management and in phases of change in the company organisation, is evident through the constant dialogue with workers' representatives, a central aspect in the organisation and management of the Group. Therefore, the Company is committed to a constant dialogue with the Trade Union (OO.SS.), ensuring impartiality and independence in the promotion of relations in compliance with current legislation and guaranteeing, at the same time, the protection of rights, freedom of association and collective bargaining.

In this regard, in 2021 the Group renewed the National Collective Labour Agreement (CCNL), valid until 31 December 2023. The Agreement, which introduced significant improvements both in the economic area and in the organisation's regulatory framework, covers the entire non-managerial staff of the Poste Italiane Group and strengthens the focus on the defence of workers' rights, their security and economic stability. The concept of Corporate Social Responsibility is a fundamental principle for the Company, through which it is possible to combine the Group's development objectives and economic results with the respect for social and environmental values, enhancing the continuous and constant contribution of human resources.

### Main agreements signed

On 2 March 2023, a Memorandum of Agreement on Voluntary Mobility (transfers on request) was signed whereby the Parties acknowledge that any transfers - both at national and regional and provincial level - will be carried out taking as a reference the 2022 rankings drawn up on the basis of the Agreement of 4 May 2021. On 20 June 2023, a further Memorandum of Agreement was signed, which - tracing the framework of the previous agreements - provides for a three-year term instead of a two-year term, and an increase in the minimum length of service and length of stay in the region to be eligible for mobility, raising it from 6 to 12 months as from 2024.

With the Agreement of 1 February 2023, the Company and the Trade Unions defined, with regard to "Back Office Services", a rationalisation and a new micro-organisation of the Territorial Depots through a reduction in the number of sites (from 10 to 5) and the elimination, in the course of 2023, of the Depots in Bari, Bologna, Genoa, Padua and Turin. The related employment effects will be dealt with progressively when the individual depots are closed. In addition, a Planning and Operational Control Specialist role was introduced to support the Depot Manager. A new credit management model was presented, characterised by dedicated supervision and a single interface with the customer, to reduce overdue loans and make the whole process more efficient. In this regard, the Parties agreed to proceed with the immediate testing of this model and to meet again by May 2023, to assess its progress and to analyse in detail the operational aspects related to the implementation of the organisational model. A number of actions were also defined to merge and relocate sites of the Territorial Centres, with the aim of optimising processing and consolidating the supervision of document management services through the establishment of a single facility for the sites in the same city. The resources concerned will continue to perform the same activities and, where the conditions are met, they will be granted the benefits provided for in Article 38 of the current CCNL. In relation to the services of "Customer Assistance", the company presented the Value Assistance service that will provide support in the purchasing phase of products/services and interact with customers through sales proposition initiatives. In order to best implement the new service, the Parties acknowledged the need to complete



dedicated training courses for the personnel involved. With regard to Information Technology services, and especially with reference to the Technology Poles, the operational model and the micro-organisation model were redefined, also through the introduction of specific support figures for the territorial technical structures. Field Technical Services were introduced with the aim of ensuring a better coordination of technical support interventions and offering a quick response to business structures. Finally, the entry into force of the remodulated timetables based on the new organisation of the Technological Poles characterised by a unique structure at a national level with a presence also on Saturdays has been foreseen. The parties agreed on the need for specific meetings at regional and national level to best accompany the reorganisation processes of the Digital, Technology & Operations function.

In line with previous years, Poste Italiane signed agreements on labour policies, realizing its commitment to relations aimed at the welfare and protection of workers' rights.

On 22 June 2023, complementing the year 2023, an agreement was finalised outlining further Active Employment Policies interventions, providing for part-time stabilisations amounting to 1,050 FTE, 30 conversions from part-time to full-time at the Network Nodes, and an increase in staff in the Post Office Network amounting to 950 FTE. The Parties committed to meet at the national level by January 2024 to assess the definition of the numbers and a new regulatory framework of the agreement on 2024 Active Labour Policies. The Company confirmed the activation of the special elastic clause pursuant to Article 23 paragraph X of the current National Collective Labour Agreement.

On 24 May 2023, an overall update was provided on the status of implementation of the main projects defined in the Post Office networks area (Hub&Spoke Project, Polis - House of Digital Services, etc.) in respect of which the Parties agreed to implement specific management actions of active labour policies aimed at accompanying their full implementation, favouring opportunities for the development of personnel skills and the achievement of the targets defined in the Corporate Development Plan. Specifically:

- with regard to the Hub&Spoke Project, starting from June 2023, the application allowing Hub Post Office Managers to autonomously replace their internal resources has been extended to all Hub Offices and, in addition, the Parties have agreed to strengthen the training activities of Hub DUP, which will have to ensure - in agreement with the reference Branch and in relation to the area managed - the necessary supply of means and tools at Spoke Offices, the planning of resource absences and their replacement in Post Offices where the need arises, as well as commercial coordination on front-end products and services;
- with reference to the Polis Project - House of Digital Services: the parties shared the project's progress, both with reference to the new Post Office model and the company spaces to be allocated to co-working. With reference to the subsequent implementation phases of the project, the Parties have scheduled four-monthly meetings for a joint update on the main elements, subject to specific briefings in the event of significant new developments.

On 2 March 2023, the Company signed an Agreement with the Trade Unions, in force until 30 September 2023, which regulates the application of agile working in Poste Italiane and in the Group Companies applying the National Collective Labour Agreement (CCNL), renewed on 23 June 2021. Similarly, in the memorandum of agreement of 14 September 2023, the aforementioned Parties agreed to extend the use of Agile Working until 31 December 2024. In particular, agile working is allowed for a maximum of 2 days per week and 9 days per month. The agreement also confirmed the use - as of January 2024 - of agile working for training purposes only for personnel assigned to operational activities. Agile working is a useful tool for the Company to optimise the organisation and use of resources in a way that is more respectful of environmental sustainability and collective well-being, by limiting home-work journeys, reducing traffic and cutting emissions. Moreover, this working mode is also considered a welfare tool, as it allows not only to combine personal and family needs with

professional ones, but also to protect employees who are in particularly fragile conditions, safeguarding the company's production and quality standards.

On 1 August 2023, the memorandum of agreement on the Performance Bonus were signed for Poste Italiane S.p.A. and the Group companies, the economic and regulatory validity of which is for the two-year period 2023/2024. The agreement provides for a 4% increase in average unit bonus amounts compared to 2022. Furthermore, exceptionally and for 2023 only, in order to appreciate the commitment of the employees of Poste Italiane and the Group Companies as well as to mitigate the effects deriving from inflation, was the disbursement - in November - of an additional and extraordinary bonus, equal for all employees, of €1,000. In order to further enhance the importance of the professional contribution of individual resources to the achievement of company results, a bonus (an additional €50 to the individual value of the Bonus) was introduced for employees who did not take any leave of absence in the year of reference, and the incidence of sickness events on the determination of the sum to be paid as a performance bonus to each worker was also revised. In addition, the possibility of converting all or part of the bonus into welfare has been confirmed, simplifying and making more advantageous the mechanism of credit recognition by the company against the converted amount.

Subsequent to the understandings of 2 August 2022 and 21 November 2022, in which the Parties outlined the organisational and management guidelines by which the organisational revision processes of some important production areas of the Mail, Communication and Logistics (PCL) function are implemented, on 25 May 2023, the Parties agreed to sign meeting minutes regarding the reorganisation of in-house processing. The focus of the meeting was on the reinforcement of the Business Lines dedicated to closing activities, providing for the introduction of the figure of the LBC (Closing Business Lines) which will ensure, in addition to mail delivery, also the closing activities of the Centres. The conversion of 547 Business Lines, already present in the architecture of the current organisational model, into Closing Business Lines, all to be covered by permanent staff, as well as the introduction of new time grids for Saturday shifts in the Logistics Centres and Distribution Centres, were also planned.

Following the general elections of 28 and 29 March 2023 of the Unitary Trade Union Representatives (RSU) and of the Workers' Safety Representatives (RLS) of the Companies Poste Italiane S.p.A., Postel S.p.A., Poste Vita S.p.A. Poste Assicura S.p.A., PostePay S.p.A. and Nexive Network S.r.l., on 20 June 2023, meeting minutes were signed between Poste Italiane S.p.A. (also representing the aforementioned companies) and the Trade Unions, in which the Parties, at the conclusion of the electoral round for the RSU/RLS elections of 28 and 29 March 2023, acknowledged the 81.10% turnout of those entitled to vote, and also validated the election results. On 17 January 2023, the Parties, without prejudice to the provisions of Law 300/70 and the National Agreement of 21 March 2000 whereby the heads of the RSU - elected in Production Units employing more than 200 employees - are entitled to paid leave equal to 96 hours per year, in order to allow each RSU to benefit from the above-mentioned pro-rata leave, limited to the year 2023 and for Production Units employing more than 200 employees, have provided that each RSU currently in office shall benefit, until the date on which the new representatives take office, from 1/3 (32 hours) of the 96 hours of leave available to him/her. Similarly, the Parties provided for the application to Workers' Safety Representatives who, only for the year 2023 and until the date on which the new representatives take office, will be entitled to 1/3 (10 hours) of the 30 hours per year per capita of paid leave. Following the elections on 28 and 29 March 2023, the members of the RSU/RLS who are validly elected and appointed will be able to take the remaining 2/3 hours of RSU and RLS leave for the year 2023. With regard to RSU elected in production units employing up to 200 employees, it has been provided that the provisions of article 2 of the Agreement of 21 March 2000 be applied, with the annual entitlement of leave hours being re-proportioned to the extent of 1/3 for incumbent RSU and 2/3 for RSU to be elected.

On 17 October 2023, the Parties met in order to carry out some in-depth discussions on the process of organisational reorganisation of the focal points within the Personnel Administration Branch. More specifically, the Company, in recalling the intervention rationales that inspired the adoption of the organisational reconfiguration of personnel administration processes, illustrated to the Trade Unions the main expected benefits in terms of:

- recomposition of activities to eliminate operational redundancies;
- reduction of lead times in process processing;
- integration and enrichment of skills by operators;
- increased operational and service standards also as a result of the introduction of new technology platforms to support activities.

In line with the spirit of solidarity that characterises the work of the Poste Group, on 25 May 2023, the Memorandum of Agreement was signed between Poste Italiane S.p.A., also representing the Group Companies and the Trade Unions, which provides for the possibility for employees to join the so-called "Ora Etica" solidarity initiative in favour of the Civil Protection committed to helping the populations of Emilia-Romagna affected by the recent flood events, which consists in the donation of the equivalent of an hour of work through a deduction from pay slip. The Company undertook to pay to the Civil Protection an additional amount equal to that collected from employees. The same solidarity initiative was undertaken in favour of the region of Tuscany affected by extraordinary atmospheric events by virtue of the Memorandum of Agreement signed between the Company and the Trade Unions on 27 November 2023.

As part of the work of the OPN Committee, on the occasion of the meeting on 20 March 2023, the National Joint Committee for Occupational Health and Safety (OPN), in order to follow up on the new process of detection and assessment of work-related stress (SLC) risk, identified - by draw - the workers who will be part of the Regional SLC Assessment Teams, whose task will be to proceed with the compilation of the INAIL check list.

In the context of the OPN work of 20 March 2023, the Company, in view of the positive evolution of the Covid 19 pandemic crisis - which in fact has led to the re-establishment of the processes and procedures in place in the pre-pandemic period in practically all production and social sectors informed the OPN that - always in compliance with the principle of precaution and protection aimed at ensuring the appropriate levels and standards of safety in the workplace - a gradual process of reviewing the prevention measures adopted in the Company in the initial phase and during the evolution of the pandemic crisis to counter the spread of the virus will be initiated.

All of the Agreements and Understandings adopted have shown the substantial effectiveness of the provisions and regulations contained therein. Proof of this is the fact that no agreement between the Parties has recently been terminated and that the majority of Trade Union Agreements always find the consensus (signature) of all six signatories of the CCNL. From the Company's point of view, the various agreements signed have made an important contribution to the realisation of the plan's objectives.

#### Participatory organisations with mixed composition (members from Poste Italiane and Trade Unions)

Together with the Trade Unions, Poste Italiane has set up joint bilateral bodies at national level regarding issues that are also relevant in terms of sustainability, including:

- **Comitato per l'Attuazione dei Principi di Parità di Trattamento e Uguaglianza di Opportunità (The Committee for Implementation of the Principles of Equal Treatment and Equal Opportunities)**, established on 27 February 2024, with the objective of "implementing and strengthening a culture that pays attention to diversity, including gender diversity, through positive actions aimed at creating examples of good practice within the Group and removing obstacles that actually prevent achievement of equal opportunities". In this context, the Committee addresses issues relating to the integration and inclusion of disabled people, as well as those regarding other factors of discrimination;
- **Ente Bilaterale per la Formazione e Riquilificazione Professionale (the Bilateral Agency for Personnel Training and Retraining)**, through which the Parties jointly promote activities in the field of training and retraining, with regard to the provisions of the Consolidated Law on Occupational Health and Safety, and also with reference

to any processes of reorganisation/restructuring/transformation of the Company, or the introduction of technological innovations;

- **Organismi Paritetici per la Salute e la Sicurezza sui Luoghi di Lavoro (The Joint Bodies for Occupational Health and Safety)** also continued activities relating to the uniform and correct application of the guidelines regarding occupational health and safety, in particular concerning issues relating to the new work-related stress risk assessment criteria with the aim of "implementing measures to improve occupational health and safety". Moreover, there is the Osservatorio Paritetico sulla Sanità Integrativa (Joint Observatory on Supplementary Healthcare), with the role of proposing and monitoring the services offered by the Supplementary Healthcare Fund.

## Occupational health and safety

MAIN RELATED TYPES OF CAPITAL

NFS



The Poste Italiane Group considers the protection of health and safety at work a fundamental value, which all people must be inspired by in carrying out their daily activities. The Company, in addition to identifying organisational responsibilities and adopting specific policies to ensure adequate coverage of all aspects relating to health and safety at work, constantly undertakes to adopt all necessary measures to reduce accidents, injuries at work and professional diseases. Moreover, through prevention policies and programmes and information and awareness campaigns, it promotes people's psychophysical well-being. As Employer, the Group CEO assumes the highest role of responsibility and supervision for health and safety issues in the Company. The Board of Directors approves the Policy and, through its Board committees, oversees the appropriate management of the associated risks and compliance with the principles.

**84,602**

employees trained in  
workplace safety in 2023

The integrated policy and the Group health and safety policy outline the main elements of the workplace health and safety management systems adopted, including:

- continuous assessment of risks and definition/update of related rules and procedures;
- ensuring that innovations and changes in work processes are always accompanied by occupational health and safety objectives;
- timely adaptation to all regulatory changes and updates;
- identification of roles and responsibilities within the organisation and allocation of the necessary resources for planning and implementing the programmes aimed at achieving the objectives;
- effective and transparent communication that ensures dissemination of any information that might be useful for prevention purposes, including cooperation and coordination measures with contractors;
- periodic review of the management system by top management to assess its correctness and effectiveness with a view to continuous improvement;
- prioritisation of actions to be implemented in order to manage the occupational health and safety risks identified during the assessment phase, and the subsequent integration of action plans with quantitative targets to address these risks.

Starting with the integrated policy and the Group policy, each employer has approved the policy for its production unit, making it available to all workers. For the purposes of the Occupational Health and Safety Management System (SGSSL), the responsibility of each single production unit of the Parent Company and the main Group Companies is attributed to its employer. Within the Parent Company, employers are supported by the Corporate Affairs/Corporate Protection function,

which oversees, at Group level, policy, coordination and control activities relating to Health, Safety at Work and the Environment, taking care, in particular for the Parent Company, of the design, implementation and dissemination of Occupational Health and Safety and Environmental Protection Management systems, in accordance with the current regulatory framework.

The Group gives significant priority to occupational health and safety issues. In this regard, Poste Italiane has defined quantifiable targets for Business Unit managers, which are evaluated on an accident reduction target. The Company has also set up dedicated teams with the specific task of monitoring the relevant data on a daily basis for the purposes of the defined quantitative targets.

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*Fostering and encouraging the establishment of a corporate culture of safety in all organisational layers of Poste Italiane is a key element in reducing accidents and promoting constant progress in the management systems adopted.*

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Among the main objectives pursued by Poste Italiane, the constant awareness and involvement, in relation to the issue of Health and Safety at Work, of all those who operate within the Group takes on crucial and priority importance. Particular emphasis is placed on the dissemination and strengthening of the culture of safety within the territorial operational centres (distribution centres and post offices) and the related coordination structures. In addition, the Company is committed to the continuous improvement of its Management Systems, through the planning and execution of initiatives aimed at implementing the principles set out in the Occupational Safety Policy, and in the periodic review for the definition of new ambitious objectives.

For several years now, Poste Italiane has been actively engaged in the objective of mitigating the accident phenomenon, focusing in particular on the sectors most vulnerable to road traffic risks, such as logistics and delivery, including postal mechanisation and distribution centres. The constant monitoring and control of said phenomenon contributed, also in 2023, to the implementation of various initiatives on prevention and on occupational health of workers and protection of the workplace. From this point of view, the Occupational Safety Management Systems, which have already been adopted for some time in accordance with the regulations in force, confirm the conviction that an effective management system makes it possible both to manage the safety of workers in an organic and systematic manner and to implement and develop the company's safety policy by monitoring the risks of all operational processes. Poste Italiane, aware that the continuous improvement of OHS Management Systems requires the involvement and participation of all workers, each based on their assigned roles and responsibilities, is committed to promoting and strengthening the culture of safety in a systemic and participatory approach.

Among the activities undertaken to pursue the objectives, we highlight the continuous training, awareness and involvement of staff on OSH issues, the interventions aimed at the plant-structural improvement of the sites, the constant commitment to continuous improvement and maintenance of the certification of the Management Systems, as well as the regular assessment of the risks inherent to the processes and workplaces, the monitoring of the implementation of the Improvement Plans referred to in the risk assessment and the constant checks of compliance with the requirements established by current legislation.

In this regard, in order to implement the upskilling and reskilling process addressed to Managers, consistent with the updates introduced by Law 215/2021, with the aim of improving the level of awareness of the role, performance and positive impact on the overall system of Safety in the Workplace, during 2023, a specific survey was carried out addressed to the entire target audience to detect the need for information, which led to the subsequent creation of a vademecum containing useful information on the tasks that the law provides for Managers. The Vademecum has been transmitted, in digital format, to all the approximately 14,000 Managers in the Company.

Poste Italiane Group allocates budgets each year dedicated to the implementation of improvement plans for occupational health and safety aspects. In particular, the Company invests heavily in the maintenance of its real estate and in the continuous improvement of its plant and structural aspects. Equally important are the resources deployed for the management and maintenance of the company fleet, for the implementation of training, information and education campaigns, as well as those for OHS audits/controls, health surveillance, and the development and maintenance of systems/applications supporting the management of the issue.

During the risk assessment process, the Group examines all situations that could constitute a potential danger in relation to work processes and workplaces and, after having identified the relative potential to cause damage, proceeds to evaluate the level of risk associated. This assessment takes into account the actual methods of carrying out work activities and the exposure of personnel, as well as any protection measures already implemented in compliance with the criteria defined by current technical regulations, technical standards, good practice rules and company guidelines. In particular, the Company considers all foreseeable and objectively present hazards related to work activities, those arising from the correct and normal use of equipment/machines/plants, those foreseeable due to exceptional conditions and those due to possible malfunctions or failures. The systematic control of all potential dangers applicable and related to work places and processes is guaranteed through the preliminary compilation of a check list included in the company procedure "Risk Assessment Document Management". The Employer refers to the skills of the Prevention and Protection Service to supervise and carry out the risk assessment with the consequent drawing up of the Risk Assessment Document (DVR) as well as of all the relevant specialist technical reports.

In particular, regarding the management of health and safety risks at work, a process based on dialogue and the continuous exchange of information between human resources, managers and the various Business Units is implemented. On a quarterly basis, the function responsible for control coordinates with the risk specialists and, through them, also with the risk owners, in relation to the monitoring activities on the trend of the risk indicators and the treatment actions relating to the Top Risks regarding health and safety at work. The result of the activities is represented in quarterly integrated risk monitoring reports and presented to senior management and the Control and Risk Committee (CCR). Subsequently, we proceed with an annual reporting phase of the activities, consolidating the contributions coming from the various control functions within the "Risk and Compliance Report". This is presented to the Corporate Bodies and Top Management, offering a concise and integrated overview of the initiatives promoted and/or introduced during the year in the various areas of corporate operations, under the coordination of the Joint General Manager, as well as the main activities and interventions carried out by the structures of the function to ensure the implementation of appropriate safeguards, tools and organisational structures for the continuous strengthening of the Internal Control and Risk Management System and for the management of relevant compliance and sustainability issues.

The Group, in addition to the mandatory training provided to the entire company population, disseminates in a controlled manner the Safety Operational Instructions (IOS) in which the dangers associated with the relevant work processes are detailed, as well as the organisational, preventive and protective measures for the mitigation of the corresponding risk level. Within them, the IOS include the obligation (deriving from Legislative Decree 81/08) for workers to report the presence of potential dangers or risk situations at the workplace to the person in charge and/or the competent Workers' Safety Representative, as well as containing a detailed description of the roles and tasks of the main players in safety management. Similarly, the Compliance Officers and Managers are required to collect such reports and to act in accordance with the company procedures identified for the management of any critical issues, respecting the timing and methods corresponding to the level of risk associated with them. Given the relevance of this issue, Poste Italiane has implemented information, education and training mechanisms for all employees, in order to adequately manage, in accordance with both the protective measures set out in the Risk Assessment Document and the corporate reference, any work situations from which injuries or occupational diseases could result.

The Company, in compliance with specific processes defined within the adopted health and safety management systems, conducts near-miss and accident analysis at work. With a view to continuous improvement, each production unit of the Parent Company and the Group companies carry out constant accident monitoring activities, with particular attention to the accident phenomenon, in order to identify - or manage - the triggering factors.

By means of the three-year moving average, which considers accident data from 2017 until 2023, before and after Covid, it is possible to observe the development of the number of occupational accidents of the Parent company. This metric, in addition to mitigating the distorting effects caused by exceptional events (such as pandemics) in the calculation of the accident trend, makes it possible to assess the effectiveness of management actions aimed at containing the risk factors controllable by the Company (such as the progressive adoption of the Lean methodology in the sorting centres), with a medium to long term time horizon.

Health Surveillance is carried out in the Group by a team of company doctors who, within specific territorial perimeters, carry out the provisions of article 41 of Legislative Decree no. 81/08 (visits, inspections, periodic meetings, spot consultations). The network is coordinated by a competent doctor who provides support the Employers and the Prevention and Protection Service for the governance aspects of health surveillance. The Risk Assessment Document for tabulated risks, pursuant to Legislative Decree 81/2008, as amended, and the Group's five Health Protocols detail the activities subject to health prevention measures:

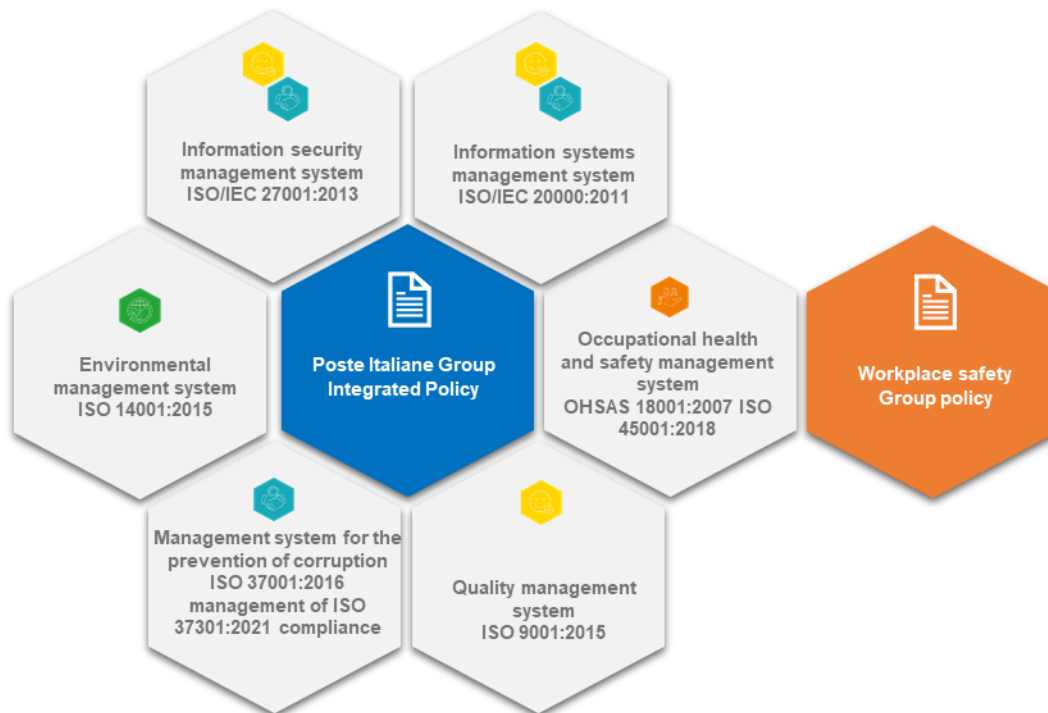
- specific risk of manual handling of loads;
- specific risk from exposure to display screen equipment;
- night work;
- no addiction to narcotic and psychotropic substances, no alcohol dependence;
- specific risk from site inspections.

For workers who carry out tasks/activities with exposure to a specific risk (listed or assessed), a health surveillance programme is implemented, which includes medical visits, supplementary health and toxicological checks.

During 2023, Health Surveillance activities were carried out continuously, throughout the country, in compliance with health protocols and current regulations.

The Workers' Safety Representatives (RLS), identified among the main players in the management of health and safety in the workplace, are chosen directly by the workers within the framework of the company's trade union representatives, as provided for by Legislative Decree no. 81/08. The RLS are regularly consulted not only following the implementation of new risk assessment methodologies, but also on the occasion of organisational or process changes that may impact occupational health and safety, as well as during the drafting of the Risk Assessment Document. The adoption of adequate, timely and preventive consultation with the RLS allows them to obtain fundamental advice for the precise fulfilment of legislative obligations and to promote the continuous improvement of workers' health and safety. The consultation may involve all the Workers' Safety Representatives of the national territory or only those of a specific territory.

The dialogue between employers and workers, actively promoted by the Group, takes place through the National Joint Observatory (OPN) and the Regional Joint Bodies (OPR). Thanks to these committees, in which national and territorial, employer, trade unions and RLS representatives participate, the Company involves all stakeholders in order to address specific issues related to health and safety arising also from workers' reports, share occupational health and safety initiatives and start the process of consulting RLS on risk assessment. Therefore, the meetings of the Joint Bodies are convened in response to needs that arise and do not follow a pre-established schedule, thus ensuring flexibility in the management of dialogue and the timely handling of relevant issues.



Over the years, Poste Italiane has developed a multi-year plan for the adoption of health and safety certifications throughout the Company. In 2021, this plan led to the completion of the certification process for all production units of the Parent Company. In line with the strategic plans and objectives established, during 2023, Occupational Health and Safety Management Systems compliant with UNI ISO 45001 were kept active, with the relevant certifications, in all the main production units of the Poste Italiane Group, with 100% coverage. Group companies also adopt OHS Management Systems certified by accredited certification bodies. As of 2023, the main Group companies certified according to the UNI ISO 45001 standard are: EGI S.p.A., PosteVita S.p.A., PosteAssicura S.p.A., SDA S.p.A., Postel S.p.A., Poste Air Cargo S.r.l., Bancoposta Fondi S.p.A., Postepay S.p.A. Poste Italiane's goal is to maintain this certification in all of the production units of Poste Italiane S.p.A. and of Group Companies.

Health and Safety at Work audits and controls are systematically conducted not only by each production unit within its own OHS Management Systems, but also by Corporate Protection, transversally, in each production unit of the Parent Company and in the Group Companies. Specifically, the activities carried out in 2023 by the latter consist of:

- audits on Occupational Health and Safety/Environment Management Systems with the aim of verifying that the management systems adopted in the company comply with the requirements of the reference standards and that they are correctly implemented and maintained;
- technical audit, control activity aimed at analysing and evaluating the state of OHS compliance of sites, with particular reference to plant/structural aspects.

To monitor and control the effectiveness of the OHS policies adopted, Poste Italiane uses several tools, including:

- GISLA (Computer, Occupational Safety and Environment Management);
- Platforms for training management;
- GIW (Digital Accident Management);
- SSA (Safety Self-Assessment);
- Real Gimm (share for the management of maintenance impacting OHS);
- File Maker (share for the management of real estate works impacting OHS);



- EDVR (Electronic management of Risk Assessment Documents);
- EPI (Emergency Management Poste Italiane);
- Green Pass (GP Control System).

The performances and objectives established are subject to constant monitoring and review during the planned review of adopted OHS Management Systems.

Finally, it should be noted that despite the end of the state of health emergency, which occurred on 31 March 2022, and the improvement in the epidemiological evolution, linked above all to the notable reduction in the damage expected in the event of contagion, during 2023, the Company attention to Covid anti-contagion measures however remained high. In particular, the Company conducted communication campaigns aimed at continuously raising staff awareness on the adoption of correct behaviours aimed at risk prevention, and distributed protective respiratory masks at the request of workers.

In any case, the Committee for monitoring the implementation of the described protection measures, established by specific agreement within the National Joint Observatory, remains active.

## Security in Logistics

With specific reference to the logistics and delivery sector, which presents greater exposure to risks associated with road traffic, Poste Italiane has implemented various initiatives, including constant risk assessment and updating of risk assessment documents (DVR) in response to reorganisations in the sector of the delivery.

It is planned to record any type of event (from unsafe condition to unsafe action, medication and near miss) in a new computer application, S-EWO, with an in-depth analysis of the dynamics of accidents, as well as to increase the use of the sanctioning lever in cases of non-compliance with existing procedures/instructions.

With the aim of disseminating information on the accident phenomenon throughout the territory, daily, weekly and monthly reporting has been established at central level. Furthermore, in order to conduct an adequate analysis of the phenomenon and promote the sharing of best practices, the presence of a monthly Security Committee with all the Logistics Macro Areas (MAL) coordinated by the central Security and Infrastructure structure is highlighted.

As regards the reduction of accident events, the Group has adopted substantial measures, such as the replacement of all equipment that constituted sources of potential accidents with new equipment, such as Automated guided vehicles instead of man-on-board trolleys and/or pallet trucks.

Lastly, thanks to constant innovation, Poste Italiane uses modern types of sorting equipment (TOP2K, XMS, Solysort, Easy Sorter) and has introduced the "App Safety" function for the post officer's PDA that allows:

- self-certification by workers of the PPE worn prior to the start of outdoor work;
- increasing the risk awareness of post officers by involving them in the detection of unsafe conditions, near misses and accidents;
- promptly informing post officers of imminently dangerous conditions;
- speeding up the dissemination of information/news/procedures related to occupational safety and the environment.

7.11 DIVERSITY AND INCLUSION

MAIN RELATED TYPES OF CAPITAL



Main types of capital	Objectives	Indicator (KPI)	Target	Baseline	Implementation status 2023	Outcome	
<p><b>Human</b></p> <p><b>Social-relational</b></p>	<b>Strengthen the presence of women in management succession plans, instrumental to increasing the presence of women in positions of greater responsibility in the Group</b>	% of female succession candidates	45% by 2024	2021	43%	<p><b>4 QUALITY EDUCATION</b></p> <p><b>5 GENDER EQUALITY</b></p> <p><b>10 REDUCED INEQUALITIES</b></p>	
	<b>Invest in the internal development of STEM skills and roles and the promotion of cultural reference models from a pluralistic, gender equality perspective, with male and female role models</b>	<ul style="list-style-type: none"> <li>No. of awareness raising campaigns</li> <li>No. of editions within the framework of initiatives for the younger generation</li> <li>% role models</li> </ul>	<ul style="list-style-type: none"> <li>2 by 2023</li> <li>10 by 2023</li> <li>+50% by 2023</li> </ul>	2021	<ul style="list-style-type: none"> <li>-2</li> <li>+28</li> <li>+110%</li> </ul>		
	<b>Promote intergenerational matching between mentor and mentee within the mentoring programme</b>	% matching of mixed-generation pairs	40% by 2024	2022	47%		
	<b>Extend caring and listening measures for colleagues with chronic and/or serious illnesses or who are in vulnerable and fragile situations, to accompany their inclusive return and support their mental well-being</b>	% of the detected target reached by the caring measures identified	40% by 2024	2022	47%		
	<b>Implementation of campaigns and awareness-raising actions on issues of labour inclusion and LGBTQ+ rights</b>	No. of awareness-raising campaigns and/or welfare support of social parenting	2 by 2023	2021	<ul style="list-style-type: none"> <li>15 news items on the subject (communication campaign)</li> <li>1 The alle parole podcast Training</li> <li>1 webinar on LGBTQ+</li> <li>1 LGBTQ+ online course</li> </ul>		
	<b>Take pervasive actions to implement the diversity and inclusion strategy through enabling workshops, meetings and thematic awareness-raising events integrated into work processes and relations</b>	No. of initiatives (workshops, D&I meetings, thematic events)	28 by 2024	2021	53		
	<b>Contribute to the strengthening of measures and pathways to promote active parenting, including as levers to combat the falling birth rate, and to foster an increasingly balanced distribution of care burdens</b>	<ul style="list-style-type: none"> <li>Active Parenting Policy formalised</li> <li>No. of interventions carried out</li> </ul>	<ul style="list-style-type: none"> <li>Active Parenting Policy formalised by 2023</li> <li>2 by 2023</li> </ul>	2021	<ul style="list-style-type: none"> <li>Publication of the Active Parenting Policy</li> <li>6</li> </ul>		
	<b>Promote the creation of Employee Resource Groups (ERGs) among employees with common interests on diversity and inclusion issues to set up open exchange and discussion groups within the dedicated community</b>	No. of Employee Resource Groups (ERGs)	2 by 2024	2022	<ul style="list-style-type: none"> <li>No 3 ERGs indexed (Generations, LGBTQ+ Vulnerability)</li> <li>implemented participative process through the development of a training plan with intercultural testimonial, national territories</li> </ul>		
	<b>Promotion of an intercultural vision in the company for the development of inclusive solutions through the implementation of participatory processes characterised by the coexistence of a mix of different cultures among employees</b>	No. of regional cases to which the pilot projects extended	2 by 2023	2021	<ul style="list-style-type: none"> <li>Delivery of an online course adapting the first format</li> </ul>		
	<b>Increase the implementation of initiatives that use inclusive formats to facilitate accessibility for people with disabilities or special educational needs</b>	No. of educational formats for Group employees	1 by 2024	2022	<ul style="list-style-type: none"> <li>Creation of Volunteering Community</li> <li>Multi-subject communication campaign with omnichannel plan</li> <li>Release of knowledge of property in Bologna office</li> <li>Local accounting design of services to be activated concluded</li> </ul>		
	<b>Strengthen the Employee Corporate Volunteering project through the development of a new engagement platform and the definition of social programmes integrated with the corporate sustainability strategy</b>	<ul style="list-style-type: none"> <li>No. of engagement and training plans</li> <li>No. of programmes with social value</li> </ul>	<ul style="list-style-type: none"> <li>1 by 2024</li> <li>3 by 2024</li> </ul>	2021	<ul style="list-style-type: none"> <li>Implementation of the framework by 2025</li> </ul>		
	<b>Openness to community welfare logic in synergy with local communities, providing corporate welfare services to support the vulnerabilities of employees and citizenship</b>	No. of initiatives/services activated	2 by 2024	2021	New		
	<b>Implementation of the framework to foster digital inclusion, promoting equal opportunities and ensuring fair and inclusive access for all</b>	Framework for accessibility	Implementation of the framework by 2025	2023	New		
	<b>Promoting the strengthening of accessibility measures and assistive technologies also through the activation of listening and involvement paths for staff with disabilities</b>	No. needs Surveys	1 Survey by 2024	2023	New		
	<b>Sport &amp; Inclusion: valorisation of athletes with disabilities in order to assess possible participation in inclusive external sporting events. The initiative is also potentially aimed at employees who want to support/accompany athletes with disabilities</b>	Communication plan to support the initiative	Engaging the community to identify opportunities for external participation	Plan and community engagement by 2024	2023		New
	<b>Increase the implementation of training initiatives that use inclusive formats to facilitate accessibility for people with disabilities or special educational needs</b>	No. of training initiatives with the application of the "Accessible Training" format starting with transversal courses	At least 5 releases by 2024	2023	New		
	<b>Strengthen nationwide caring and listening measures for colleagues in vulnerable and fragile situations to support their mental and motivational well-being</b>	Nationwide activation of caring and listening services	Activation of services by 2023	2023	New		
	<b>Promoting and disseminating corporate procedures and internal document systems geared towards inclusive and gender-neutral written language</b>	Awareness Guidelines for Internal Procedures and Documentary Systems	Guidelines by 2025	2023	New		
	<b>Introduction of policies and measures to counter ageism through valorisation and engagement campaigns focusing on the senior population</b>	No. of age management programmes	1 age management program by 2025	2023	New		
	<b>Realisation of training, organisational and inclusive courses and interventions for the valorisation of neurodiversity in a "Dyslexia Friendly" company</b>	No. of dedicated courses/interventions	3 dedicated courses/interventions by 2025	2023	New		
<b>Promotion of Employee Resource Group (ERG) activities also with regard to LGBTQ+ inclusion initiatives</b>	No. of measures/interventions carried out	2 measures/interventions carried out by 2025	2023	New			
<b>Enhancement of the skills of young talents in PCL and logistics functions through an inclusive onboarding and job rotation programme to enhance employer branding towards gen-Z</b>	No. of onboarding cycles	2 onboarding cycles by 2025	2023	New			
<b>Fostering a culture of inclusion at all levels of the corporate structure through specific training courses</b>	Initiative release	Release of the Diversity/Inclusion "Learning Path" by 2024	2023	New			

■ Objective achieved/Objective achieved and updated
 ■ Objective not achieved
 ■ Deadline for achieving the objective that has not yet expired

## Protection of human rights

NFS



Poste Italiane recognises the fundamental importance of its contribution in promoting the principles of sustainable development, considering its relevance within the Italian economic and social panorama. Therefore, the Group has adopted a Code of Ethics, supported by corporate policies and guidelines to protect and safeguard Human Rights. These include the Corporate Policy on the Protection and Safeguarding of Human Rights, the Policy on the Diversity of Management and Control Bodies, the Diversity & Inclusion Policy and the more recent Support for Active Parenting Policy. Moreover, in addition to following the company policies and guidelines mentioned above, Poste Italiane guarantees the well-being of all the people working in the Company or collaborating with it, and is committed to improving the conditions of the communities in which it operates through a proactive approach aimed at disseminating respect for international principles concerning the safeguarding and protection of Human Rights.

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*Poste Italiane undertakes to progressively intensify its responsibility for the protection of Human Rights, in the interest of those who work with the Company and of the people belonging to the community in which it carries out its activities*

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The Group's Corporate Policy concerning the safeguard and protection of Human Rights reiterates the rules of conduct to be observed in relations with all stakeholders with whom the Company interacts, as already set out in the Code of Ethics. Poste Italiane pays particular attention to safeguarding the rights of all subjects included within the Group's value chain, belonging to specific categories such as: its own workers, women, children, indigenous people, migrants, external workers, local communities, suppliers and partners, customers, people with disabilities, people who are victims of any form of discrimination and violence. Through this Policy, the Group affirms its commitment to conforming company processes to the main international standards and best practices, and to promoting these principles and periodically reporting the progress of the performances achieved, in terms of management and monitoring methods, identified risks and management and mitigation actions. Furthermore, the Policy regulates various aspects concerning the prevention and condemnation of any form of discrimination or violence, including forced labour, child labour and human trafficking, also promoting freedom of association, the right to collective bargaining and to fair remuneration, in order to support the well-being of people.

Among the key objectives of Poste Italiane, particular importance is given to the encouragement and development at all levels of the organisation of a business culture based on the respect and valorisation of diversity in all its forms and manifestations. The conscious management of diversity in an inclusive way contributes not only to creating shared social value, but also represents a competitive advantage for the entire Group, strengthening people's engagement and commitment towards company objectives.

The projects and initiatives promoted by Poste Italiane in order to guarantee social inclusion and enhance diversity are an integral part of a broader strategic framework, aimed at developing balanced organisational models to encourage communication and highlight personal characteristics, while protecting individual vulnerability. The path undertaken by the Group aims to evolve from an approach focused exclusively on the protection and integration of diversity, towards a more proactive strategy that aims to overcome barriers and resolve the factors that hinder the inclusion of individuals in the workplace. The Group's diversity and inclusion strategy testifies to the Company's commitment to creating a collaborative, supportive and open working environment, while at the same time maximising the opportunities it provides, contributing to the well-being of its people on the one hand and to its competitive advantage in business on the other.

The guiding principles and values regarding diversity and inclusion have been defined by the Group through the development and formalisation by the Board of Directors of a Diversity & Inclusion Policy, through which the administrative body defines measurable and multi-year objectives. In particular, the Diversity & Inclusion Policy is based on four pillars: Gender, Generations, Disability/Vulnerability and Interculturality/Inclusive Culture, and was developed through a bottom-up process involving listening to the ideas and the needs of the company population. This process has led to the definition of numerous projects relating to topics such as development and opportunities, open communication, inclusion and care, participation and dialogue, culture and awareness. The Policy, available online on the company website is communicated to all employees through specific training sessions, in accordance with their respective roles and responsibilities. With reference to updating, the Policy is periodically evaluated at least once a year, based on the evidence emerging from the assessments and from the monitoring of national and international trends.

### Gender

The Group has launched a series of initiatives and projects aimed at promoting gender equity and removing barriers to women's professional growth. In particular, the Group is committed to enhancing governance systems to foster career progression, designing composite focus groups to assess the main conscious or unconscious biases that influence inclusive leadership, and improving work life adjustment mechanisms in terms of reconciling and sharing family responsibilities. The awards obtained by Poste Italiane in this area expand, in fact, to the prestigious international Equal Salary certification, achieved in 2022, in addition to the more recent UNI/PdR 125:2022 certification, which further confirms the Group's commitment to guaranteeing gender equality within the organisation.

Furthermore, with the aim of providing an overview of the phenomenon of gender harassment and its impact on individuals and organisations, promoting a culture of respect within the workplace, the Group has extended its attention to issues related to sexual orientation and the prevention of gender harassment in the workplace, implementing an information programme to raise awareness among all employees.

### Generations

Poste Italiane promotes integrated strategies to encourage dialogue and collaboration between different generations within the Company, taking into account demographic perspectives and their impacts on turnover. The Group promotes the contamination of different social, cultural and professional experiences, in addition to the different skills, knowledge and competences typical of each generation. This inclination towards complementarity and diversity encourages the mutual exchange of experiences in order to promote inclusion and employment opportunities.

### Disability/Vulnerability

Poste Italiane has undertaken collective awareness initiatives in order to preventively identify vulnerable situations and facilitate job placement and the quality of work for those with sensory, motor or cognitive disabilities.

In this context, Poste Italiane is committed to developing intervention policies aimed at spreading an inclusive business culture and introducing a distinctive identity that takes fragile situations into consideration.

### Interculturality/Inclusive culture

The Company has designed multi-year initiatives aimed at promoting interaction between different cultures and experiences through the implementation of envisioning and knowledge dissemination programmes in organisational and

managerial environments, with the aim of promoting an intercultural vision open to discussion at different levels, focused on promoting cooperation at both organisational and social levels.

Furthermore, with the "Multi-ethnic Post Offices" project, an intercultural laboratory was activated, which involved multilingual counter operators as testimonials for the dissemination and awareness-raising on intercultural issues. Based on their testimonies, the e-learning course on Interculturality was designed for the entire company population and made available in early 2024.

## Smart Café Thematic meetings



In order to underline the Group's commitment to promoting initiatives for the development and integration of the managerial community, Poste Italiane continued the "Smart Café" project, which consists of conversations dedicated to managers with the aim of encouraging dialogue with a high intercultural rate at work and beyond.

These conversations focus on thematic paths that highlight different cultures and knowledge, also taking generational differences into account. Through an innovative approach to communication and relationships, the project aims to create an intercultural space for the exchange of contributions, points of view and social, cultural and work experiences.

In particular, in 2023, as part of the "Bridges between Generations" campaign launched by Poste Italiane on the occasion of the European Diversity Month 2023, a special edition of the "Smart Café" dedicated to generational exchange was promoted, where the contamination of different social, cultural and work experiences was promoted to strengthen the working alliance between different generations.

The Diversity & Inclusion programmes, in compliance with the provisions established in the company Policy, are subject to monitoring using indicators developed annually in conjunction and collaboration with the Group's Sustainable Development, Risk and Compliance function, consistently with the evolutionary guidelines of the corporate sustainability plan.

Poste Italiane maintains, in continuity with the previous year, its Diversity & Inclusion Plan, developed following an active participation process that involved the formation of cross-functional working groups made up of professionals and middle managers who operated according to a bottom-up approach, formulating project proposals evaluated on the basis of two criteria, the qualitative-quantitative impact on the company population and the speed of implementation. The objective of the Plan is to generate significant change processes that bring added value to people, organisational behaviour, leadership styles and relationships within the Group. Through the implementation of targeted projects and initiatives, as well as communication and awareness campaigns, the Group promotes engagement, listening and trust, the creation of inclusive work environments, and the overall improvement of the corporate organisation through the valorisation of diversity.

In addition, in order to further disseminate knowledge and understanding of the importance of each individual within the Company and of diversity initiatives, as well as to promote interaction between different cultures and experiences in order to initiate participatory processes characterised by the coexistence of a set of different cultures among people, a dedicated section called "Diversity & Inclusion" has been set up on the NoidiPoste corporate intranet. This section offers content such as news, documents and multimedia material. Furthermore, in 2023, the series of serial podcasts entitled "In Other Words", launched last year and aiming to emphasise listening through the narration of stories focusing on diversity and inclusion, was enriched with further episodes on the topics of gender, comparing generations, interculturality, vulnerability and affective orientation.

The Group's commitment to promoting an inclusive culture represents a cultural path that can enrich the professional experience of staff throughout their careers, bringing benefits both individually and collectively. To this end, the Company adopts a constant and systematic approach, implementing synergistic actions aimed at developing analysis models and indicators in line with people management processes. This system allows management to evaluate scenarios, objectives and metrics in a transparent and visible way, both within the organisation and towards external stakeholders.

## Diversity and Inclusion Training

Poste Italiane promotes a barrier-free culture



### Generations in the Company

Poste Italiane has made the online training course available to the entire company population, with the aim of providing awareness of the characteristics of the different generations present in the Company, learning what to implement in order to overcome differences with colleagues and to be an active part in a social context characterised by the coexistence of different lifestyles, work relations and cultural approaches.

### Disability: a plural future without barriers

In order to foster and support the development of a more inclusive culture and stimulate a collaborative, supportive working environment open to everyone's contributions, great attention was also given to the issue of disabilities. Also in a training perspective, the webinar "Disability: a plural future without barriers" was delivered, with the aim of fostering understanding not only of the term but above all of the stereotypes and prejudices ingrained inside and outside the corporate system.

### Training cycle and workshops

During 2023, the training cycle concluded with a further 16 innovation laboratories aimed at territorial operational heads, who with the polarity thinking methodology concretely addressed the issues relating to one of the four dimensions that constitute the Diversity & Inclusion Policy, putting themselves concretely at stake and drawing up their own personal action plan. To share the evidence from the various workshops, a further 4 thematic follow-up webinars were organised with the participation of all target group colleagues. During the follow-ups, external guests intervened with inspirational speeches and focused on key trends in order to foster greater contextualisation to business challenges.

### Inclusive language

Poste Italiane has designed an e-learning course aimed at encouraging widespread reflection on the value and impact of language and offering participants knowledge of neutral communication techniques and methods. It will be made available to the entire company population in early 2024.

### LGBTQ+ Awareness

During 2023, the Company committed to carrying out campaigns and awareness-raising actions on issues of labour inclusion and LGBTQ+ rights. In particular, 15 news items highlighting thematic events and initiatives were published, and the first issue of the podcast series "In other words" was released. Similarly, an online course was implemented, which started in November 2022 and delivered throughout 2023 for new recruits. With reference to the management target group, a further webinar on the same subject was organised.

Over the course of the year, all activities related to Diversity & Inclusion were carefully monitored and evaluated through a feedback collection system, in order to guarantee continuous improvement and allow participants to actively contribute to the planning of subsequent initiatives. The Company recognised the importance of increasingly integrating the social, relational and process dimensions of Diversity & Inclusion into its strategic vision.

With the intention of pursuing these objectives, a survey was launched in July, extended to the entire company population by means of the "Disability, Vulnerability and Inclusion" survey, with the aim of gathering information on individual and collective knowledge and perception of Diversity & Inclusion issues, in particular of disability and vulnerability, as well as corporate commitment in this area. Based on the evidence, it emerged that the perceived level of inclusion is high and knowledge of the topic is fairly broad. A large proportion of the population with special or vulnerable conditions shared their condition mainly with colleagues or their supervisor, indicating the presence of working environments that ensure openness and inclusion of difficult situations. The survey was disseminated online via the company intranet, official news, TGPoste and the newsletter. Moreover, following the results of the survey and with the aim of offering continuous support to occupational well-being and promoting the valorisation of pluralities within the scope of Diversity & Inclusion policies, a further cycle of webinars specifically dedicated to disability was launched in December, with a view to continuing throughout 2024.

With the aim of preventing any possible negative impact on the company population affected by the initiatives, all events are disseminated, enhanced and communicated on the internal website, in such a way as to guarantee the possibility of obtaining information regarding the company's action in this area and to allow the entire company population to participate. Furthermore, systematic feedback is provided to comments and reports from employees present in the company intranet community in order to ensure timely information clarity and offer contextualisation elements useful for participation and contribution to the collection of any suggestions for improving processes.

The main initiatives promoted on Diversity & Inclusion issues are monitored in the Human Resources and Industrial Relations area through the People Care and Diversity Management function, established in 2019, within which a contact person responsible for promoting the implementation of the planned project initiatives operates in the Diversity & Inclusion Plan, also taking care of programme management activities for cross-functional projects. In order to support these initiatives, a budget defined on the basis of the annual planning is assigned. In general, projects and initiatives related to Diversity & Inclusion are managed through internal databases using dedicated company systems, functional for mapping participants, reporting and monitoring, and are accessible via the company intranet.

In 2023, Poste Italiane continued with the implementation of the Diversity & Inclusion KPI monitoring dashboard, a tool based on the processes typical of the Human Resources function that analyses the performance of the main variables on the four Diversity aspects: gender, generations, disability/vulnerability and interculturality, breaking down the analysis by organisational function and territory. The dashboard provides a detailed picture of the movement on each of the four aspects, allowing timely intervention in case of objectives not in line and in critical situations. In addition, from 2023 onwards, the dashboard will also monitor the development of reasonable accommodations, in order to constantly monitor Diversity & Inclusion dynamics and take corrective action when necessary.

To ensure alignment with market trends and best practices, the operations of the HR Study centre continued during 2023, which actively participates in inter-company discussions also engaging with associations and institutions in order to generate new opportunities, visions and orientations suited to company objectives. The HR Study centre also provides carefully selected content organised into thematic areas presented through innovative editorial methods, making use of the dedicated online site, SpazioRUO, accessible to all Human Resources and Organisation employees. The online platform promotes the exchange of information, the sharing of experiences and the wide dissemination of contents and approaches aimed at supporting inclusive culture and people's well-being in general.



## Poste Italiane obtains *Uni/PdR* *125:2022* certification for gender equality

In 2023, Poste Italiane obtained UNI/PdR 125:2022 certification for its ability to ensure gender equality in the workplace. The certificate, provided for in the National Recovery and Resilience Plan (PNRR), recognises the Company's ability to guarantee a real level playing field in the design, steering, control, coordination and delivery of postal, logistics, financial, insurance and digital services.

Poste Italiane obtained an overall score of 96% - compared to the required minimum of 60% - achieving excellent results in the six macro-areas assessed: culture and strategy, governance, personnel (HR) processes, opportunities for growth and inclusion of women in the company, gender pay equity, parental protection and work-life balance.

To influence cultural awareness in the area in which Poste Italiane carries out its activities, professional figures called "Diversity and Inclusion Supporters" have been designated, operating in the Human Resources field throughout the national territory, with the aim of supporting and disseminating company initiatives and collect suggestions and ideas from staff in their respective areas of expertise, always in a logic of bottom-up dissemination of collaboration and the expression of needs in a virtuous cycle of continuous monitoring and redesign, which involves all the corporate realities.

In order to increase the engagement of the company population and to promote a positive working environment and a more inclusive organisational culture, in 2023, Poste Italiane launched the first two Employee Resource Groups (E.R.G.), groups of colleagues united by their sensitivity and enthusiasm for inclusion issues, who are guided and trained to spontaneously catalyse change within the Company, transforming the commitment to Diversity & Inclusion into concrete actions that generate value for the future and nurture an inclusive culture throughout the organisation. The aim of this initiative is to give people a voice, collect and systematise proposals and practices from the various territories, encouraging proactivity in generating new ideas and promoting collective awareness of the value of inclusion. This innovative approach mobilises people's energies, encouraging mutual learning and overcoming both hierarchical and functional dimensions to accelerate change. In addition, the first two E.R.G. also include Supporters and Allies of Diversity & Inclusion, figures who are actively involved in the transformation process and who provide input and project ideas, and the process of setting up the third E.R.G. has also been completed.

Poste Italiane promotes a wide range of initiatives that give concrete expression to the principles of inclusion and equal opportunities. A key element in this context is the drafting of the Framework Agreement on Harassment and Violence in the Workplace, by which the Group is committed to maintaining a working environment in which respect and dignity for every individual is ensured. Poste Italiane also cooperates with the two main advocacy organisations operating at national level, i.e. the Anti-Violence Network "D.i.Re" (Donne in Rete) and the voluntary association "Telefono Rosa", and finances a fund for the economic and working autonomy of women victims of violence, offering many of them with training opportunities, job placement and in some cases, also accommodation solutions. The principle of equal opportunities in career paths is rigorously applied, guaranteeing that the selection of personnel takes place on the basis of professionalism and skills in compliance with company needs, regardless of personal characteristics such as age, gender, sexual orientation, disability, ethnicity, nationality, political opinions and religious beliefs.

Poste Italiane also adopts many good corporate practices aimed at supporting motherhood and fatherhood within the organisation. In collaboration with "Valore D", a business association that promotes diversity, talent and female leadership, Poste Italiane has undertaken managerial training actions aimed at encouraging the professional growth of its collaborators. The Company is also actively involved in raising awareness on the subject of gender violence, through the implementation of awareness initiatives and the continuous monitoring of the impact of such activities on the territory, in accordance with the Memorandum of Understanding stipulated with the Ministry of Equal Opportunities. To this end, institutional awareness-raising messages on these issues are displayed on the screens of Postamat ATMs, as well as other useful information such as the 1522 toll-free number and the app for preventing and combating violence, including stalking and mistreatment.

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lodgings were made available for 40 women victims of violence throughout the country

Poste Italiane dedicates particular attention to all aspects aimed at fostering an ever-increasing reconciliation between work and family life, as well as at combating violence against women. In response to the emergency and difficulties caused by the pandemic in previous years, with particular reference to women victims of violence, and considering the availability of owned residential housing, in 2021, the Group launched the "Women Victims of Violence Housing Autonomy" project. The initiative, which is in continuity with the project launched in 2019 aimed at the employment inclusion of women victims of violence and their inclusion in the world of work, has been confirmed by Poste Italiane also in 2023. In fact, the Company has fully financed the initiative for the third consecutive year, thus consolidating its position as one of the leading companies in the Italian social sustainability scene.

Specifically, Poste Italiane is making available 10 dwellings belonging to its real estate assets throughout Italy, earmarking them for the independent living of women and their minor children in situations of particular economic hardship. This initiative currently involves nine regions, and is operational on the provinces of Vercelli, Brescia, Padua, Bologna, Macerata, Rome, Bari, Naples, Salerno, Messina. Since the start of the project in 2022, 32 women and 30 minors have been received through hospitality experiences. The five-year project is coordinated by the Corporate Social Responsibility function in collaboration with the Real Estate Function, and is enriched by the consolidation of the partnership with the associations DiRe (Donne in Rete) and Differenza Donna, a Third Sector reality engaged in the fight against gender violence throughout the national territory, with the task of selecting women and providing them with support throughout the entire process of housing independence.

Moreover, in 2023, Poste Italiane confirmed its commitment to the inclusion of women victims of violence through the "Suspension of mortgage instalments". Indeed, the ABI and the Trade Unions agreed to extend the Memorandum of Understanding, already signed in 2019, for a further two years until 25 November 2025. The Company, in continuity with the actions already undertaken, in agreement with the financing banks Deutsche Bank and Intesa Sanpaolo has implemented the provisions of the agreement with ABI and offers women victims of gender violence included in duly certified protection paths and who are in economic difficulty, the possibility of requesting the suspension of the payment of the principal amount of mortgage loans, with the corresponding extension of the repayment plan, for a period not exceeding 18 months and in any case not beyond the duration of the protection process. The Company also signed the three-year Protocol on the implementation of policies on gender equality, equal opportunities and the fight against gender violence with the Ministry for Equal Opportunities and the Family on 13 April 2022, confirming its commitment within a broader institutional context.

In relation to the initiative promoted by the Ministry for the Family, Birth and Equal Opportunities, the Company signed the "Code of self-discipline of companies responsible for motherhood" in early 2024. The Code aims to promote a favourable environment for working women by promoting the career continuity of mothers, initiatives for the prevention and treatment of health needs and the adaptation of working time and working methods in an inclusive way.

In relation to the company's commitment to combating gender violence and the Housing Autonomy project, Poste Italiane has created training and awareness programmes available to staff with the aim of developing greater awareness on the topic of gender-based harassment and violence and on main tools for recognising the phenomenon and preventing it, while offering an overview of programmes for the work and housing inclusion of women victims of violence.

## The new LGBTQ+ Inclusion Policy

In order to reinforce the Group's investment in its diversity and inclusion policies, the LGBTQ+ Inclusion Policy was outlined in 2023 and formalised in early 2024 in interdisciplinary working groups.

In line with what has already been stated in the Group's Code of Ethics, which recognises the value of a work environment free from any form of discrimination or harassment, the Policy aims to promote equal access to work opportunities and work environments in which everyone can feel free and safe to express themselves and thus give their best, and to define the tools and measures to counter any forms of discrimination or prejudice linked to gender and affective/sexual orientation.

The Group is therefore committed to intervening in favour of LGBTQ+ inclusion through social parenting support initiatives, specific guidelines to accompany gender transition, and training and awareness-raising campaigns to address prejudices in this context.

## Parks – Liberi e Uguali Gender identity and coexistence of differences



The collaboration with "Parks - Free and equal" continues in 2023, a non-profit association whose members are exclusively employers, which aims to provide support to member companies, bodies and institutions in understanding the potential of business related to the development of strategies and good practices that respect diversity, in order to create work environments that are inclusive and respectful of the entire company population, with particular attention to those who belong to the LGBTQIA+ community.

Poste Italiane actively promotes inclusion policies to protect diversity, and the collaboration with Parks significantly contributes to further strengthening this path. Numerous awareness-raising initiatives have been implemented aimed at valorising plurality, accompaniment in cases of gender transition, consultancy in the definition of training and communication programmes and evolutionary integration in work processes and relationships.

The collaboration aims to consolidate the cultural positioning of the Company in its diversity management journey.

Among these initiatives is the creation of an e-learning course aimed at promoting awareness on the issues of affective orientation and gender identity. It starts from the origin of the acronym LGBTQI+ and proceeds to outline the main barriers to inclusion. The primary objective is to raise participants' awareness of these issues, enabling them to identify these barriers and subsequently address them constructively.

In order to promote the values of diversity and inclusion also within the administrative bodies, the Group has adopted a "Diversity Policy for Management and Supervisory Bodies", which constitutes the document through which the Company declares its responsibility with respect to this issue.

The Policy establishes the criteria for a qualitative and quantitative composition of the Board of Directors, aimed at ensuring effective fulfilment of the tasks and responsibilities entrusted to it, through the presence of individuals who ensure a sufficient degree of diversity of perspectives and skills, fundamental for a good understanding of current affairs, risks and opportunities associated with carrying out the company's business in the long term.

**44.4%**  
of the **BoD** of the  
Parent Company is  
made up of  
**women**

Through this Policy, the Group defines the criteria for selecting the members of the Board of Directors in a manner functional to their responsibilities and tasks, also guaranteeing the presence of people characterised by different perspectives and skills, capable of managing the risks and opportunities related to the long-term business activity.

The Policy makes it possible to ensure a qualitative composition of the Board of Directors that is optimal for carrying out its functions effectively. In defining said criteria, the Board of Directors took into account various factors, including the nature and complexity of the corporate activity, the social and environmental context in which the Company operates, the experience gained by the Board itself with regard to the activities and the operating methods of the Board and the internal Board Committees, as well as the results of the self-assessment processes conducted in recent years. Finally, in compliance with the requirements of professionalism, integrity and independence, as well as situations of incompatibility and/or disqualification provided for by law, regulatory provisions and the Articles of Association, the Policy also considers age and seniority in office, gender, geographical origin and international experiences. In addition, the Policy recommends professional skills in the areas of financial or contributory policy, accounting and risk management, as well as in-depth knowledge of the sector in which the Company operates, in order to assess the related risks.

The Board of Directors, with the support of an external company specialised in this field, annually submits its performance to an evaluation called Board Review. This self-assessment follows a procedure that includes individual interviews with each director, statutory auditor and the Secretary of the Board of Directors, also using specific questionnaires.

**46%**  
of **female middle**  
and **senior**  
**managers in 2023**

The final report prepared by the commissioned company is reviewed and shared with the Board of Directors in its collegiality. The Board Review carried out in 2023 showed that the quality profile of the administrative body in terms of skills, professionalism, experience and diversity, in its various meanings, is appropriate.

In addition, during 2023, with the support of an external consulting firm, the Board of Statutory Auditors carried out an assessment on the issue of diversity, from which it emerged that the composition of the body is adequate and benefits from the complementary professional experience and skills of the Statutory Auditors. The Self-Assessment document also shows that the representation of "diversity" meets the needs of the Company in all the meanings considered below, i.e. experience/seniority, gender, age group, tenure, education and culture. In addition, the Board provided a fully positive assessment regarding the detail of supervisory activities, expressly referred to for the purposes of the Self-Assessment pursuant to Bank of Italy Circular no. 285/2013.

## Sustainability Report Award

### Placed first in Diversity and Inclusion



Poste Italiane obtained first prize in the "Diversity & Inclusion" category on the occasion of the fifth edition of the "Sustainability Report Award", promoted by the Department of Economic and Business Sciences of the University of Pavia with the aim of enhancing the work of companies relating to reporting on ESG issues.

In particular, Poste Italiane stood out for its mention of activities supporting diversity and inclusion in the company and a good gender balance in top positions.

The award ceremony, held in the Aula Magna of the University of Pavia, was followed by two panel discussions in which sustainability experts and practitioners spoke, bringing their knowledge, experience and expectations regarding the future of sustainability reporting.

## Excellence in Diversity and Inclusion

### The Poste Italiane Case as an Inspiring Model



Poste Italiane was included in Lundquist's "DE&I 2023 Whitepaper", a research study on the topic of Diversity and Inclusion, focusing on the analysis of the communication of commitments and initiatives in this area by 49 large companies. According to the research, the D&I approach adopted by Poste Italiane is comprehensive and integrated into both its company and sustainability strategy. This aligns with the stated actions and objectives, positioning the Company as an example of good practice.

Poste Italiane was mentioned by the research as a potential source of inspiration, as it demonstrates its commitment by communicating concrete actions, including mentoring programmes for the younger generation, motherhood and fatherhood support policies, and adaptations in post offices to meet the needs of people with disabilities.

## Equal career development opportunities

**N F S**

MAIN RELATED TYPES OF CAPITAL



Human Resources management represents a priority for the Company, which is committed to guaranteeing respect for equal opportunities and recognising the value of each individual, while reducing situations of individual fragility. In accordance with the provisions of the Code of Ethics, the Group promotes fair management and growth of intellectual potential, in line with the criteria of merit and the results obtained, ensuring equal treatment and condemning any form of discrimination. In line with this principle, the selection of the company population is based on individual skills and professionalism, reflecting the needs of the Group. The selection process takes place independently of age, gender, sexual orientation, disability, ethnicity, nationality, political opinions and religious beliefs, which do not constitute evaluation criteria, in line with the principle of impartiality expressed by the Group.

Poste Italiane considers the development and valorisation of people's distinctive skills, in any form and manifestation, at different levels of the organisation, as fundamental strategic levers to support the growth of the Group's business. The approach adopted by the Company is aimed at the broadest involvement of employees, recognising and enhancing their skills along the entire value chain, in such a way as to acquire a competitive advantage on the market and generate shared social value.

**~ 1,200**
**employees participated in the  
Lifeed project in 2023**

*Through ongoing dialogue with the entire workforce and a constant commitment to combating all forms of discrimination, Poste Italiane promotes the well-being of each individual within the Company*

In continuity with previous years, Poste Italiane supports the "Charter for Equal Opportunities and Equality at Work", a declaration of intent voluntarily signed by companies of various sizes with the aim of promoting a corporate culture and human resources policies that are inclusive and free of discrimination and prejudice. By signing this statement, the Group reinforces its commitment to valuing the individuality and diversity of the people in the company. In fact, the Charter promotes principles aimed at creating a work environment that reflects the values of inclusion and pluralism, offering equal opportunities to all people and enhancing individual skills. The encouragement and development of a corporate culture based on respect and valorisation of diversity also constitute the prerequisite for developing remuneration systems that enhance the skills of each individual, thus contributing to promoting optimal work performance and creating long-term shared value.

Poste Italiane continues to implement what was agreed within the Memorandum of Understanding with the Ministry of Equal Opportunities, in line with its commitment to enhancing diversity and creating joint and effective action in communication, awareness and dissemination of the following topics:

- promote initiatives aimed at the protection and full affirmation of human rights, as well as preventing and combating all forms of exploitation of human beings and people trafficking;
- promote full implementation of policies regarding equal opportunities between men and women, with particular reference to work-life-balance and career issues;
- prevent and combat sexual and gender-based violence, stalking and any other form of violence against and abuse of women and children;
- prevent and eliminate all forms of discrimination directly or indirectly based on ethnic origin, religion, personal beliefs, age, sexual orientation or gender identity.

### Supporting maternity and paternity

Consistent with previous years, the Lifeed initiative, originally launched in 2015 under the name "MAAM", "Maternity As A Master", continues. This initiative aims to support family reconciliation, with a particular focus on women's participation in the world of work. The programme, which is accessible in digital format, aims to make the parenting experience a "master" in transversal skills, which are also essential for professional growth and considered particularly useful when returning to work. The aim is to provide a greater awareness of the changes and skills acquired through the experience of caring for a child.

The programme is aimed not only at new mothers and fathers but also more generally at parents of children up to the age of 18. During 2023, the programme achieved the participation of about 1,200 users, who had the opportunity to enhance the skills acquired during their parenting experience. Employees who join the initiative can take advantage of online self-coaching courses that help them achieve a work-life balance, experienced not as a conflict but as an opportunity. These are webinars for inspiration, reflection, skills training and sharing on issues related to work-life synergy, well-being and the development of transversal skills.

The MultiMe®Finder programme, a tool introduced in 2022 and offered by Lifeed in cooperation with the Kellogg School of Management at Northwestern University in Chicago, was expanded in 2023. This programme has been made accessible not only to parents, but to all employees who wish to improve their awareness and develop their personal and professional growth skills. The goal is to allow users to explore and discover their skills and roles in different life experiences, both personal and professional. In this way, the programme aims to increase awareness of the roles played in different experiences, enhancing one's talents with greater flexibility in an inclusive perspective.

The Company has set itself the objective of contributing to the strengthening of measures and pathways aimed at promoting active parenthood, also as levers to combat the phenomenon of denatalità and to encourage an increasingly balanced distribution of care burdens. This included 4 parenting support seminars for all employees, innovative and structured parental involvement programmes with a kick-off and 6 dedicated project knowledge webinars.

In addition, in 2023, Poste Italiane promoted the "Fiocco Giallo" (Yellow Ribbon) project, which, with the aim of offering concrete support to new parents and celebrating the arrival of a child, offers employees who become parents through birth, adoption or pre-adoptive fostering a box of quality products for baby care and hygiene.

Through the Support for Active Parenting Policy, already formalised since 2022, the Company has defined a clear framework for women before and after the maternity (or adoption) period. The Policy provides for support and development pathways aimed at the individual and organisational well-being of people and focuses on programmes to support the parental role and actions to support the status of women. The aim is to offer a concrete response to colleagues who need to reconcile family life through inclusive policies. With it, in fact, the Company outlines a people development and management strategy in line with the tools already in place and develops a modern parenting model aimed at supporting women, before and after the period of biological or adoptive motherhood. The Policy, in particular, envisaged the centrality of listening in order to correctly identify the person's needs and individual requirements, and the identification and development of a customised accompaniment programme based on the professional profile of the person and their maternity and personal care needs. This programme is structured with development paths both before and after absence from work, the use of the aforementioned platforms to enhance the soft skills acquired through the parental role, as well as the possibility of participating in refresher and coaching programmes to facilitate, if necessary, return to work. In this way, the Group has introduced management and care processes that offer a concrete response to employees, enhancing inclusive policies and representing an investment in the future of the Company and families. Attention is also paid to the role of fathers and to the promotion of sharing care responsibilities for the strengthening of work-life conciliation mechanisms and of measures capable of promoting environments that are culturally ready to accommodate these needs. These initiatives are driven by increasingly innovative approaches and perspectives, which aim to improve the quality of life of employees and promote a sustainable and fair working environment.

With this in mind, the Policy provides for the definition of similar dedicated management paths for male personnel to:

- increase the number of male employees taking paternity leave;
- encourage the development of a culture oriented towards collaboration on care issues, because the inclusion and development of women's careers also passes through the rebalancing of care requirements with a view to the equal distribution of family responsibilities.

The Group, in fact, recognises the importance of parenting for men as well, being aware that it represents a significant opportunity to improve skills such as empathy, listening, understanding of others, patience and communication, and offers free and systematic parenting support seminars for all staff on paediatric prevention and parental support in the developmental and relational journey with children.

The "Mums At Work" project is part of the actions outlined by the Support for Active Parenting Policy, an initiative aimed at providing corporate coaching programmes to support women during the period of return from maternity leave, in order to facilitate achieving a balance between private and professional life. In particular, new mothers receive support for approximately four months from internal company coaches who assist employees in reformulating and refocusing their goals and in reconciling new family needs with the return to their work duties in the company. By 2023, the project had successfully involved more than 70 new mothers, highlighting the positive impact of the initiative in the business context. The Company, in addition to guaranteeing compliance with the regulations in force as regards breastfeeding leave, grants parents who take breastfeeding leave the possibility of being assigned, until their child turns one, to the municipality of habitual residence or to a neighbouring municipality, within their own territorial structure. Employees are also entitled to recuperative hourly leave for medical services for medically assisted procreation (PMA), for a maximum of 24 hours per year, or full-day leave, for a maximum of 4 days per year. It is also recognised that it is possible to increase the number of weekly and monthly days on which work can be performed in Agile mode in the event of particular personal and family situations that entail a greater commitment on the part of employees in terms of work-life balance, as well as for pregnant workers, for whom the possibility of performing their entire service remotely until the beginning of maternity leave may be considered.

## Online Awareness Initiatives Promoting Positive Parenting through Interdisciplinary Webinars

In the course of 2023, in order to undertake an interdisciplinary path on diversified topics to accompany families towards positive parenting, four webinars were organised, in collaboration with experts in the field, for all employees with children of paediatric and/or adolescent age, ranging from aspects related to the relational, emotional and social sphere to issues concerning the construction of children's identity with respect to gender issues, in line with the evolutionary dynamics of the current context. Through the development of such online seminar programmes, the Group aims to put parenting skills back at the centre to improve caring relationships and people's personal and organisational well-being.

### Developing women's leadership

Poste Italiane's corporate identity has always been characterised by a strong female presence and a work environment that promotes freedom from any form of discrimination and prejudice in order to allow each individual to express themselves at their best, in line with the objectives shared in the Diversity and Inclusion Policy.

As part of its support for gender equality, Poste Italiane has promoted numerous initiatives, starting from its partnership with "Valore D", to obtaining Equal Salary and UNI/PdR 125:2022 certifications for gender equality. In addition, the participation of women in the field of STEM skills was emphasised, through the inclusion of young women with this course of study. These initiatives constitute a significant part of the Diversity & Inclusion Plan, which also includes strengthening management systems for career progression in middle management positions, enhancing work life adjustment mechanisms in terms of sharing family responsibilities, and removing potential obstacles to gender equality, including those



related to sexual orientation and gender-based violence. Adherence to the Equal Salary certification process, obtained in 2022 and maintained in 2023, has allowed the Company to verify pay equity between women and men within its organisation, enriching innovation processes, improving reputation and image of the Company and offering maximum transparency regarding Poste Italiane's ongoing commitment to gender equality issues.

The conscious management of diversity in an inclusive key, in addition to creating shared social value, provides a competitive advantage for the entire Poste Italiane Group and is functional to promoting people's engagement with respect to corporate goals. This is confirmed by the numerous recognitions obtained by Poste Italiane, including the Group's rating for gender equality policies and actions according to the Bloomberg Gender-Equality Index and by Equileap.

The numerous recognitions obtained by Poste Italiane for its policies of attention to gender diversity testify the rooting of these values in the corporate culture and the sharing of the path at every level of responsibility, further enhancing the Group's reputation in the markets and among the financial community.

#### Alliance between the generations

The Company supports school and career guidance projects, recognising the responsibility of socially responsible companies to promote the growth of the younger generation and to collaborate with the school system and families. To this end, Poste Italiane has collaborated with Consel-Consorzio Elis in the two-year "School4Life 2.0" project, which aims to foster a structured connection between schools and businesses, prevent school drop-outs and offer young people a more direct view of the world of work and greater awareness of their own potential.

Poste Italiane has also implemented programmes aimed at strengthening the alliance between the corporate and educational worlds, through orientation and intergenerational dialogue initiatives. These programmes provided opportunities for collaboration between seniors and students to overcome vertical barriers and foster the exchange of experiences to support inclusion and employability.

Role models, mentors and trade masters are the roles that the company experts identified play to inspire young people and guide them in their study and work choices, promote the expression of their critical thinking, transfer trade-related skills and bring them closer to the complex and constantly evolving world of work.

The enhancement of Mentoring has also contributed to the construction of the Leadership Community of Practice as an inspirational space for the dissemination of evolved managerial values and models. Also continued with Valore D was the implementation of orientation programmes through dialogue with role models of different ages aimed at encouraging school-age girls and boys to follow their aspirations, free from conditioning.

As part of the company's initiatives aimed at fostering intergenerational alliance and exchange on the basis of the results of the "Generations Connected" survey, support initiatives continued and new actions were launched.

In particular, the MIPA project "The Value of Experience", job training among colleagues, seniors and juniors, to compare techniques, approaches and acting skills, continued. The programme will continue in 2024 in Digital, Technology & Operations.

#### Enhancement of disabled personnel

In line with the objective of enhancing diversity and promoting social inclusion, Poste Italiane continues with the LIS Project in some Post Offices throughout the country. This project aims to establish a dedicated desk that provides services in sign language to customers with hearing disabilities. The customer is assisted by staff able to communicate in Italian sign language for normal counter activities, such as paying bills and sending mail and parcels. Poste Italiane has developed numerous accessible multimedia contents on its site, created to meet the different needs of users in terms of accessibility and communication methods. In fact, among the tools there are contents with predominantly visual characteristics such as infographics and video highlights, as well as recreational-educational narrative elements as in the case of interactive games. These initiatives are an integral part of Poste Italiane's vast programme aimed at offering services and tools accessible to all users.

With the entry into force of the new regulations as of November 2022, which make it mandatory for large Italian private companies to comply with the Web Content Accessibility Guidelines (WCAG) 2.1, Poste Italiane has made a commitment to fully comply with these standards and to adopt a specific approach aimed at making digital accessibility sustainable in the long term. Therefore, complying with the specific regulations on digital accessibility, Poste Italiane is committed to the design and development of technological solutions capable of ensuring that digital services are accessible and usable by all, eliminating barriers and facilitating equal access to information and online resources. Poste Italiane's commitment to digital accessibility, therefore, fits perfectly with its Diversity and Inclusion strategy, which promotes an inclusive work environment and company culture that respects diversity of perspectives and abilities. Thus, through the implementation of WCAG 2.1 and the emphasis on diversity and inclusion, Poste Italiane demonstrates its tangible commitment to creating an accessible digital environment that contributes to a fairer and more inclusive society for all.

### Supporting vulnerability

In 2023, Poste Italiane continued to demonstrate its commitment to the "Noi Siamo Qui" (We Are Here) caring initiative, which aims to support people with chronic and/or serious illnesses or who find themselves in situations of vulnerability and fragility with dedicated listening actions, work flexibility interventions, and the activation of business coaching paths to accompany their return to work and support their well-being. Among the active services for the project target, in collaboration with the company Centro Medico, is also the possibility of requesting a second opinion for oncological and cardiovascular pathologies. The central objective of the initiative is to offer, among the various measures, a listening process aimed at identifying the main implications of a cultural, organisational and managerial nature linked to conditions of fragility and at the same time spreading growing sensitivity and establishing a corporate closeness relationship on the topic.

In addition, in order to ensure the re-employment of those people within the Company who, as a result of organisational initiatives and/or production-digital developments, are not allocated to fully productive/value-added areas, Poste Italiane continued the Insourcing and Re-employment programme, which was launched in 2021. Moreover, the project was also dedicated to the re-employment of "workers in a condition of fragility" within the meaning of current legal provisions who, unable to work on company premises in relation to health emergencies, found different employment to protect health and safety in the workplace.

As part of its caring initiatives in support of vulnerability, the company has embarked on an integrated plan to support caregivers by introducing the "Lifeed Care" programme with the aim of offering a new vision and meaning to the caring experience. This course aims to enhance the skills acquired during the caring experience by presenting a digital approach dedicated to caregivers that redefines the value perspective of the dimension between care and career. Through specific online self-discovery sessions, participants have the opportunity to improve their well-being and stress management. In addition, a practical support kit was developed with the aim of fostering positive synergies for the reconciliation of professional and personal life. This kit was presented during a dedicated webinar aimed at promoting greater awareness of the role of caregivers, providing tools and ways to support them. The implementation of "Lifeed Care" reflects the Company's commitment to provide concrete resources and support to those dedicated to the important role of caregiver.

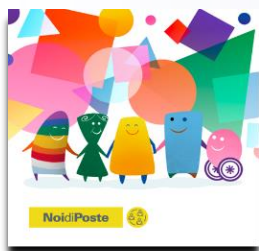
## "Al tuo fianco" (At your side) Project

Poste Italiane promotes active support for employees' psychological well-being

With the aim of promoting the psychological well-being of its employees, the "At your side" project was launched in 2023 in an experimental phase. It is a listening, guidance and support desk whose services include access to a dedicated platform aimed at supporting people's mental well-being. This project aims to provide concrete answers to challenges, changes and vulnerable situations that may arise in the daily lives of employees. The platform allows access to a network of accurately selected psychologists and psychotherapists to undertake an accompanying pathway, and makes available various accessible content, such as various scientific tests for the self-assessment of global well-being. Initially, the Company bears the costs of the first two sessions, thus demonstrating a tangible commitment to provide initial financial support to facilitate access to psychological support services. This initiative highlights the Company's awareness of the mental health needs of employees and its willingness to offer meaningful resources for their psychological well-being.

## "Poste, Plurale, Universale"

People at the centre of the inclusion process



In November, Poste Italiane organised the second Diversity Day event "Poste Plurale, Universale". The aim of the event was to share a moment of transversal attention on the inclusive path undertaken by the Company, in line with the objectives of the Group's Strategic Plan and the pillars of the Sustainability Strategy.

During the event, external guests and employees shared testimonies related to the four dimensions of Diversity & Inclusion: Gender, Generations, Vulnerability and Interculturality, offering an immersive experience in diversity.

Participation in the event was ensured for the entire company population through the use of streaming and accessible with the presence of LIS interpreters.

In addition, a feedback questionnaire was administered anonymously to participating employees in order to gather ideas and reflections for improvement. Employees shared their experiences with authenticity, generosity and courage to help other participants learn about the actions implemented by Poste Italiane. Numerous positive feedbacks were received, highlighting the appreciation for the initiative and the value of the inclusion pathway.

In order to promote and guarantee smooth and effective communication with staff with hearing disabilities in terms of accessibility in work contexts, Poste Italiane continues to ensure the subtitling of all videos on the corporate intranet and the development of accessible aids to improve the use of training initiatives and intranet contributions.

## Tutorial Poste Italiane: an inclusive project for digital accessibility and the coexistence of differences

Poste Italiane's Tutorial platform, one of the winning projects of the Insieme 24SI initiative, has been realised. Its aim is to support customers with sensory disabilities or who are not yet properly digitalised in independently accessing the services of Poste's digital channels. In this regard, the "PosteXtutti" competence centre was set up thanks to the project, with the aim of involving people in the Company who experience disability first-hand in order to arrive together at a shared communication using a language capable of restoring and representing a "coexistence of differences". In this regard, in order to make Poste Italiane's products and services more accessible, some editions of the TGPoste have been made available in LIS.

Also during 2023, Poste Italiane continued to support, for the eleventh edition, the initiative dedicated to employees' children and siblings with disabilities, which includes two summer holiday periods, each lasting fifteen days. Thanks to this initiative, about 40 boys and girls had the opportunity to enjoy leisure time and receive individual assistance from dedicated operators and were able to express their individual abilities by stimulating self-confidence, self-esteem and the ability to join and belong to the Group. The programme has thus fostered an experience of socialisation and full integration, as well as allowing families to benefit from relief in their daily care needs.

For the fourth consecutive year, Poste Italiane participated in "4Weeks4Inclusion", the largest inter-company event dedicated to diversity and inclusion in Italy. Over the course of four weeks, the event involved over 300 partners including businesses, universities, associations and non-profit organisations who shared events, in person and digitally, creating moments open to the public and generating thousands of interactions on social channels. Through the initiative, the company actively participated by bringing its own testimony to the inter-company day on the gender gap and realised its own seminar, accessible online, entitled "Art and the Other. Inclusion through diversity", with the aim of promoting a reflection on the power of art and the artist in overcoming the limits of ordinary conventions and moving towards the enhancement of one's uniqueness. This event is part of the company's commitment to foster an inclusive and diverse environment, emphasising the fundamental role of art as a tool for expression and overcoming barriers.

The Company, already a signatory of the Charter for Equal Opportunities, joined the "European Diversity Month", promoted by the European Commission to raise awareness among organisations and companies on the importance of diversity and inclusion in work contexts, launching a campaign entitled "A bridge between generations" in which several events took place in May and June to strengthen the knowledge of the characteristics of different generations and stimulate the active participation of people in order to improve intergenerational dialogue. Poste Italiane has organised several initiatives in this context, including: the release for the entire company population of the e-learning course "The Generations in the Company", consisting of 8 video briefs dealing with the characteristics of each generation in the workplace; the publication of a podcast on the subject; the realisation of a webinar as part of the Diversity Innovation Meeting cycle that highlighted the trends characterising the different Generations; and the activation of a special edition of the "Smart Café" initiative.

As part of the promotion of diversity and inclusion, Poste Italiane has further intensified cultural awareness and training activities also through six "Diversity Innovation Meetings", with the aim of exploring the main key aspects of diversity, focusing in particular on issues such as gender equality, intergenerational alliance, vulnerabilities, interculturality and inclusive language. During these meetings, representatives of start-ups, third sector organisations and institutions were invited to share their experiences and knowledge on promoting inclusion. The participants, divided into working groups, took part in interactive discussions and worked together to generate ideas to be implemented in the specific reality of Poste Italiane.

## Poste Italiane's support to food collection Together in the 27th edition



Among the solidarity initiatives that involved Poste Italiane during 2023, there is the twenty-seventh edition of the National Food Collection Day, the initiative organised by Banco Alimentare Onlus that allows to donate part of spending to those in difficult situations of need.

The Group contributed with over 180 company vehicles for the transport of donated food and employees actively participated in the day of solidarity, offering their contribution both as drivers and as volunteers in the supermarkets. In just one day, 7,350 tonnes of food were collected in 11,800 outlets, a sign of trust that testifies to the value of the solidarity initiative as concrete help for the more vulnerable sections of the population.

## 7.12 CREATING VALUE FOR THE COUNTRY

MAIN RELATED TYPES OF CAPITAL



Main types of capital	Objectives	Indicator (KPI)	Target	Baseline	Implementation status 2023	Outcome
Physical/Structural Social-relational	<b>Polis Project*</b>	<ul style="list-style-type: none"> <li>Creation of "One-Stop Shops" for 6,933 Post Offices located in small municipalities</li> <li>Creation of a national network of 250 co-working spaces</li> </ul>	<ul style="list-style-type: none"> <li>2026</li> </ul>	2022	<ul style="list-style-type: none"> <li>1,190 Post Offices in municipalities with less than 15,000 inhabitants</li> <li>31 co-working spaces built</li> </ul>	    
	<b>Strengthen Poste Italiane's local presence with initiatives and projects to benefit increasingly large and broad local areas</b>	<ul style="list-style-type: none"> <li>% increase in the number of Italian municipalities involved in initiatives supported by Poste Italiane</li> </ul>	<ul style="list-style-type: none"> <li>10% by 2023</li> </ul>	2022	+163%	
	<b>Support the implementation of the Polis Project through specific training activities</b>	<ul style="list-style-type: none"> <li>No. of training pills for the entire population</li> <li>No. of specialised courses for the population of POs involved in the project**</li> </ul>	<ul style="list-style-type: none"> <li>1 by 2023</li> <li>3 by 2023</li> </ul>	2022	<ul style="list-style-type: none"> <li>1 online course for the entire population</li> <li>3 specialised courses for the MP population</li> <li>1 editorial plan with 12 news items published on the intranet and apps, and 6 podcasts produced for the intranet and apps</li> </ul>	
	<b>Increase knowledge of financial education topics</b>	<ul style="list-style-type: none"> <li>One editorial plan on financial education topics and a focus on young people (high school students) with initiatives aimed at the children of employees, including younger children</li> </ul>	<ul style="list-style-type: none"> <li>1 by 2023</li> </ul>	2022		
	<b>Increase knowledge of financial education activities</b>	<ul style="list-style-type: none"> <li>No. of events held</li> </ul>	<ul style="list-style-type: none"> <li>30 by 2024</li> <li>90 by 2028</li> </ul>	2022	24	
	<b>Increase knowledge of new delivery and logistics models and digital issues</b>	<ul style="list-style-type: none"> <li>No. of events held</li> <li>No. of webinars conducted with sign language translator and subtitles</li> <li>No. of videopodcasts made with sign language translator and subtitles</li> </ul>	<ul style="list-style-type: none"> <li>30 by 2024</li> <li>6 by 2024</li> <li>10 by 2024</li> </ul>	2022	<ul style="list-style-type: none"> <li>22 thematic events held</li> <li>6 webinars conducted with LIS translator and subtitles</li> <li>3 videopodcasts made with LIS translator and subtitles</li> </ul>	
	<b>Increase the number of sports and social initiatives supported by Poste Italiane in the southern regions and islands</b>	<ul style="list-style-type: none"> <li>% initiatives supported in the sport and social sphere in southern regions and islands out of total initiatives</li> </ul>	<ul style="list-style-type: none"> <li>≥ 20% by 2024</li> </ul>	2023	New	

\* The target date is February 29, 2024.

\*\* The number of training activities is dependent on the number of services delivered.



## Support for the socio-economic development of local communities

NFS

MAIN RELATED TYPES OF CAPITAL



Poste Italiane confirms its commitment to supporting local communities by overseeing the implementation of modernisation and digitalisation processes aimed at increasing the well-being of citizens and the socio-economic development of the territory. The Group is dedicated to promoting organic and widespread social inclusion initiatives on a daily basis, with the aim of creating a positive impact in the context in which it operates. Through an inclusive approach and constant dialogue with citizens, institutions and Third Sector associations at local and national level, the Group is committed to achieving this goal by exploiting the ubiquity of Post Offices and developing high quality products and services. Moreover, through an ongoing process of listening to and reconciling the legitimate interests of the community, the Company focuses its attention on the most vulnerable. The latter, due to particular physical, mental, family, economic, ethnic or social conditions, receive more support and consideration.

*Poste Italiane is aware that listening, dialogue and the active participation of citizens are at the basis of the construction of a path of shared value creation with the territory, with a view to continuity and reconciliation of relative and legitimate interests.*

Poste Italiane affirms its commitment to the territory and the community within its Policy on community initiatives, with the aim of contributing to the socio-economic development of the territory.

Poste Italiane's strategy to address social challenges reflects a strong commitment to the most vulnerable and the needs of the community. This policy is part of a broader regulatory framework defined by documents such as the Code of Ethics, the Group Integrated Policy focused on anti-corruption and the Policy for the protection of Human Rights. In addition, the Policy outlines the Group's main areas of action to generate shared value in the long term. These areas, in coherence with the Policy for the protection of Human Rights, include the integration of groups most at risk of exclusion through the provision of dedicated products and services, promotion of culture and education, economic sustainability and enhancing social connectedness. Thanks to collaboration with central and local administrations, the Third Sector and communities, the Company actively involves stakeholders, maintaining continuous dialogue to understand and satisfy the needs of the most disadvantaged categories.

Poste Italiane also contributes to the achievement of the following Sustainable Development Goals defined within the 2030 Agenda of the United Nations: to end all forms of poverty (SDG 1); to provide quality, equitable and inclusive education and learning opportunities for all (SDG 4); to encourage sustainable, inclusive and lasting economic growth, full and productive employment and decent work for all (SDG 8); to reduce inequality (SDG 10).

In making investments for the benefit of the community, the Group operates in full compliance with the principles of integrity and transparency, in line with the provisions of the Code of Ethics and consistent with the values defined within the Group's guidelines. The methods with which Poste Italiane provides contributions by way of sponsorship and donations in favour of partners, bodies, associations and institutions operating in the area are defined by a specific "Sponsorships and Donations" procedure, which regulates the organisational measures, aimed at avoiding any possible conflict of interest. Version 8.1 of this procedure was approved in July 2023, consolidating the previous version, approved in March 2022, including the changes that occurred in the acquisition process via the website and for the evaluation of sponsorship initiatives according to the SELECT model, already revised in 2021 with the aim of strengthening it through more solid methods of calculating the media value and standardising the qualitative assessments of the initiatives. In addition, the

SELECT 2.0 tool, developed in 2021 with the support of the Digital Technology & Operations Function and updated with the quantitative data provided by potential partners on the web platform, has been integrated into Poste Italiane's systems for 2023, with the aim of transferring the algorithm and database from Excel to a more performing software. The online form created in 2022 has also been maintained for 2023 to guide Sponsees in the process of sending the sponsorship request. The platform intends to guarantee greater transparency and traceability, structure and standardise sponsorship requests from potential Partners and make quantitative information on the initiatives mandatory, useful for enhancing the SELECT sponsorship evaluation model.

As stated also in the Integrated Policy, contributions must not be exploited to conceal acts of corruption or any other conduct that is not in line with the Group's principles. For this reason, the evaluation relating to their provision by the Company takes into account the relevance of the initiatives, the notoriety of the potential partner, the alignment with the company objectives and the expected benefits. In order to guarantee an adequate supervision of activities and to monitor sponsorship initiatives, the Company has a specific "Sponsorships and Product Placement" department, with a core of dedicated resources, in the Corporate Affairs/Coordination and Corporate Affairs and Sponsorships Support areas. Requests for sponsorship and donations are received by the relevant departments through a dedicated platform with an online form published on Poste Italiane's institutional website, and are then assessed by the Sponsorship and Liberal Donations Committee, which is chaired by an external Chair with high requirements of professionalism, honourableness and independence. Furthermore, in order to proceed with the disbursement of the contribution, an assessment is also made regarding the consistency of the initiative with the contractual content, the regular performance of the activities and the correct execution of the contractual obligations.

The management and reporting activities of sponsorship and donation initiatives are subject to ISO 37001:2016 (Anti-Corruption) and ISO 9001:2015 (Quality) Certification. The anti-corruption management model constitutes a tool with which Poste Italiane intends to further strengthen and manage the processes for preventing the risks of offences specific to the subject matter covered by the certification, to continue along the path of strengthening the safeguards of legality and transparency, and to further strengthen the control and governance mechanisms.

During 2023, the Sponsorship and Donations Committee met 10 times, evaluating a total of 382 initiatives, of which 94 had favourable outcome. In continuity with previous years, in the choice of initiatives to be supported, priority was given to those with a significant social impact, aimed in particular at the peripheral areas of the country. Through initiatives and interventions benefiting increasingly large and capillary territorial areas, Poste Italiane has involved the entire national territory, with the aim of strengthening its presence in the territory.

In particular, the target of increasing the number of Italian Municipalities involved in initiatives supported by Poste Italiane of 10% compared to 2022 was largely achieved in the financial year 2023, thanks to the involvement of 384 Italian Municipalities.

Poste Italiane continued to support events and initiatives throughout the country with a preference for projects of a socio-cultural nature. In particular, importance was given to the company's presence in peripheral territories, strengthening its intervention in favour of local communities by supporting initiatives to promote the sectors related to Culture and Art, without neglecting support for initiatives falling within the "Well-being and Social Inclusion" sphere aimed at the most vulnerable people living in situations of hardship.

In order to identify specific KPIs that measure the benefits generated by the initiatives for both the community and the business, Poste Italiane uses a monitoring tool based on the classification and measurement standard proposed in the

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initiatives were evaluated by the Sponsorship Committee, which met 10 times in 2023



London Benchmarking Group (LBG model), which establishes specific criteria for managing, measuring and reporting on community involvement, according to principles of transparency and participation.

The Company is pursuing a new backbone of intervention towards community welfare logic, in synergy with local communities for company welfare services to support the vulnerabilities of employees and citizens. Community welfare represents an innovative perspective to accompany and support territorial systems to undertake a path of redesign and adaptation of responses to community needs. The objective is to activate responses capable of triggering participatory processes that guarantee the involvement of society and citizens, making the innovation produced more incisive, stable and sustainable. The company's action involves making welfare solutions and services available both to employees and their families, and to local citizens, through forms of collaboration with the Third Sector and local authorities.

In this regard, the plan led to the redevelopment and release of a company property located in Bologna to create meeting and socialisation places for people belonging to weak or vulnerable groups. The project also envisages the involvement of company volunteers in providing their professional and personal time and skills. To this end, a scouting exercise was carried out to identify the main local needs and best practices for assessing the local context and mapping the perimeter of the ecosystem in which the company space will move. On the basis of the main local needs, synergies and co-participations will be verified also through the network of the third sector as "network facilitators" for the realisation of inclusive and aggregation services addressed to the community and the primary reference targets, enhancing the available physical space in a flexible way, in an underlying logic of evolutionary social circularity in the encounter between demand and supply in which the players involved are both users and suppliers of the services.

In order to provide support to policyholders living in the areas affected by the floods in Emilia-Romagna, Marche and Tuscany, the Poste Vita insurance group has implemented a plan of initiatives in response to the difficulties faced by the population. In relation to non-motor damage, measures were taken such as the extension of arrears periods, the waiver of policy cancellation deadlines, the suspension of recovery actions and the strengthening of the expert network. For life insurance policies, on the other hand, the extension of the arrears period and the possibility of reactivating suspended contracts without further health checks have been provided for. These initiatives, aimed at customers residing in the affected municipalities of Emilia-Romagna, Marche and Tuscany, remained valid until 31 December 2023.

Moreover, in July 2023, the disbursement of the first economic measure of support to the population affected by calamitous events in Emilia-Romagna began by bank transfer and in cash, at the Post Office network, as provided for in the Agreement signed with the Civil Protection Department at the Presidency of the Council of Ministers.

On 25 May 2023, the Memorandum of Agreement was signed, which envisages the possibility for employees to adhere to the solidarity initiative known as "Ora Etica" (Ethical Hour) in favour of the Civil Protection committed to help the populations of Emilia-Romagna affected by the recent floods, which consists in donating the equivalent of one hour's work. The Company also undertakes to pay to the Civil Protection an additional amount equal to that collected from employees. The same solidarity initiative was undertaken in favour of the region of Tuscany affected by extraordinary atmospheric events by virtue of the Memorandum of Agreement signed between the Company and the Trade Unions on 27 November 2023.

## The "solidarity" stamp for Emilia Romagna

Poste Italiane collaborates with the Ministry of Enterprise and Made in Italy to support the area affected by the floods

In order to help the areas affected by the flooding in Emilia Romagna, the Council of Ministers authorised the issue of a "solidarity" postage stamp, with which to celebrate the civic sense of those who were involved in making people and the territory affected by the weather events safe. The stamp was in fact issued with a surcharge over the face value of €3.75, the beneficiary of which is the Civil Protection Department, for the allocation of resources to the areas affected by the exceptional adverse weather and flooding events that occurred in May 2023. As stipulated in the issuing order, the stamps will be distributed and marketed until 31 December 2024, after which date they will cease to be valid. The stamps are issued by the State through the Ministry of Enterprise and Made in Italy, printed by the Istituto Poligrafico Zecca dello Stato (State Mint and Polygraphic Institute), and entrusted to Poste Italiane for marketing in the philatelic counters of Post Offices across the country. In the immediate aftermath of the flooding, Poste Italiane made every effort to quickly return and guarantee its services to the population. Poste Italiane, thanks to the commitment and sense of responsibility of its people, guaranteed the functionality of the Post Offices located in the areas most affected by the flood. These include the Post Office in Lugo di Romagna, which was back in operation almost immediately, and the one in Modigliana, which was restored thanks to the intervention of Poste Italiane technicians, who installed a mobile network kit. The Company has also temporarily provided an alternative delivery service for residents of the province of Bologna residing in evacuated homes or areas that cannot yet be reached, maintaining this service until the end of August.

## Poste Italiane and the National Institute of Oceanography and Geophysics in Seismic Movement Monitoring

A shared commitment to National Security

In 2023, Poste Italiane will continue to support the OGS (National Institute of Oceanography and Experimental Geophysics) in the constant monitoring of seismic movements, particularly in seismic areas such as the North East. The Company actively cooperated by making itself available for the installation of seismographs in its buildings. The Group's prompt response to the Institute's request enabled the initial installation of 42 seismographs, out of a total of around 100 planned. In order to ensure careful monitoring without disrupting the daily activities of the employees, the seismographs were placed inside the racks, structures specially designed to house the servers and from which the telephone lines branch off. This strategic collaboration focused not only on workplace safety, but also on the effectiveness of seismic monitoring in the various areas of the territory, thus contributing to the promotion of the safety and well-being of the communities involved. The synergy between Poste Italiane and OGS remains a key element in guaranteeing continuity of service and protection of seismic areas.

## Kiev, Mariupol, Lviv and Odessa: four stamps dedicated to refugees from Ukraine

### Poste Italiane for the protection of rights and freedoms



In continuity with 2022, with the aim of providing support to the population affected by the humanitarian crisis linked to the outbreak of the conflict in Ukraine, Poste Italiane undertook actions to support the Ukrainian people, including symbolic initiatives with high institutional value. In 2023, four ordinary stamps belonging to the "Civic Sense" thematic series were issued by the Ministry of Enterprise and Made in Italy, dedicated to the Safeguarding of Rights and Freedoms: the Churches of Kiev, the Theatre of Mariupol, the Square of Lviv, the Port of Odessa. The issues included a surcharge of €1.30 per stamp, with a print run of 400,005 copies per stamp. In addition, in November, Poste Italiane announced the issue, by the Ministry of Economic Development, of an ordinary stamp belonging to the same thematic series, with a value of €1.25 and a print run of 300,015 copies in sheets of 45 copies.

### A New Life for Small Municipalities

Poste Italiane plays an essential role in connecting institutions, communities and territory. Its widespread presence throughout the country contributes significantly to the country's prosperity, enabling citizens to access the largest network of services through an omnichannel offer.

Through the implementation of new digital infrastructures integrated with the Public Administration, Poste Italiane is tackling the problem of "desertification" in small towns, which, over the past fifty years, have experienced a significant loss of their population, now at risk of depopulation. This situation is due to a number of factors, including limited job opportunities, difficulties in transport and the gradual decrease in services, such as bank branches and public offices. In this context, investments in services and infrastructure are of strategic importance, as they can positively affect the quality of life of those who wish to stay in or return to small towns.

# Zero

Post Offices  
closed in 2023

The Group continues its investments in the programme launched in November 2018, aimed at supporting the communities of Small Municipalities, aware of the important role it plays in the national socio-economic dimension. The project demonstrates Poste Italiane's commitment to consolidating a robust and active relationship with the territory, in order to promote initiatives aimed at encouraging the development and inclusion of less served territories.

In 2023, maintaining continuity with previous years, the Group ensured continuity of services through timely and transparent dialogue with local and central institutions. In addition, training initiatives aimed at the public were promoted, ranging from financial education to digital education. Poste Italiane responded promptly to the requests from local communities, particularly regarding the risk of depopulation. As a result, the Company decided to intensify investment in the peripheral network, actively involving local authorities to point out the specific needs of their territories, thus helping to consolidate the Company's presence in local communities.

Poste Italiane also reiterated its commitment against commercial desertification in small mountain municipalities, participating as a partner in the National Assembly of Uncem, the National Union of Mountain Municipalities, Communities and Bodies entitled "Communities, institutions, territories - Countries for the country, autonomies in dialogue in the

community dimension". The Assembly, held in Rome on 4 December 2023, represented a moment of dialogue between central and local institutions, the world of associations and businesses, key players in the growth of mountain areas.

In 2023, Poste Italiane's commitment to service innovation continued. Through the use of the Internet of things, the Company continued with the Smart Letterbox project, the letterboxes capable of recording and transmitting data on the environment and weather conditions through sensors that detect temperature, atmospheric pressure and air quality. Some Smart Letterboxes are also equipped with a screen capable of conveying public utility communications, thus making it possible to create a capillary communication infrastructure even in areas where Public Administration offices are absent. The new tool is also a way for Poste Italiane to rationalise its mail collection operations, reducing their time. This is because the sensors in the Smart box are able to detect the moment when a letter is posted, allowing the post officer to know which boxes contain mail and therefore need to be emptied, with obvious advantages also in terms of environmental sustainability. Following an initial test phase in 2022, 550 second-generation Smart letterboxes, 500 without a screen and 50 with a screen, were installed in 2023, which, added to the letterboxes installed in 2022, results in a total of 707 letterboxes. In addition, KPIs for describing process performance were consolidated in the applications for managing the data collected from the letterboxes and implementation was carried out for sharing process data with PTL PDA in order to optimise the collection process. In addition to the new installations, Poste Italiane undertook a continuous monitoring activity to upgrade the letterboxes in the area and thus contribute to improving urban decorum.

## Postel at the service of smart health screening campaigns

### The Poste Italiane Group promotes the importance of health prevention

Postel, a company of the Poste Italiane Group, has promoted the "Smart Screening" solution, aimed at promoting citizens' adherence to health prevention campaigns promoted by the local health authorities. The service provides a complete kit, distributed via post officers, which includes an invitation letter, an information leaflet with instructions, an RFID-tagged self-sampling tube and a return envelope with RFID matched to the tube. The citizen receives the kit at home, follows the sampling instructions and returns the sample.

During the dispatch of samples, the envelopes are checked by means of an electronic read-out that signals any mismatch errors. The Microsoft Power BI dashboard analyses and organises campaign data, highlighting response times, effectiveness of communication channels and providing customised reports.

With PowerBI's OpenAI functions, future campaign trends are analysed and actions are suggested to make them more effective, considering channels, optimal times to send, more effective content and target profiling. The simulations provide data on costs, time, effectiveness and traffic generated in the workshops, enabling informed decisions for the design of new campaigns.

Postelvideo also makes it possible to enrich communication with customised and interactive videos to convey prevention messages clearly and effectively. The service offers secure tracking and correct matching of samples thanks to Smart Label/RFID technologies, reducing costs and acceptance times.

At 31 December 2023, Poste Italiane had achieved significant goals within the Group's broader Strategic Plan, focused on enhancing one of the fundamental resources for the Company and the country: the territory and the communities that inhabit it. In line with environmental sustainability objectives, Poste Italiane's commitment to achieving carbon neutrality by 2030, with a consequent reduction in emissions and the environmental impact deriving from its activities, is further consolidated in relation to the initiatives promoted by the Group to favour small municipalities.

In this perspective, lies the ambitious purpose of the "Polis Project - Houses of Digital Citizenship Service", aimed at providing small municipalities with a state-of-the-art technological and digital infrastructure, enabling the automation of services and the rapid adoption of new digital services offered by the Public Administration. The project constitutes a significant step in the fight against the depopulation of small municipalities, in line with the support for the country's digital transition, as outlined by the National Recovery and Resilience Plan (PNRR) and the National Plan for Complementary Investments (PNC). Poste Italiane, in addition to consolidating the relationship with its vast clientele, contributes significantly to the optimisation of processes within the Public Administration. Through the initiatives undertaken to realise the project, Poste Italiane is taking an active part in the mission to boost training, the efficiency of the Public Administration and the competitiveness of the Italian production system. In 2023, there were a total of 1,190 Post Offices and by 2024, 2,800 real estate and technological upgrades will be started or completed in the Post Offices themselves. In addition, in order to support the implementation of the project through the realisation of specific training activities, an online course aimed at the entire company population was implemented in 2023. In addition, the following specialised courses were realised: online course "Polis Project: INPS certificates" and "Training on the job" webinars, already delivered in 2023; course "Polis project: ANPR certificates".

With the aim of ensuring the widest transparency in awarding procedures, with a view to maximising the protection of the dynamics of free competition in the market, the data on awards relating to the "Polis Project" have also been included in the portal set up by Poste Italiane for the exclusive use of the Guardia di Finanza, for the prevention of criminal infiltration in procurement and the fight against undeclared work. Poste Italiane has also created the "Contratti Aperti & Trasparenti" portal, a web space that can be consulted by everyone with the main information on each contract. Within the portal, it is also possible to find out the details of the individual "Polis Project" contracts concluded during the month with the amount, duration, product scope, award procedure, type, location and name of the successful bidder. The data published relate to contracts signed in respect of competitive procedures relating to the supply of goods and services, of Community relevance, and works subject to the Public Contracts Code in addition to those relating to the supply of goods, services and works excluded from the Public Contracts Code.

## Polis Project



Poste Italiane is taking an active part in the mission to boost training, the efficiency of the Public Administration, and the competitiveness of the Italian production system, thanks to a specific line of action called "Polis Project", financed with €800 million from PNRR funds and a further 400 million from the Poste Italiane Group, which will involve almost 7,000 Post Offices. The Project, aimed at promoting the economic, social and territorial cohesion of the country and overcoming the digital divide in small towns and internal areas, constitutes a major social inclusion programme and comprises two lines of action: the first consists of bringing telematics services of the Public Administration inside Post Offices with the creation of proximity "Single Points of Contact": in the 6,933 municipalities with a population of less than 15,000 inhabitants, equipped with at least one Post Office; the second, "Spaces for Italy", plans to make 250 spaces available throughout the country, 80 of which will be activated in municipalities with less than 15,000 inhabitants, converting them into co-working spaces of small (about 100 square metres), medium (about 450 square metres) and large (about 1,500 square metres) size, all interconnected to form a single digitalised and smart network. Within the webpage dedicated to the Project, detailed information is given on the Post Offices (number and location) involved in the digital renovation and enhancement process.

With regard to the "Sportelli Unici" (one stop shops) line of action, the aim is to equip the Post Offices concerned with new technologies and tools to allow, 24 hours a day, a complete, fast, easy and digital use of services relating to: identity documents, civil registration certificates, judicial certificates, social security certificates, services to the regions and other types such as, for example, the exemption from the RAI licence fee. Through the development of physical-digital access channels such as the Counter, the Totem, the evolved ATM, the Call centre and the Web channels, and thanks to the support of a special IT platform developed to deliver services in multi-channel mode, Post Offices will be transformed in order to make a widespread, concrete and resilient contribution to the achievement of the objectives that the European Union and Italy have set themselves with the "Next Generation EU" plan, in terms of digitalisation and social inclusion. In addition, the Post Offices network, thus transformed, can also be made available for the deployment of further government and PA initiatives on connectivity and cloud services. Specifically, the line of intervention envisages the installation of 4,000 self-service columns for the use of public utility services, 7,000 evolved ATMs for the provision of services to citizens, 500 lockers for the use, 24 hours a day, of mail, parcel, e-commerce and public utility delivery services, and 4,000 interactive digital shop windows for communication with citizens. In addition, the Project also envisages the implementation at Post Offices of interventions aimed at environmental sustainability and social growth of communities. In particular, the following will be installed: 5,000 electric vehicle recharging stations available to the Group's delivery fleet, which will be made entirely green, and to local communities; 1,000 photovoltaic systems that will help reduce CO<sub>2</sub> emissions; smart building systems and environmental monitoring sensors; 1,000 outdoor spaces equipped to host cultural, health and wellness initiatives. In addition, by providing the possibility to access Public Administration services from a One Stop Shop, citizens' journeys and the consequent congestion of roads and public offices will be reduced, allowing the reduction of CO<sub>2</sub> emissions.

The objective of the second line of intervention is to create the most widespread, digitalised, accessible and immediately available co-working network in the country: workstations, meeting spaces, shared services, areas dedicated to events and training whose use will be open to private individuals, companies and the Public Administration, universities, and research centres with which service agreements can be defined to best meet the needs and vocations of each type of stakeholder. The national co-working and training network will be able to offer interested administrations and local stakeholders physical locations where they can test innovative solutions of broadband-supported services dedicated, for instance, to distance learning, health, safety, becoming an essential partner for the transformation of services and the acceleration of economic and social growth. The network, which is based on the transformation of important Poste Italiane office buildings and large Post Offices entirely made available to the Project, will also be an important reference point for the innovation of small and medium-sized enterprises and for the enhancement of cultural and natural assets, being present in various industrial districts and in the areas of greatest cultural and tourist attraction.

The Polis Project covers an area where approximately 40 million people reside, or 65% of the Italian population. In this regard, Poste Italiane has estimated that in the first six years of operation, the Polis Project will generate a positive impact on the community and the environment worth a total of €380 million, of which 348 million will be for road safety and the reduction of traffic and waiting times, and 32 million for the reduction of polluting emissions. The Group also estimated an impact generated by the Project over the investment period 2022-2026 and the operation of the Post Offices until 2031 of €1,061 million in terms of GDP and €484 million in terms of the distribution of labour income, for a total of 18,600 jobs created.

Finally, the Polis Project generates significant impacts throughout the territory, also with a view to achieving the Sustainable Development Goals (SDGs): Gender equality (SDG No. 5); Clean and affordable energy (SDG No. 7); Decent work and economic growth (SDG No. 8); Enterprise, innovation and infrastructure (SDG No. 9); Sustainable cities and communities (SDG No. 11); Combating climate change (SDG No. 13); Life on earth (SDG No. 15); Peace, justice and strong institutions (SDG No. 16).

### Cresco Awards sustainable cities 2023

In line with Poste Italiane's mission to act as a link between the country's institutions, territory and services through its extensive network of Post Offices, the Group participated again in 2023 in the prestigious Cresco Awards Sustainable Cities award. This initiative, promoted by the Sodalitas Foundation in collaboration with the National Association of Italian Municipalities (ANCI), and under the patronage of the European Commission, the Ministry for the Environment and Energy Security and CSR Europe, aims to reward the commitment of Italian municipalities to the sustainable development of their territories.

The company awarded the prize "For the sustainable development of small municipalities" to the municipalities of Nibionno (Lc) for the "Nibionno Band" project, Rapino (CH) for the "Parco della Gioia" project and Molochio (RC) for the "Borgo della Longevità" project. The aim of the projects and programmes being developed is to contribute to the creation of virtuous sustainable development styles and behaviour.

### "Valori ritrovati" (Rediscovered values): a project of circular economy

In continuation of the agreements signed in 2018 with Caritas, and subsequently renewed in 2019 for an additional period of 5 years, the implementation of the initiative called "Rediscovered Values" continued during 2023, a circular economy project that has the aim of allocating the so-called "anonymous packages" or "abandoned packages" to needy families, through "Empori della Solidarietà", a circuit of supermarkets managed by Caritas that provides basic necessities free of charge. The aim of the collaboration is to restore abandoned parcels and allocate them to the neediest families. Poste Italiane promotes local development through initiatives of inclusion and social solidarity. Thanks to the support of its employees, who participate as volunteers, Poste Italiane recovered more than 25,000 items from abandoned parcels in 2023, which were redistributed through Caritas centres to needy individuals and families or resold at subsidised prices for a charitable purpose, specifically for projects for the employment inclusion of people in difficulty.

Poste Italiane recovered 150 tonnes of abandoned parcels thanks to the support of its employees, who participate as volunteers. This circular economy project has a total economic value of more than €600 thousand. Approximately 35,000 anonymous or abandoned parcels have been delivered to Caritas every year since 2019, thus fostering the culture of reuse.

### Il Volontariato d'Impresa (Corporate volunteering)

Corporate volunteering represents an ethical choice of the Company and a concrete commitment for the sustainable development of the community, in line with the values and principles stated in the Code of Ethics and the Sustainability Policies. Through volunteering, the Poste Italiane Group encourages, supports and organises the active and concrete participation of all its staff in the life of local communities and non-profit and social enterprise organisations throughout the country. In 2023, with the "I do good" campaign, the Company inaugurated its corporate volunteering model, progressively launching the first initiatives starting in September. The programme is promoted in cooperation with accredited Third Sector Organisations (ETS), within the framework of the Memorandum of Understanding signed with the National Forum of the Third Sector, an association that brings together 92 national networks of ETSs, for more than 150,000 territorial organisations operating throughout the country. Among the aims of the protocol is, in fact, the definition and development of activities and initiatives to support the creation of a corporate volunteering platform, through which Third Sector Organisations can submit projects in which Poste Italiane employees are invited to take part as volunteers, outside working hours. Thanks to the Forum network, meetings were organised at the beginning of 2023 between the Company and a number of Third Sector Organisations, aimed both at illustrating the characteristics of the chosen volunteering model, the requirements and the procedures for joining the programme, and at gathering suggestions and any useful information to ensure the best definition of the programme itself in line with the needs and peculiarities of the reference operating context. In addition, the modalities through which it is possible to submit proposals for voluntary initiatives to be developed in partnership with the Company have been published in the web section dedicated to Voluntary Associations on Poste Italiane's institutional website.

Since the launch in June 2023, there are about 40 Organisations with which the Company has entered into dialogue aimed at collaborations in the field of corporate volunteering. In assessing and, if necessary, launching and monitoring initiatives, the Company operates in compliance with the provisions set out in a dedicated internal procedure entitled "Definition, development and monitoring of corporate volunteering initiatives", which is consistent with the Poste Italiane Group's Sustainability Strategy. At 31 December 2023, about 300 employees have decided to join the corporate volunteering network by registering on the "Corporate Volunteering" web portal, choosing to apply for one or more thematic and territorial initiatives of interest among those published on the portal since June. As of September 2023, the first widespread initiatives in the area of social, cultural, human rights and environmental protection, both occasional and ongoing, were launched.

Poste Italiane's volunteering model intends to enhance its own people, who are already sensitive and active in the world of volunteering, involving them in the positive change that the Company wants to contribute to producing through this instrument, creating a network of solidarity in the area and strengthening the collaborative skills among people, so as to



foster the development of social networks that can create long-term value for the Company and the area. The ultimate goal is, in fact, to make a significant impact on society by promoting virtuous volunteering.

The corporate volunteering model adopted therefore necessarily envisages active collaboration with Third Sector partners for the promotion and development of volunteering initiatives that can generate social and environmental impacts, thus contributing to the achievement of common sustainable development goals. To achieve this, constant listening and networking with Third Sector Organisations was crucial. To this end, the aforementioned protocol with the National Forum of the Third Sector provides for the support of a permanent discussion table, in line with the Group's stakeholder engagement policies.

## World Cleanup Day Poste Italiane acts for the environment



On the occasion of World Cleanup Day, on 16 September 2023, Poste Italiane called on its colleagues to participate in the "clean up", a social initiative that tackles the global problem of pollution from abandoned or illegally disposed of solid waste through local clean-up actions in order to raise awareness among citizens and institutions and safeguard the health of the environment.

Streets, beaches, parks in Andria, Naples, Rome and Venice were involved in the cleaning, manual collection and sorting action.

The initiative was very well attended by employees, who are already very sensitive to environmental protection.

### Close to young people

In continuity with previous years, Poste Italiane is supporting the digital transformation path in collaboration with the academic world. As part of the initiative promoted by the Data Science Industrial Liaison Programme (ILP), Poste Italiane continued its path of bringing together Italy's most important industrial companies and the students of the university's degree course. The objectives of the ILP include identifying opportunities for internships or final projects for students, including presenting the latest industrial products for big data management and analysis, and explaining their use in the development of innovative solutions for business and the company. In general, the aim of the initiative is to introduce students to the labour market, showing them opportunities in large companies such as Poste Italiane, a company with the highest number of employees in Italy.

In 2023, the School4Life 2.0 project, aimed at combating high school drop-outs, continued. The initiative involved a total of 143 schools, approximately 14,500 students from different regions of Italy and 11 important companies, including Poste Italiane, with the coordination of Consel Consorzio ELIS, a non-profit organisation in the training sector that benefits from the support of over 100 large groups and SMEs. Social responsibility sees companies committed to supporting the younger generations, accompanying them towards a professional future that links school and business. For this reason, the aim of the School4Life 2.0 project is precisely to offer the new generations a direct insight into the world of work, as well as to make them aware of their own potential thanks to school and career guidance. The Company experts with their testimonies have trained over 660 young people belonging to 14 schools distributed throughout the national territory. Role models, mentors and trade masters are the roles that the company experts identified play to inspire young people and guide them in their study and work choices, promote the expression of their critical thinking, transfer trade-related skills and bring them closer to the world of work. The project was also an opportunity to promote a generational exchange between company testimonials and young people with benefits in terms of dialogue, listening and mutual enrichment. Issues related to the

goals of the UN 2030 Agenda were also addressed, with a focus on promoting the approach of the student population to STEM subjects, giving students food for thought and contextualisation through workshops in which to realise their projects. Finally, together with the most motivated students who were engaged in a Creathon, some children and grandchildren of employees also participated in the role of Buddy, facilitating and supporting within the groups the implementation of the design thinking phases.

Finally, Poste Italiane promoted ten special projects to support children and young people with fragility and their families, included in the wide-ranging social action plan "Presenti sul territorio, vicini alle comunità" (Present in the territory, close to the communities). The package of actions in support of children was realised in collaboration with ten non-profit organisations of national importance selected by Poste Italiane: Canovalandia, Fondazione Don Rigoldi, La Caramella Buona, Associazione Italiana Cuore e Rianimazione "Lorenzo Greco", Le Ali dei Pesci, I Bambini delle Fate, Associazione Andrea Tudisco, Dynamo Camp, Fondazione Theodora and Be&Able.

In continuity with previous years, with the aim of enhancing the synergies of tools, methodologies and skills aimed at fostering dialogue with citizens on issues of social and inclusive value, several initiatives were launched within the "Digital Education" and "Postal Education" programmes. In particular, within the programme dedicated to Digital Education, the following free webinars were realised for customers, users and citizens:

- 20 "basic" level webinars, targeting a regional scope;
- 11 thematic webinars, aimed at a national scope;
- 8 thematic webinars aimed at a national scope, included in the path dedicated to Freelancers and Small Business Operators;
- 6 Macro Area perimeter webinars dedicated to basic digital literacy for Freelancers and Small Business Operators and with LIS (Italian Sign Language) interpretation service.
- With regard to Postal Education activities, on the other hand, 20 "basic" level webinars addressed to a regional perimeter and 3 thematic webinars addressed to a national perimeter were carried out, free of charge and aimed at customers, users and citizens.

The web sections are constantly being updated with the publication of new multimedia content in different formats such as podcasts, games, video clips and infographics.

All initiatives are also supported by communication activities on social platforms, TGPoste services, press agencies, articles on the TGPoste portal and local press.

## Hires Poste Italiane supports young people and recent graduates

Poste Italiane recognises the value of younger resources in facing the new challenges emerging in an increasingly digitalised and changing environment. Moreover, the Company, aware of the competitiveness that characterises the world of work today, considers it essential to offer young people a work opportunity that allows them to explore their skills and express their potential, confirming its commitment to supporting the development of the community in which it operates.

In continuity with previous years, Poste Italiane promoted the employment of young people. In 2023, the Group continued its recruitment campaign aimed at young people and recent graduates, recruiting more than 6,700 people under the age of 30 over the three-year period 2021-2023.

MAIN RELATED TYPES OF CAPITAL

NFS



## Dialogue and transparency in relations with the authorities

In view of its capillary presence throughout Italy, as well as the varied context in which it operates, the Group collaborates with central and local institutions in order to represent corporate interests and promote socio-economic development projects, constantly implementing positive dialogue with public decision-makers, which enables it to generate benefits that are not only circumscribed to the corporate sphere but system-wide, thus extending to the community as well.

In particular, as part of its collaboration with central institutions, such as the Government and Parliament, Poste Italiane constantly monitors the political agenda and holds meetings with institutional subjects aimed at presenting the Group's activities and projects, through continuous and constructive dialogue. This relationship is conducted in a logic of mutual benefit, as it implies a prior transparent discussion with the public decision-maker in which the Company's position on certain issues of interest is represented. This not only prevents problems of interpretation and application, but often generates opportunities, as the decision-maker can assess the impact and possible consequences of a given policy choice or regulatory intervention with a wider range of elements.

*Poste Italiane, in addition to ensuring a valid provision of services to citizens, the satisfaction of the social requirements of the community and, at the same time, the increase in competitiveness and business continuity, aims to maintain a constructive and persistent dialogue with the institutions in order to promote the sharing of territorial development initiatives*

The institutional activity carried out by Poste Italiane develops, in particular, along two lines:

- towards the Group: continuous dialogue with Institutions and the Public Administration enables the business structures to be supported in meetings to present their activities to institutional representatives, in order to facilitate dialogue, intercept the needs expressed by the Public Administration and synergically promote the services of the entire Group. More generally, the protection of corporate interests is guaranteed in support of business development through the monitoring of the institutional framework, the evaluation of the impact of regulations, the identification of risks and opportunities, the preparation of texts and positioning documents with the specialist functions and the representation of requests to institutions;
- towards institutions, actively contributing to the institutional dialogue through an ongoing debate on issues of relevance for the country system, including through meetings involving a study of the main topics of interest for institutional stakeholders, in order to intercept the needs expressed by political representatives that can be satisfied through Poste Italiane's services. Institutional activity also extends to consultation on the impacts of regulations in the relevant markets, the provision of supporting information and knowledge and the activation of partnerships for project development.

The promotion of dialogue with representatives of institutions is necessary for the Company in order to stimulate knowledge and sharing, but also to prevent possible critical issues in relation to the Group's activities. Through specific meetings and analyses, requests coming from the institutions are received and subsequently examined in depth with the company structures concerned in order to provide immediate and circumstantial answers. Furthermore, through the study of

# 1,600

meetings with local  
administrators during  
2023

institutional scenarios, potentially relevant areas for the Group are identified in order to promote appropriate preventive actions.

The analysis of the impacts of the regulations can also generate the need for institutional dialogue aimed at clarifying in detail the application aspects of a regulatory provision, or to support the presentation of regulatory proposals aimed at supporting specific business needs, with the aim of mitigating or preventing specific risks. In this regard, during 2023, steps were taken to guarantee the protection of corporate and Group interests through the preparation and organisation of targeted meetings and the management of continuous discussions with institutional representatives, through an activity to monitor the provisions under examination and the regulatory provisions, which, if approved, would have been critical for the various business areas with loss of revenue or increase in operating costs for the company.

During 2023, company-initiated regulatory interventions mostly focused on:

- innovation and digitalisation, which are fundamental for the strategic progress of the country, for the accessibility and functionality of the services offered to citizens and the connection with the Public Administration (implementation of the Polis Project and of the "Carta dedicato a te", a reloadable card issued by Poste Italiane as the implementing party and intended for the purchase of goods and services for a specific group of beneficiaries);
- protection of the mobile telephony and energy business, through interventions aimed at ensuring rules oriented towards market competition and customer protection;
- measures to encourage households to save and invest in savings products backed by government guarantees;
- regulatory simplification measures aimed at easing the administrative, accounting and procedural burdens involved in accessing the business incentive system and related facilities by beneficiary companies.

Institutional interlocutions were also conducted with the Ministry of Economy and Finance aimed at protecting the Group's economic and financial interests, within the framework of credit/debit relations governed by numerous agreements, maintaining relations of mutual trust with the Ministry itself, which oversees numerous affairs of strategic interest to the Company.

During 2023, there was further impetus in the activities of discussion and collaboration with institutions in connection with the launch and implementation of the Polis project. At its presentation on 30 January 2023, in the presence of top state officials and an audience of 5,000 mayors, the institutions recognised the strategic importance of the project, which brings the state closer to its citizens through its services. In view of this, said event was followed by specific meetings to present the Project to the main Ministries and public players involved.

In addition, specific technical working groups were set up to support the implementation of the project with the institutions involved - the Ministry of Enterprise and Made in Italy, the Ministry of the Interior, the Ministry of Justice, the Department of Public Function, the Department for Digital Transformation and INPS - in relation to the services identified and to be provided at the Post Offices involved, and constant dialogue was promoted with the Public Administration in order to accompany the definition of agreements, the resolution of regulatory issues and the overall support to the process of releasing the services within the timeframe set out in the plan. Each meeting was tracked in a special monitoring dashboard coordinated by the Corporate Affairs function, called "Polis Dashboard".

Activities oriented towards the management of institutional relations, in particular legislative activity and the representation of interests, are regulated through the procedure "Release of information and management of relations with institutional entities". This procedure is subject to periodic review and updating in line with the evolution of the system of relations and the company organisation. Planned interventions, whose impact is subsequently assessed by the proposing corporate and/or business functions, are supported by analyses of the expected benefits. These are subsequently presented in periodic reports in order to outline the extent of the initiatives undertaken in economic, commercial and governance terms. The priorities for action, consistent with the Company's Plan objectives, are identified in relation to the needs emerging

from the business functions and the margins for action connected to the legislative activity of the Government and Parliament, as well as the administrative activity of the Public Administration.

Collaboration with local institutions is oriented towards facilitating the sharing of development projects in the area, and identifying shared solutions aimed at accompanying corporate reorganisation processes, with particular attention to the specificities of the different territories. This approach aims to promote more efficient service delivery to citizens, meet the social needs of the community, and simultaneously promote competitiveness and ensure business continuity<sup>159</sup>. Promoting interactions with representatives of local institutions is essential for the Company in order to encourage knowledge and sharing, preventing potential critical issues related to the Group's activities. In particular, the onset of negative impacts can manifest through critical institutional demands or negative media returns. The management of these impacts takes place through territorial oversight and the appropriate central structures, through an internal analysis aimed at examining the characteristics of the various criticalities. To share the solution agreed internally between the heads of the Institutional Relations structures and those of the Business Units involved, this process is subject to reporting, and is supported by the implementation of an institutional Portal for the integrated management and archiving of requests, reporting and contacts. In order to evaluate and verify the actual quality of the actions undertaken, quality and quantity indicators are used on a monthly and quarterly basis inserted into global report analyses and managed with a comparative perspective between geographical areas and compared to previous years. This reporting is based on monothematic meetings and final analyses of the development of the commitments undertaken towards the institutions, on a weekly and monthly basis in relation to the requests received. During the reporting year, some 1,600 contacts with local administrators were organised remotely or by telephone, of which about 1,200 were related to the Polis Project.

Collaborative activities with local institutions during 2023 helped foster the implementation not only of the Polis project, but also of specific projects related to the Small Municipalities Project to support less densely populated realities, as well as the House of Digital Citizenship Service. This was made possible, specifically, through the management of relations with the administrations involved in the project, the selection and reporting of activities in the municipalities concerned, the linking of institutional evidence, and the planning thereof on the basis of business needs.

According to the subject, the institutional evidence of 2023 can be broken down as follows:

- 674 for the functioning and operation of Post Offices;
- 423 for Postamat ATMs (installation/replacement requests);
- 381 for clarification regarding the Polis Project;
- 196 for the delivery service;
- 127 for real estate issues;
- 41 for Post Offices that have had their timetable rescheduled as a result of the Covid-19 health emergency.

The effective dialogue between Poste Italiane and the Consumer Associations started in 1999 and gradually evolved over the years until the first Framework Agreement was formalised in 2011. This agreement was subsequently renewed, in 2014 and again in 2018. The main objectives of this agreement are summarised in the following points:

- constant improvement of the quality of Poste Italiane's products and services;
- promotion of transparency and fairness of the Company's relations with consumers;
- improvement of consumer awareness of the products and services on offer;
- provision of information for the correct and conscious use of products and services, as well as for the dissemination of the instrument of joint conciliation.

<sup>159</sup> Poste Italiane is a member of Confindustria (Confederation of Italian Industry) on the basis of a specific agreement that has been renewed on a multi-year basis since 2005. This agreement regulates membership procedures, the benefits deriving from the status of associate and the definition of the contribution regime. For the association year 2023, the membership fee stands at €3.2 million.

The Framework Agreement also established the Consumer Workshop, a monthly periodic consultation table with representatives of the Associations, aimed at presenting a preview and detail of the products and services offered by Poste Italiane.

A further objective of the relationship with the associations is to follow the Conciliation procedures, as provided for in the Agreement itself, in order to peacefully resolve disputes relating to all areas of the Company's activity. Finally, in accordance with the principles established in the agreement, which promotes collaboration based on transparency and the sharing of information for the benefit of customers, the newsletter "Dialogue with consumers" was established.

Constant and transparent relations with consumer associations continued in 2023, therefore, on the basis of the Framework Agreement, the Consumer Forum and the newsletter "A dialogue with consumers". Among the topics covered are the Poste Italiane Group's new energy offer, the Polis Project, the Repricing of the BancoPosta Account, and the public consultation launched by Agcom on the subject of compensation in the postal sector. On the subject of training, two courses were organised for postal conciliators during the year, and a tour of 15 territorial meetings involving some 250 association representatives took place in November and December. The aforementioned activity is regulated and described in the company procedures laid down in Legislative Decree no. 231/2001, as well as in the procedures established on the basis of the Framework Agreement concluded between the Company and Consumer Associations. These procedures are referred to in the documents provided for by Legislative Decree no. 231/2001. The success of the adopted policies is being monitored and evaluated, with particular reference to the absence of critical interventions by consumer associations in national and local media.

Relations with consumer associations at central level are managed by the function "Relations with trade and consumer associations". This function consists of a manager, five resources in the Rome office and one in the Milan office. Relationships with consumer associations at territorial level, especially as regards post-retail conciliation procedures, are managed by the territorial offices of Institutional Relations and coordinated centrally in a functional manner by the office for Relations with Trade and Consumer Associations, with one resource assigned to each of the 6 macro-areas. The objectives of the function, included in the MBO of the responsible managers, are evaluated through the analysis of the requests for discussion, considering the percentage of questions reconciled, i.e. concluded with an agreement with the consumer associations, compared to the total questions discussed.

Among the main central institutions and regulatory and supervisory bodies with which Poste Italiane interacts are: the Italian Communications Authority (Autorità per le Garanzie delle Comunicazioni - AGCom), the Ministry of Economic Development (Ministero per lo Sviluppo Economico - MISE), the Ministry of Economy and Finance (Ministero dell'Economia e delle Finanze - MEF), the Ministry of Foreign Affairs and International Cooperation (Ministero per gli Affari Esteri e la Cooperazione Internazionale - MAE) and the European Policies Department of the Cabinet Office. In particular, in the context of relations with the MEF, the Convention was renewed, which has the objective of regulating treasury services and movement of funds on behalf of the State.

At a European and international level, Poste Italiane maintains relationships with the European Parliament, the European Commission, the Universal Postal Union (UPU), PostEurop, SGI Europe European Centre of Employers and Enterprises providing Public services (CEEP), International Post Corporation (IPC), and other institutions and associations in the Company's areas of expertise. The Group actively participates in initiatives of coordination, representation and monitoring of the political agenda, at both European and international level, within these organisations. Furthermore, the Group is committed to the dissemination of information for regulatory purposes at a national, European and international level, as well as contributing to the development of proposals for amendments and additions to the reference legislative and regulatory framework.

## MAIN RELATED TYPES OF CAPITAL



## Financial inclusion

NFS

The Group confirmed its commitment to ensuring access to its products and services also for those who cannot easily access them. The capillary extension of its network has enabled the Group to remain close to the community even during 2023.

Poste Italiane supports promoting the protection of the rights of local communities with the aim of guaranteeing accessibility to its products and services in the territories and for categories of users who would otherwise be excluded, in accordance with the principles established in the company policy on safeguarding and protection of Human Rights. At the same time, the Company undertakes to promote initiatives aimed at disseminating and supporting the right to study, economic sustainability and social connection, intercepting, thanks to the network of company resources, the needs deriving from the various forms of disadvantage, in order to develop ways of providing products and services that meet the needs of the various categories of customers, in line with the Group's omnichannel strategy. Poste Italiane is committed to promoting the well-being and financial stability of the communities in which it operates, with particular reference to groups at risk of exclusion, by deploying various types of support initiatives aimed at raising awareness and increasing awareness among them.

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*Thanks to its widespread presence throughout Italy, Poste Italiane maintains a close connection with the communities in which it operates, ensuring accessibility to its products and services, with the aim of promoting social inclusion*

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The Group monitors its initiatives and the offering of products and services through the implementation of continuous and structured dialogue initiatives, such as, for example, the discussion activity with the main internal and external stakeholders, organised on an annual basis. The primary objective is to monitor the needs of the community and the level of satisfaction in relation to the products and services offered, as well as to promote the comparison of best practices for the development of an inclusive financial market. Poste Italiane adopts principles of seriousness, reliability and flexibility in providing dedicated offers to all categories of customers to which it is addressed, also taking into account specific needs.

## Poste Italiane's offering

### The expansion of the Group's services in 2023

During the year 2023, Poste Italiane fulfilled its commitment to pursue a 360° sustainable future, expanding the range of services offered with the introduction of new services. Consistent with the previous year, the Group promoted the "risparmiosemplice" formula, an open-ended savings plan with a customer-defined periodicity, which can be subscribed to at any Post Office by holders of a BancoPosta current account or postal savings book. This plan is based on the 4-year Interest-bearing Postal Certificate issued by Cassa Depositi e Prestiti S.p.A. By subscribing to this bond within the Savings Plan, it is possible to periodically set aside amounts, even minimal ones, in order to build capital over time, with the possibility of making further subscriptions. The sums deriving from the maturity of Interest-bearing Postal Certificate, subscribed under the Plan itself, are automatically reinvested in the "risparmiosemplice" savings plan. These sums include the invested capital and accrued interest, net of tax charges. Furthermore, the agreement on postal savings with Cassa Depositi e Prestiti, renewed in 2021 and amended on 30 January 2024, guarantees the Group sustainable remuneration in the four-year period 2021-2024, with an annual commission for collection objectives of between €1.6 and €1.85 billion. Through this agreement, Poste Italiane reaffirms its strategic support role for the country.

At the end of July 2023, the Poste Italiane new offer dedicated to cancer prevention campaigns, organised by local health authorities and hospitals in order to increase their participation, was launched on an experimental basis. The initiative offers the possibility of home collection of diagnostic samples self-collected by citizens participating in screening campaigns and their return to the relevant ASL laboratory.

Starting from March 2023, the "Quinto BancoPosta" offer was extended to employees of state-owned companies, the loan dedicated to public employees, para-public employees and pensioners, which can be used to carry out new projects, but also to pay off other ongoing financing, with a monthly repayment equal to up to one-fifth of the net monthly salary or net monthly pension.

Furthermore, the Group maintained the program to relaunch postal savings, guaranteeing the improvement of the quality and efficiency of the services offered to customers, also through the implementation of the digital channel. In particular, online operations on BancoPosta current accounts for the purchase of Buoni Fruttiferi Postali were guaranteed 24 hours a day, 7 days a week. In addition, the variety of the Postal Savings Bond catalogue and the possibility of subscription also online make it possible to meet the various needs of consumers. Among the aforementioned Bonds, the following are noted:

- the 3X4 Bond, with interest, fixed and increasing, accruing at the end of each three-year period from the date of subscription and, after 3, 6 and 9 years, is also recognised in the event of early redemption;
- the 3X2 Bond, with interest, fixed and increasing, accruing at the end of each three-year period from the date of subscription and, after three years, also recognised in the event of early redemption;
- the 4-Year Plus Bond, with a term of 4 years, provides for the capital invested and interest to be recognised at the end of 4 years;
- the Ordinary Bond, whose interest is fixed and increasing and is recognised in the event of reimbursement after 1 year from subscription and, subsequently, every two months. It is possible to request redemption at any time, within the statute of limitations, the return of the invested capital and, one year after subscription, also with the accrued interest;
- the Sustainable Savings Bond, which pays a fixed return and the possibility of earning, at maturity, a premium linked to the performance, if positive, of the STOXX® Europe 600 ESG-X index;



- the Renew Bond, dedicated to those who have redeemed an Interest-bearing Postal Certificate that expired after 1 August 2023. It has a term of 6 years, with interest, fixed and increasing, accruing at the end of each three-year period from the date of subscription and after three years being recognised even in the event of early repayment;
- the Children's Bond is an investment option designed to support children's big projects. The interest on this bond accrues with the children until they reach the age of majority. Characterised by a gross annual yield of up to 6.00%, this bond offers the opportunity to grow along with the child, with interest accruing steadily until the child turns 18, guaranteeing a fixed yield during this crucial period. Moreover, this investment offers financial security thanks to the 12.50% preferential taxation on interest and the exemption from inheritance tax;
- Soluzione Futuro Bond, which is a solid instrument to guarantee a stable income over the years. The annuity, consisting of 180 instalments, starts at age 65 and extends until the 80th birthday, offering continuous financial support during retirement. The bonds enjoy a preferential tax rate of 12.50% on interest and are exempt from inheritance tax, ensuring an investment experience free of additional financial burdens;
- the Inheritance Solution Bond, dedicated to beneficiaries of an inheritance procedure concluded in Poste Italiane, recognises a certain yield at the end of the four-year period.

To encourage the use of the digital channel by all citizens, also taking into account the experience gained during the emergency context, Poste Italiane also encouraged various communication campaigns during 2023 aimed at promoting the online operation of postal savings. In order to encourage its customers to manage their postal savings online, the Company offers a wide range of services available through digital channels, ranging from displaying balances and movements for holders of a Libretto Smart or Ordinario to the management of the Libretto Minori by parents, from the subscription of dematerialised postal savings bonds to the transfer of money between books and BancoPosta current accounts, to the recharging of Postepay cards and the association of IBAN to the book.

#### Financial and digital inclusion of seniors and young people

Poste Italiane is constantly seeking innovative solutions aimed at reducing the digital divide and enhancing financial inclusion, with a particular focus on the most vulnerable and at-risk groups. The Company is committed to supporting and assisting the different segments of the population within the communities in which it operates, taking into consideration market research and feedback gathered from its customers.

On the subject of financial inclusion, the Group continued to promote information and disclosure initiatives, consistent with the activities of previous years. These initiatives aim to provide citizens with the opportunity to acquire knowledge and information in order to enable them to make informed choices in the financial sphere.

On the Financial Education side, in continuity with previous years, free and accessible content was produced for all citizens, through the holding of 24 events as follows:

- 8 Online Events related to the Basic Course (repeated on various dates for a total of 73 Webinars);
- 6 Online Events related to the Basic Course with subtitles and LIS interpreter (repeated on various dates for a total of 21 Webinars);
- 9 Events - WEB Conferences;
- 1 in-person event held on Monday 4 December at the Rome VR Post Office in Piazza di San Silvestro entitled "The management of personal and family finances" for citizens invited by Rome branch staff.

In addition, the Financial Education section of the Poste Italiane website has been constantly updated with new multimedia content and different formats such as:

- the new "Events held" section: publication of the recordings of the 9 "Web Conferences" held in the year 2022 and the 9 "Web Conferences" held in the year 2023;

- the new "Podcast" section: publication of 7 episodes (and related cards) of the "Generation EF" series dedicated to young people.

Finally, it should be noted that Poste Italiane participated for the fifth consecutive year in the "Financial Education Month" and passed the surveillance audit on the compliance of Financial Education initiatives with the UNI 11402:2020 standard (Citizens' Financial Education).

During 2023, Poste Italiane's financial education initiatives involved around 12,000 citizens. All initiatives are also supported by communication activities on social platforms, TGPoste services, press agencies, articles on the TGPoste portal and local press.

## "EduFin": Poste Italiane promotes financial education

Poste Italiane introduced and continues to promote a specific Financial Education Programme, designed to enable the most fragile and at-risk individuals to make informed economic choices and understand financial issues in a simple way. This is an objective of significant social and institutional value as an enabling factor for the adoption of informed choices in a constantly evolving socio-economic context.

The initiatives are implemented through the provision of free and accessible content to all citizens, through three courses delivered in webinar or in-presence mode and a section of the website dedicated to Financial Education.

As part of its sustainability strategy, the Group has set specific objectives related to Financial Education activities in order to ensure increased inclusiveness, and publicly discloses them in its Financial Report. With reference to the year 2023, 24 financial education events took place in which approximately 12,000 citizens participated. These initiatives helped to improve and refine the financial literacy of participants at the events, contributing to the achievement of Poste Italiane's goal.

## Poste Italiane participates to "Mese dell'Educazione Finanziaria"

With the aim of strengthening interventions aimed at financial inclusion, Poste Italiane participated with numerous initiatives in the sixth edition of the "Financial Education Month" (#OttobreEdufin2023), the largest event in Italy on financial education, established and promoted by the Committee for the planning and coordination of financial education activities (Comitato Edufin) to promote the dissemination of financial, insurance and pension culture with free activities by banks, financial intermediaries, universities and cultural associations, both online and in-presence, and aimed at adults, young people and children.

#OttobreEdufin2023

Il mese  
dell'educazione  
finanziaria  
[www.quellocheconta.gov.it](http://www.quellocheconta.gov.it)

The theme for 2023 was "IT'S TIME FOR FINANCIAL EDUCATION!", with three important events taking place during the month of October: the first, World Investor Week, promoted by the International Organization of Securities Commissions, which took place from 2 to 8 October; the second, Pension Education Week, scheduled from 9 to 14 October; and the third, Insurance Education Day, which took place on 19 October. In conclusion, on 31 October, World Savings Day took place.

## The Digital Education project



Poste Italiane is committed to promoting digital inclusion through specific pathways and dedicated events, with the aim of fostering the acquisition of skills useful to take advantage of the opportunities arising from current innovations in a conscious and safe manner. The Digital Education project addresses citizens, customers and businesses by offering webinars and multimedia content always available free of charge within the web section, such as infographics, podcasts, games and videos also integrated with LIS-Lingua Italiana dei Segni translation. The topics range from simple information search and evaluation, to the evolution of payment systems, to enertech, digital marketing and AI.

The podcasts feature experts in the Company who contribute to the technological innovation of both internal and end-user activities.

Among the thematic webinars was the meeting "Minors on the Net: from sharenting to digital awareness" with the collaboration of Cristina Bonucchi, State Police psychologist, Head of the Computer Crime Analysis Unit of the Postal and Communications Police, during which the opportunities and risks of being a parent in the age of digitalisation were illustrated.

Activities can be followed on LinkedIn, Facebook and X via #educazionedigitale and in the Instagram stories section.

In 2023, the Company proceeded with the expansion of its product range in the area of financial inclusion, with a focus on offering digital services. In this context, the PostePay Digital service, elected Product of the Year 2023, is the payment solution for everyone that allows transactions both in shops and online via smartphone. Totally digital, the service can be obtained in a few minutes online and from the PostePay App, also via SPID.

With particular reference to the financial inclusion of young people, the promotion "Apri il Conto BancoPosta opzione Start Giovani su poste.it o in App BancoPosta", designed by Poste Italiane to encourage young people under 30 to open an account, continued. The account can be opened online or by going directly to a Post Office, the fee is free for the first 18 months, and it is also possible to apply for both a Postepay debit card and a credit card without paying an additional fee. The Group keeps track of the number of young people under 30 who, after being adequately informed about the advantages of opening a Banco Posta account, have signed up for the promotion. This allows Poste Italiane to measure the quantitative social impact generated on the target group through the incentives associated with opening an account. In 2023, 4,847 young people under 30 signed up - over 50% more than the previous year - demonstrating the Group's ability to understand and meet the needs of young people and to actively contribute to the financial inclusion of one of the categories most at risk of exclusion.

As regards Payments and Mobile services, PostePay's wide range of products and services is designed to guarantee inclusive access to all categories of users, such as new Italians, young people, students and seniors. In particular, the main products and services offered include:

- Western Union APN service, which allows to easily send money online 24 hours a day, 7 days a week to over 200 countries and territories using a Postepay prepaid or debit card enabled for the service. The recipient can also withdraw cash at a Western Union agency, and can choose in which currency, among those available, make the payment for sending money to certain countries;
- Postepay Green, a prepaid card already elected Product of the Year in 2022, is dedicated to children aged 10 to 17, and is made with biodegradable materials, and composed of 82% polylactic acid of biological origin. Through the

Postepay App it is possible to access an innovative payment system, with the possibility of sharing expenses with other Postepay Green holders, and purchasing tickets for transport.

Furthermore, PostePay is committed to enhancing awareness and use of its products through the constant dissemination of information through the available channels, with targeted interventions on the contents reported on the institutional website and FAQ.

#### Transfer of the tax credit

As of 3 October 2023, Poste Italiane has reactivated the platform for the purchase of tax credits, which had been temporarily suspended in order to adapt procedures to legislative provisions. The service is currently limited to the purchase of tax credits by individuals who have directly incurred the charges, with reference to first-time assignments. In particular, the transfer service is reserved for holders of a BancoPosta current account, which can only be accessed online using SPID credentials. In order to verify subjective and objective requirements for the assignment of the tax credit, specific checks are carried out on the documentary set. However, the customer may withdraw without penalty until acceptance by Poste Italiane on the Revenue Agency platform, using the online cancellation function.

The service is active for applications for assignment by the original beneficiaries of the tax credit and concerns annual instalments receivable from 2024 onwards, related to credits accrued in 2023 or residual instalments of expenses from previous years. As from 8 January 2024, it is also possible to apply for the assignment of annuities only as from 2025, for credits accrued in 2024 or residual instalments of expenses from previous years. The maximum amount assignable is €50 thousand per customer, with a total limit of €1,501 thousand for all credits assigned to the customer, including those prior to the reopening of the service.

### Poste Italiane, Financial Education also in sign language

On the occasion of "International Sign Language Day", 4 webinars were held with subtitles and a LIS interpreter.

This was a novelty in Poste Italiane's Financial Education activities with a strong social and inclusive value. The events, broadcast online on 19 and 21 September 2023, covered the topic "Household accounts", aimed at providing tools for managing and personalising the family budget to achieve life goals, the topic "Savings and investments" where useful tips were shared on how to better manage savings and investments and optimise one's financial well-being, and finally, the topic "Retirement planning" aimed at providing useful tips for planning retirement paths and living serenely in retirement.

7.13 GREEN TRANSITION

MAIN RELATED TYPES OF CAPITAL



Main types of capital	Objectives	Indicator (KPI)	Target	Baseline	Implementation status 2023	Outcome
Natural	Reduce the Group's total emissions in line with the Paris Climate Agreement targets and contribute to limiting global warming to 1.5°C	tCO <sub>2</sub> e	-30% by 2025	2020	-15%	<ul style="list-style-type: none"> <li>Green Challenge framework currently being implemented</li> </ul>
	Achieve Carbon Neutrality	Net tCO <sub>2</sub> e	0% tCO <sub>2</sub> e by 2030	2020		
Physical/Structural	Reduce Group Scope 1 and 2 emissions in line with science-based methodology	tCO <sub>2</sub> e	-42% by 2030	2020	-19%	<ul style="list-style-type: none"> <li>PAS 2060 certification obtained for the Padua centre</li> <li>Total energy sold produced 100% from renewable sources, certified by the purchase of an equivalent volume of GO, offsetting total CO<sub>2</sub> emissions equivalent to gas consumption in 2023 of retail customers supplied.</li> </ul>
	Establishment of a long-term rental company within the Group (captive) to support, among other things, the objectives of the green transition	Establishment of a Benefit Company	by 2024	2023	New	
	Reduce the Group's direct (Scope 1) GHG emissions from physical plant	tCO <sub>2</sub> e	-7,000 by 2024	2020	+8,000 tCO <sub>2</sub> e	
	Use of electricity from renewable sources	% of electricity consumed	≥ 98% by 2024	2023	> 98%	
	Make a large building Carbon Neutral	Carbon Neutral Buildings	0 net tCO <sub>2</sub> e of a CS by 2023	2020		
	Selling electricity produced entirely from renewable sources and offsetting CO <sub>2</sub> emissions from the consumption of natural gas sold by the Group, through the use of instruments to offset these emissions (e.g. through voluntary CO <sub>2</sub> off-setting credits)	% of energy sold produced 100% from renewable sources Offsetting instruments used	100% by 2023 Offsetting instruments used by 2023	2021		
	Reduce emissions from the postal delivery fleet	% of emissions produced	-40% by 2024	2019	-26%	
	Increase the share of environmentally friendly vehicles (electric, hybrid, low emission) of Nexive, SDA, Milkman	tCO <sub>2</sub> e	-15% by 2025	2020		
	Increase the share of environmentally friendly vehicles (hybrid, low emission) of sender	tCO <sub>2</sub> e	-8% by 2025	2020		
	Replace the company fleet with vehicles with reduced environmental impact	No. of company vehicles with reduced environmental impact introduced	27,800 by 2024	2019	+ 26,225	
	Introduce Smart Building solutions for the Group's entire physical plant	GWh of energy consumed	-8GWh by 2024	2020	-5.5	
	Increase the production of GWh of renewable energy that can be used for self-consumption	GWh of renewable energy produced	+20GWh by 2024 +40GWh by 2026	2020	+12	
	Reduce the Group's direct (Scope 1) GHG emissions from physical plant	tCO <sub>2</sub> e	-3,700 by 2028	2023	New	
	Decrease the Group's indirect GHG emissions (Scope 2) from building structures considering the Group's scope of 2023	tCO <sub>2</sub> e	-1,300 by 2025	2023	New	
	Expanding the Group Carbon Inventory (Scope 3)	tCO <sub>2</sub> e	Calculation of relevant Scope 3 emission categories by 2024	2023	New	
	Certify additional medium/large carbon neutral sites (PAS 2060)	No. of certified sites	10 by 2028	2023	New	
	Selling electricity produced entirely from renewable sources and offsetting CO <sub>2</sub> emissions from the consumption of natural gas sold by the Group, through the use of instruments to offset these emissions (e.g. through voluntary CO <sub>2</sub> off-setting credits)	% of energy sold produced 100% from renewable sources Offsetting instruments used	100% by 2024 100% offsetting of CO <sub>2</sub> emissions related to gas sold to retail customers Offsetting instruments used	2023	New	
	Green Index	Certified measurement of emissions produced per shipment	Green index release and certification by 2024	2024	New	
Development of the proximity network alternative to home delivery efficient, extensive and close to the citizen	% citizens with a distance of 2.5 km from a proximity point	> 98% by 2028	2024	New		
Paper reduction in logistics centres	No. of sheets	-39 million by 2024 -40 million by 2025 -50 million by 2028	2023	New		
Promoting green behaviour in specific operational realities	No. of cross-functional focus groups	3 focus groups by 2024	2023	New		



\* The year of the setting of the carbon neutrality and emission reduction targets presented in the table is the baseline shown.

■ Objective achieved/Objective achieved and updated
 ■ Objective not achieved
 ■ Deadline for achieving the objective that has not yet expired

## Environmental impacts of real estate facilities

NFS

MAIN RELATED TYPES OF CAPITAL



For the Poste Italiane Group, environmental protection is an essential element in the creation of sustainable value for the community and the territory in which it operates. With this in mind, the Group is committed to using resources responsibly and implementing innovative solutions to minimise negative environmental impacts, in line with the provisions of the Code of Ethics.

*Poste Italiane aims to generate a positive impact for the community in which it operates by adopting a more conscious behaviour regarding energy, water and waste management, aimed at the green transition of its activities*

Over the years, the Company reinforced its commitment to creating a more resilient financial system through climate-related disclosure by becoming an official supporter of the TCFD (Task Force on Climate Related Disclosures) in 2021 and TNFD (*Task Force on Nature Related Disclosures*) from January 2024. This initiative underscores Poste Italiane's willingness to operate in compliance with the laws and regulations in force<sup>160</sup>, aligning itself with the objectives set at national, European and international level on environmental and energy issues.



Starting 2024, Poste Italiane is an Early Adopter of Nature Related Disclosure Task Force (TNFD)

In this regard, the management of the process of monitoring, measuring consumption and identifying sources of savings is entrusted to a single company function, which has the task of ensuring the compliance of the Group's activities with current regulations on energy use and oversees the areas of environmental responsibility related to Poste Italiane's real estate assets.

During 2023, in continuity with previous years, environmental protection was considered a priority by the Company, which implemented numerous initiatives aimed at reducing its environmental impact, in line with the Group's ESG objectives.

Among the significant actions implemented by the Group, mention is made of the management of utilities contracts with the purchase of commodities in wholesale markets starting from 2023, the progressive replacement of endothermic vehicles with electric vehicles and the installation of charging stations for electric vehicles. In addition, Poste Italiane is constantly renewing its adoption of data collection tools and management platforms to control consumption and utility bills, considering the monitoring of environmental impact as a key element for a green conduct of its business. Finally, the Group not only increased the production of renewable energy to promote energy efficiency, but also undertook planting initiatives, installed consumption data collection tools and encouraged internal team development dynamics and conscious energy use behaviours by employees.

Poste Italiane identifies the Principles and initiatives on environmental sustainability towards which to direct its commitment and action through the Policy on environmental sustainability, a tool adopted by the Group in 2019 useful to formally

<sup>160</sup> During the financial year 2023, the Company was not subject to any fines or penalties related to non-compliance with environmental regulations.

communicate to stakeholders the green approach of its business model related to business, logistics and transport activities and property management.

The document is divided into various Principles, which outline the ways in which Poste Italiane acts and intervenes in the field of environmental sustainability. In particular, this Policy deals with issues such as efficiency in the use of resources, innovation to support the transition towards a low-carbon economy, the reduction and prevention of the environmental footprint and the promotion of a culture attentive to the environment.

As confirmation of the willingness to reduce the environmental impact of its activities, over the years, Poste Italiane has achieved certification of the environmental management system for the companies Postel S.p.A. and SDA S.p.A., and has held since 2020 the certification of the environmental management system for the processes of design, direction, control and coordination of Postal and Financial Services according to the international standard UNI EN ISO 14001. The certification was issued by IMQ-CSQ, one of the most authoritative accredited certification bodies at international level. With a view to improving and making its performance efficient, the Group has developed an Environmental Management System compliant with the ISO 14001 standard, which is fundamental for the systemic management of environmental aspects related to business processes and achieving Poste Italiane's sustainability objectives. In addition, in order to achieve continuous improvement in performance, the Company has implemented a series of initiatives focused on issues of environmental protection and respect in order to promote actions and interventions aimed at reducing the impacts related to the performance of its activities.

In particular, Poste Italiane identifies three areas of intervention necessary for the achievement of the objectives and Principles set out in the Policy on environmental sustainability, envisaging for each one several specific actions, described in detail below:

- **Reducing the environmental impact of its operations:**
  - optimisation of energy consumption and reduction of atmospheric emissions generated by buildings, thanks to renewable energy supply plans and investments in energy efficiency solutions, such as the consumption constant control systems, the use of eco-efficient lighting systems and other energy-efficient electrical/electronic devices;
  - encouragement of green transport for logistical activities and individual mobility, aimed at reducing atmospheric emissions, also by providing employees with a company fleet of hybrid or fully electric vehicles;
  - decrease in the consumption of materials and correct waste management, specifically through the reduction and containment of paper consumption, achieved thanks to the dematerialisation of documents and through the maximisation of the share of waste that can be recycled/reused;
  - reduction of water consumption.
- **Incorporation of environmental aspects into the products and services offered:**
  - implementation of digitalisation processes for the products and services offered, aware that digital innovation can create shared value between Poste Italiane and its stakeholders, providing a valuable contribution to the reduction of the environmental footprint and to corporate profitability;
  - analysis of environmental risks and opportunities with regard to investment choices and the management of insurance activities, in order to contribute significantly to Italy's sustainable development path.
- **Raising the awareness of employees and third parties regarding the environmental culture:**
  - involvement of employees in programmes and initiatives regarding the natural environment and ecology, in particular also through the support and active participation of Poste Italiane's corporate volunteer network;
  - support for training and information projects on environmental issues, as well as initiatives aimed at protecting and restoring the environmental heritage;

- dialogue and collaboration with bodies and associations operating at national and international level, in order to design and adopt models, policies and strategies that can mitigate climate change and hinder the inefficient consumption of resources;
- analysis of risks and environmental management methodologies adopted by counterparties (suppliers, business partners, other companies) in supply processes and possible extraordinary finance operations.

Poste Italiane's focus on environmental sustainability is evidenced by numerous initiatives implemented in this area, such as projects aimed at increasing the production of energy from renewable sources through the development of photovoltaic solutions and those aimed at contributing to the absorption of CO<sub>2</sub> and other climate-changing emissions through the planting of green areas on Group land and buildings.

Procedures for identifying and assessing risks inside and outside the Group, dialogue activities with stakeholders and systems for reporting violations and sanctions make it possible to periodically monitor the effectiveness of the approach adopted by the Company.

In accordance with reference regulations, Postel S.p.A. and SDA, the two companies primarily involved in the certification process, have also defined specific environmental policies:

**Occupational Health and Safety, Environment and Quality Policy of Postel S.p.A.:** through this Policy, Postel S.p.A. aims to ensure and monitor appropriate business conduct in compliance with regulatory and legislative requirements on environmental issues, aligning the Company to the required standards in the field of occupational health and safety. In addition, the Policy defines its objectives with regard to environmental protection and prevention of negative impacts, with particular regard to efficient waste management, and its commitment to the responsible use of resources and the protection of biodiversity, relevant to its context.

**Quality, Environment and Occupational Health and Safety Policy of SDA S.p.A.:** the Policy establishes and presents the principles relating to the proper management of quality, environment and occupational health and safety issues. In particular, SDA S.p.A. recognises the importance of environmental sustainability, committed to the protection of the environment and making specific reference to the prevention of pollution and excessive consumption of natural resources that may result from the activities carried out within the Company. With this in mind, the Company promotes the recycling and, where possible, the reuse of the waste produced, and is committed to the constant pursuit of a supply chain based on sustainability.

**Poste  
Italiane's  
green  
strategy  
PAS 2060  
certification  
obtained for the  
Padua Sorting  
Centre**

During 2023, Poste Italiane completed work on the Padua Sorting Centre, aimed at transforming the site into a carbon-neutral location.

Specifically, through strategic planning and the definition of intervention guidelines, the Padua Sorting Centre is able to achieve a balance between daily carbon dioxide emissions and those absorbed or not produced by it, in carrying out its various activities. To this end, through the installation of 90 probes with pipes that go into the ground for at least 130 metres, the Padua site is able to obtain energy from geological sources in the subsoil, capturing the natural heat of the ground. The aim is to replicate the model in all Poste Italiane's areas with suitable characteristics to that of the Veneto city.

The initiative, which is part of the Group's broader goal of achieving Carbon Neutrality in 2030, led to the achievement of PAS 2060 in 2023, certifying the site's neutrality of CO<sub>2</sub> emissions in accordance with the most stringent environmental requirements.



The Group is aware that energy efficiency is crucial to succeed in combining economic growth and sustainable development. For this reason, in adopting an exemplary environmental behaviour, Poste Italiane bases its strategy on the following areas of intervention:

**Renewable sources.** Poste Italiane achieves the goal of making the impact of its business activities even more sustainable through the installation of photovoltaic panels in the buildings it owns, located throughout the country. In 2023, the implementation of the photovoltaic project continued with the installation of 39 systems for about 3,500 kWp. Administrative activities related to the connection of installed sites to the national grid also continued, significantly improving connection times - which were reduced to an average duration of about 3 months - through daily dialogue with local distributors and suppliers. The total number of completed plants, including installations from previous years, is 202, of which 35 installed up to 2021, 128 installed in 2022 and 39 installed during 2023, with a total capacity of about 13,953 kWp. Also including the plants built under the Polis Project, the total number is 308, of which 145 in 2023, with a total capacity of approximately 15,753 kWp. The self-consumed photovoltaic production in 2023 is thus increased by 2,772 MWh, corresponding to avoided climate-altering emissions of about 813 tCO<sub>2</sub>e.

**99%**  
of the purchased Group's electricity comes from 100% renewable sources, certified by Guarantees of Origin

With this in mind, the Poste Italiane Group is pursuing a very broad sustainability path, aimed at the construction of 1,400 photovoltaic systems by 2026, which will cover 15% of the Company's energy needs. Of these, about 300 medium/large sized plants will be built by 2024 and will cover all regions, representing one of the most significant interventions on the Italian scene in recent years and certainly the most widespread initiative ever carried out in the country. Among the best practices with regard to this type of plant, in 2023, the Group inaugurated the largest photovoltaic plant in Sicily, the "Centro Meccanizzazione Postale" in Palermo, with a system that made the production cycle of the site totally self-sufficient thanks to a production of over one million kilowatts.

**-10%**

Scope 1 and Scope 2 emission reductions achieved through building energy efficiency initiatives

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**Smart buildings.** Confirming the Group's commitment to safeguarding the environment, in continuity with previous years, the Smart Building project was promoted for the creation of a management system for Poste Italiane's medium-small sites by monitoring consumption, climatic conditions inside and outside the buildings, and the automatic implementation of regulation and management systems for air conditioning, heating and lighting systems. Financed by the European Investment Bank, the project plans to implement a Building and Energy Management System (BEMS) on 2,000 Poste Italiane buildings through a single platform for the integrated supervision, management and control of plants, optimising maintenance management and energy efficiency. Specifically, the intervention includes the installation of sensors and systems for controlling and monitoring systems in buildings, as well as the connection with a centralised platform that allows the progressive optimisation of the management of systems and environments. Poste Italiane fully represents the extreme diversity of climatic conditions that characterise the Italian territory, as it has in its assets thousands of buildings scattered in every climatic zone and at every latitude and altitude of the territory in which it operates. This diversity requires flexible technical solutions that are not only able to adapt to a variety of conditions and ensure optimal comfort of the environments for both staff and customers, but also to use as little energy as possible and maximise the efficiency of the systems in order to reduce breakdowns and prolong their service life. In 2023, the number of new installations amounted to about 379, including the 24 installations carried out within the

**~ 6,700**

tonnes of saved carbon dioxide thanks to the energy efficiency initiatives implemented

Polis Project, plus those related to the so-called "improved offer" of the "Multiservice" contracts, bringing the total number of sites on the BEMS platform to about 2,000.

**Energy optimisation.** On the subject of energy efficiency, Poste Italiane has launched a decarbonisation project aimed at replacing gas boilers with heat pumps on about 100 sites, saving about 3,566 tCO<sub>2</sub>e.

In addition, during the year, the Company implemented various measures aimed at reducing the consumption of resources and focused, specifically, on optimising the heating and cooling systems of some of the Group's sites. In this regard, multiple levers were used, including the renewal of systems that have reached the end of their life cycle with more efficient equipment, the renovation of buildings to improve thermal efficiency, the review of heating and cooling methods through the use of carriers such as diesel and natural gas and the use of heat pumps powered by electricity. These interventions were carried out according to the technical parameters, updated annually by the Energy Services Manager (GSE), which indicate the types of solutions suitable to benefit from incentives for the greater efficiency of the installed equipment.

Furthermore, the Company has maintained the energy efficiency project aimed at optimising the air conditioning and heating systems in some of the Group's structural sites, for a total budget of €8.5 million invested in 2023.

**LED lighting.** In 2023, Poste Italiane's commitment to the use of smart technologies continued. In fact, over the years, the Group has installed LED technology lighting systems, which reduce energy consumption by 50%. In this regard, 21,018 lamps were installed during 2023 reaching 433,337 at the end of the year since the start of the project.

**Encouraging virtuous behaviour.** The Poste Italiane Group is constantly striving to improve the efficiency and sustainability of its operational processes and, also in 2023, it launched and maintained several projects aimed at the "virtuous" reuse of assets and equipment/tools deemed obsolete but which can still have a "second life", confirming the importance for the Company of the issue of reducing the amount of waste produced. These initiatives, such as "Valori Ritrovati" promoted in cooperation with Caritas since 2019, consist in removing certain goods and equipment from the waste management cycle by handing them over to third parties for reuse. Poste Italiane also adheres to numerous initiatives aimed at raising awareness of the rational use of energy, such as "Earth Hour", a day on which the Company switches off or dims the lights in its offices, and "M'illumino di meno", promoted by the WWF in order to increase awareness of the value of nature and contribute to safeguarding the planet. Finally, the Company launched the "Green Challenge" initiative in 2022, a path aimed at encouraging Poste Italiane's customers to adopt appropriate behaviour in the area of sustainability.

100

Group sites subject to the replacement of gas boilers with heat pumps

€23.9 million

invested in projects to reduce emissions

## Poste Italiane participates to "Earth Day"

Like in previous years, the Group participated in the customary celebration of Earth Day, the world's most important event for environmental protection, established by the UN in 1970. In 2023, the 53rd edition of the event focused on supporting events aimed at raising awareness of good practices with a view to environmental sustainability, with a spirit of collaboration between citizens and governments from all over the world. At the end of the day, a memorandum with 52 tips for reducing environmental impact was published.

## "Investing" in the Planet

In addition, Poste Italiane took part, for the fifth consecutive year, in Green Postal Day, an event promoted by the International Post Corporation in cooperation with PostEurop. This initiative aims to highlight the environmental and commercial successes achieved by the postal industry through collaboration within the sector to reduce CO<sub>2</sub> emissions. By participating in this event, the Company reinforces the validity of its corporate strategy, which aims to integrate sustainability into all areas of the Group's business, with the goal of becoming carbon neutral by 2030.

In addition, the Group promotes the consumption of certified and recyclable products with respect to internal and external printing and consumables, demonstrating a constant and growing concern for the environment. The supplies of consumables, such as original and regenerated consumables, reams of paper, packaging, the supply of labels, forms and cartons, in fact, implement, where applicable, the Minimum Environmental Criteria (CAM) established by the art. 34 of Legislative Decree no. 50/2016 and art. 57 of Legislative Decree no. 36/2023, as well as the use of specific product certificates/ecological quality labels compliant with ISO 14024.

Poste Italiane's attention to environmental sustainability policies is also demonstrated by the use of FSC (Forest Stewardship Council) certified paper for the Group's mass printing plants, which guarantees the procurement of this material through a value chain that promotes environmentally friendly, socially useful and economically sustainable forest management. Furthermore, in line with the commitment to use recyclable materials, part of the traditional credit card requirement was replaced by cards of vegetable origin. Specifically, the Company maintained its plan to replace traditional payment cards with cards made of sustainable materials, renewable biomass and recycled plastic from the oceans, such as the new Postepay Green, which is made of environmentally sustainable material and 82% of which is composed of polylactic acid of organic origin.

### Postepay Green

made of sustainable  
material, 82% polylactic  
acid of organic origin

Poste Italiane has always paid particular attention to the social and environmental aspects linked to the management of its supply chain, aware that developing transparent and lasting relationships with suppliers and paying the utmost attention to quality, respect for the environment, safety and the implications of a social nature in the procurement process allows both to pursue an objective of public interest for the entire country system and to constantly improve the service offered to its customers. The integration of sustainability issues in tender procedures and ESG criteria in the technical evaluation of offers allows the Group to pursue its goal of promoting sustainable change through projects with a significant impact, such as logistics, decarbonisation of buildings and consumables, while at the same time fostering a focus on the responsible use of resources, investment plans, technological development and the greening of more traditional requirements.

From this perspective, the Sustainable Procurement Model adopted by the Group for the planning and preparation phase of the tenders provides for differentiated control which, in addition to promoting sustainable innovation of materials and processes also with a view to the Circular Economy, verifies and proposes a possible alignment with the general framework

of Green Public Procurement (GPP - Green Public Administration Procurement), recommending the use of KeyESG applicable to the individual procedure, taking into account the maturity of the reference market, the role in the supply chain and the corporate sizing of the supplier. More specifically, KeyESG are non-financial criteria that make it possible to measure sustainability in environmental, social and governance terms, assessing a company's ESG performance and, therefore, the degree to which its business activities conform to principles that express - among others - respect for the environment, non-discrimination and inclusion in the work and social context, and the efficiency and adequacy of the organisational set-up adopted, also in terms of anti-corruption.

Within the framework of the 2020-2023 Sustainable Procurement Plan, the Poste Italiane Group has largely achieved its objectives, including the introduction of governance assessment requirements to complement the ESG model, the contextual coverage in 90% of tenders launched with OEPV of at least two of the ESG aspects, the increase of ESG weight in the technical offer, compliance with ISO 20400 certifying the integration of social responsibility in procurement activities, and the dissemination of the concepts of sustainable practices through internal newsletters and portals. Poste Italiane, in fact, aims to promote the adoption of ESG criteria in the selection, evaluation and monitoring of suppliers, mitigating any ESG risks in order to increase the effectiveness of company processes and the competitiveness of the supply chain.

Consistent with previous years, the Company has integrated the criteria envisaged by the GPP with the aim of combining sustainability in terms of reducing environmental impacts and rationalising costs, applying, where applicable, the indications on CAM, established through specific Ministerial Decrees. In fact, tender procedures with technical offer (OEPV) include, in almost all cases, ESG criteria.

The Poste Italiane Group promotes the supply of food with BIO, PGI, DOP, sustainable fishing etc. certifications, with quantities exceeding the minimums prescribed by the CAM. Consequently, local suppliers involved in the supply chain of food products intended for canteens and bars are also required to guarantee certified products.

In addition, since 2019, the Group has embarked on a deplasticisation of company canteens aimed at significantly reducing its environmental footprint. The supplier register is developed through a qualification system for regional and territorial areas, encouraging local labour and a zero-kilometre supply of materials. The use of this approach in the process of awarding works contracts, and in particular for those concerning construction-system interventions, allows Poste Italiane to maintain low procurement costs and simultaneously reduce its environmental impact.

### **Poste Italiane's entry in the market of selling energy to Italian households**

Poste Italiane's entry into the electricity and gas sector was accompanied by the "Energia160" promotion, introduced in honour of the 160th anniversary of the Group, and offers a discount on electricity and gas supplies for its employees and pensioners. The "Poste Energia" promotion, aimed at the free market and available at all Post Offices, on poste.it and on the Postepay and BancoPosta apps, is based on the following pillars: transparency, predictability and sustainability.

As far as the operation of the offer is concerned, which is transparent and completely green, the price of the raw material for electricity and gas is locked in for a period of one or more years (2 years for the offer proposed until August 2023, 1 year for the offer proposed thereafter), and there are two payment options: the traditional one, with a variable amount based on monthly consumption, and the fixed instalment option, calculated on the basis of the previous year's consumption. This innovative solution allows the customer to pay the same monthly amount for 12 months, allowing energy expenses to be planned on the household budget, and at the end of the year, it is recalculated for the following year, up or down, based on the actual consumption recorded.

"Poste Energia" is a transparent, predictable, innovative and sustainable service that, in line with the Group's philosophy, strengthens the relationship of trust between citizens and the Company. This service contributes to the strategic objectives of a multi-platform company with a diversified business consisting of postal and logistics, financial, insurance, payment, telephony and energy services.

In addition, the "Poste Energia" offer stands out for its focus on environmental sustainability, promoting conscious consumption practices and offering electricity from 100% renewable sources produced in Italy, with carbon dioxide emissions from gas released for consumption fully offset. Finally, the promotion is easy to subscribe to and minimises paper consumption, as only a recent utility bill needs to be presented.

# 100% green

Electricity and gas offers

The supply of electricity and gas expands the multi-channel range of services offered by the Group, such as postal, financial, insurance, digital payments, telephone and Internet connection services via fibre. The Group uses an approach based on reliability and transparency, maximising the predictability of customer spending through "pull" commercial channels, i.e. activated by customers according to their will, as opposed to "push" channels, which push customers towards choices that are not always conscious or correct.

With this new service, Poste Italiane aims to play a key role in the country's energy transition, simultaneously developing an advanced digital customer experience and relying on the widespread network of Post Offices, close to the territories and people.

## Waste Management

The progressive reduction of waste produced in all activities, the use of products with less impact on the consumption of raw materials and the growing attention to the life cycle of the materials used and the reduction of packaging are part of the environmental sustainability strategies of Poste Italiane. Although most of the waste generated by the Group's activities is non-hazardous waste, such as waste paper, cardboard and plastic packaging and wooden pallets, at some sites, to a residual extent, the production of special waste classifiable as special hazardous waste, such as containers of printing inks or ink waste, may occur. With this in mind, the Group is constantly striving to progressively eliminate from its purchasing cycle products and materials that, at the end of their life cycle, generate special hazardous waste, giving preference to similar but more environmentally friendly products, including through the adoption of CAM. Special waste is sent for recovery/disposal under liability cycle contracts that the company enters into with authorised companies, in compliance with the requirements concerning the handling and traceability of waste as set out in Legislative Decree no. 152/2006 and the like (e.g. forms, loading/unloading register, MUD). The share of recyclable waste, on the other hand, is sent for recycling/recovery through active transfer contracts, and currently mainly concerns the recycling/recovery of paper and cardboard, plastic, wood and marginally ferrous materials.

Waste management is a critical issue for the Group, and consists of planning, monitoring and control processes. The following are also mentioned among the sensitive activities referred to in the organisational model pursuant to Legislative Decree no. 231/01, including those relating to the management of waste that should arise as a result of the adoption of special protective or organisational measures to oversee extraordinary situations arising from exogenous factors (e.g. health emergencies), with reference to the definition of appropriate behavioural and organisational rules and related control measures.

Poste Italiane ensures the continuous assessment of impacts and the implementation of countermeasures through the precise definition and attribution of roles and responsibilities within its organisational structures. The responsibilities of the various company organisational units relating to the activities that influence waste management and, in general, to environmental issues, are documented in detail in the organisational structures and specified in the activity declarations contained therein. Verifying the conformity of processes related to proper waste management is a practice that is constantly carried out by checking the technical and professional suitability requirements of the collection and recovery and disposal service providers. This verification extends to the control of service levels and the supervision of operational processes within the sites. The plant-structural audit activity at the sites also includes verification of the conformity of the waste management processes produced, with particular attention to the correct management of collection points, temporary

storage, separation by type and the processing and keeping of the required documentation (Forms, MUD, etc.). Furthermore, the Group has promoted initiatives to raise awareness on the topic of waste management, especially in sites where correct separation and disposal constitute an added value in terms of the possibility of recovery/recycling.

Control over the proper performance and management of the waste collection and recovery/disposal service is carried out by verifying:

- the correct supply of various types of containers for the temporary storage of waste;
- the labelling of waste/containers;
- the execution of the planned waste movements;
- that the waste management documentation has been completed correctly;
- compliance with the limits for temporary storage;
- transport by suitable and authorised means;
- valid registrations and authorisations for transporters and disposers/recoverers.

Finally, within the framework of the adopted Environmental Management Systems, risk and opportunity assessments are carried out in order to plan actions for continuous improvement in waste management. The criteria used are defined according to the peculiarities of the activity performed. To this end, the following are therefore determined:

- risk and opportunity scenarios for environmental impacts and relevant internal and external factors, and consistent with compliance obligations;
- the business processes/functions concerned;
- the assessment of likelihood, impact and level of control;
- the classification of risks;
- risk mitigation and control measures;
- the level of inherent and residual risk;
- new interventions and actions to be implemented.

The monitoring of waste production data is conducted both in the context of the specific procedures/methods referred to in the Environmental Management System and in the context of periodic reporting, such as the preparation of annual activity reports. As for the actions implemented to mitigate risks and, where possible, seize opportunities, these are proportional to the impact of waste generation depending on the site and type.

As part of its environmental sustainability initiatives, in 2023, the Poste Italiane Group maintained its Environmental Management System, adopted and certified according to ISO 14001, extending it to all sites in Italy with an applied number of employees greater than 300. The main Group companies have also adopted an Environmental Management System, certified according to ISO 14001, which includes procedures and operating instructions to establish guidelines and operational processes for the management of identified environmental aspects/impacts. The objectives identified and their achievement are verified and defined in the management systems review, as well as in periodic monitoring and control activities.

### Water resource management

As regards the water supply in the sites owned by Poste Italiane, this occurs through withdrawal from the national water network, mainly intended for use for sanitary purposes, with the consequent discharge into the municipal sewer system. The Group's objective is to minimise the overall use of water resources, by monitoring consumption, and to minimise the volume of water to be disposed of as industrial waste, by monitoring production.

As regards the activities of Postel S.p.A., water is supplied through local aqueducts or from wells for which it has a concession, mainly for uses similar to domestic ones or for air conditioning systems. Only at the Melzo and Pomezia sites

is the water used for industrial purposes, with waste from industrial activities directed to disposal plants. Water that can be assimilated to domestic water or water from precipitation, on the other hand, is disposed of in accordance with local regulations and the relevant concessions.

With reference to the activities of SDA S.p.A., the water supply of the sites comes mainly from municipal aqueducts and only in three of these is water derived from wells used. Water use is mainly for sanitary purposes, bathrooms and cleaning. In addition, the water supply for the Rome Hub, Milan and Bologna sites is provided by a rainwater harvesting system, which is used to irrigate the adjacent green areas.

As concerns water consumption monitoring, Poste Italiane adopts an integrated quality/environmental/safety management system certified according to ISO 14001:2015. At the SDA S.p.A. offices, a meter reading register is compiled on a monthly basis, in which the water consumption readings are noted. These data are centralised to calculate the overall annual consumption and the average daily consumption. On the basis of consumption, through a specific indicator called "WCI" (Water Consumption Indicator), it is possible to relate consumption to productivity, i.e. "litres/shipping". Subsequently, a ranking is drawn up highlighting the locations with high consumption, in order to identify any anomalous situations. The objective of the SDA S.p.A. offices is to maintain a level compliant with the average value of the WCI indicator, with the aim of reducing the WCI by 5%. The volumes of water resources used and discharged, in accordance with the provisions of the various concessions, are reported to the local authorities, who proceed with the prescribed analyses. Suppliers contracted to use water resources under Group agreements manage this resource in accordance with the contractual clauses and local concessions in force at the sites where they operate.

## Environmental impacts of logistics





Aware of its widespread presence throughout Italy and aware of the potential contribution that can be made to mitigating environmental impacts, the Poste Italiane Group attaches primary importance to these issues in the course of its activities and in defining its Sustainability Strategy.

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*With the aim of generating a positive environmental impact in the context of logistics operations,  
the Group aims to support the green transition of its fleet*

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In line with previous years, in 2023 Poste Italiane continued to implement sustainability initiatives, with particular attention to reducing the environmental impact deriving from the corporate fleet. In this regard, a fleet of 14,189 alternative fuel vehicles is already operational, including electric, methane and LPG.

The Fleet Renewal Plan, initially launched in 2019 with the aim of replacing the entire fleet of vehicles intended for the delivery of postal products with green vehicles, continued in 2023 through a series of measures aimed at reducing energy consumption, atmospheric emissions, improving safety and increasing carrying capacity for delivery. In parallel with the increase in safety levels through the replacement of two-wheeled vehicles with three- and four-wheeled vehicles, electrically powered vehicles have been strengthened in order to promote "ecological mobility". To improve the organisation of delivery loads, Poste Italiane has introduced larger and more functional vehicles for parcel transport and delivery needs, implementing new equipment.

Improving the environmental performance of the Group's fleet has a significant impact on reducing greenhouse gas emissions. By virtue of this, Poste Italiane has confirmed its commitment to pursuing the complete renewal of the vehicle

fleet, increasing the green component of the fleet itself, through the introduction of electric and hybrid cars and motorcycles in line with the ESG objectives of reducing emissions by 40%. The results of this policy are evident, as the Company went from 11% of green vehicles in 2016 to 44.4% in 2023, increasing the number of these vehicles by 24% compared to 2022, in line with the goal of replacing the entire company fleet with low-emission vehicles by 2024.

In accordance with the Group's objectives aimed at promoting the use of renewable sources and rationalising energy consumption deriving from fossil sources, since 2018, the Company has been promoting and supporting the new green evolution plan of the company fleet and the delivery plan "Joint Delivery", two fundamental pillars in the company strategies for achieving predefined objectives regarding environmental sustainability. By implementing the "Joint Delivery" plan, Poste Italiane is adopting a model that allows a radical reorganisation of the delivery network and its operating model. This implies a transition from a single-network set-up to a two-network set-up, differentiating by mode, delivery frequency and type of product handled. This strategic approach is designed to optimise the efficiency of delivery operations. The Fleet Evolution Plan and the Joint Delivery Plan reduce both the number of kilometres travelled for delivery activities and the need for a marshalling fleet itself.

**-26%**PCL owned fleet emissions  
compared to 2019



## The Green Delivery

### Model

### Benefits:

- about 11 million passages saved and about 2 million km avoided
- avoided emissions of 244 tonnes CO<sub>2eq</sub> and 866 kg of air contaminants
- each parcel delivered avoided the emission of 15.5 grams of CO<sub>2eq</sub> and air contaminants

Through the "Green Delivery" delivery model, the Poste Italiane Group has made a proximity network available to the territory which, on the one hand, guarantees greater flexibility for customers and on the other, generates environmental benefits.

Poste Italiane customers, in fact, can make use of both the PuntoPoste network (consisting of more than 15,700 pick-up points such as tobacconists, bars, stationers, newsagents, Kipoint shops, Carrefour and API service stations) and the Post Office network for the delivery of parcels, as an alternative to home delivery.

This delivery model also allows for greater efficiency in Poste Italiane's logistics as more parcels can be delivered to a single collection point, thus limiting the number of pick-ups and fleet movements.

In the course of 2023, through the PuntoPoste network and Post Offices, around 11 million parcel deliveries could be avoided, resulting in savings around 2 million kilometres by the Italian Post Office fleet.

The increase in the number of journeys avoided and the resulting kilometres saved compared to the previous year is the result of the significant growth in volumes handled through the PuntoPoste network and Post Offices, and thus the efficiency of the "Green Delivery" model. In fact, through the capillarity of its postal networks, the Group currently manages to cover 95% of the population within a 5-minute radius.

In addition, there was also a considerable increase in the number of electric vehicles in the Group's fleet in 2023, enabling the "Green Delivery" model to achieve positive performance in terms of avoided emissions and air pollutants.

In fact, the journeys saved and kilometres avoided thanks to the Green Delivery model avoided the emission of 244 tonnes of CO<sub>2e</sub> and 866 kg of air pollutants into the atmosphere (i.e. COVNM, NH<sub>3</sub>, SO<sub>2</sub>, NO<sub>x</sub>, PM, PM<sub>2.5</sub>).

In particular, each parcel delivered through the Green Delivery model resulted in a saving in CO<sub>2e</sub> emissions and air contaminants of approximately 15.5 grams.

As regards the details of the green fleet transformation project, during the year, Poste Italiane completed the fleet of approximately 2,200 electric vehicles, approximately 800 hybrid electric or methane vehicles and approximately 700 low-emission vehicles.

The green fleet reached 44.4% of the total Poste Italiane fleet in 2023: there are over 8,000 bi-fuel vehicles including cars and vans and over 5,800 electric vehicles. The total number of vehicles with reduced environmental impact introduced starting from 2019 is equal to 26,225 vehicles, and by 2024, Poste Italiane expects to reach 27,800 vehicles by 2024.

# 44.4%

of the fleet consisting of green vehicles

## Poste Air Cargo

### CEIV Pharma certification obtained

Poste Air Cargo, Poste Italiane's air fleet, has received CEIV Pharma certification, attesting excellence in the transport of pharmaceutical products with the highest safety standards. The certification enables compliance with the requirements of companies in the pharmaceutical sector, ensuring temperature-controlled transport in accordance with international standards.

The modern fleet of five Boeing 737, supports various sectors, including pharmaceuticals, agribusiness, automotive and e-commerce. The night network connects eight Italian airports and extends across Europe, the Mediterranean Basin and the Middle East, offering flexible solutions. Operating bases in Milan Malpensa and Rome Fiumicino facilitate national and international coverage.

Poste Air Cargo stands for high safety and quality standards, a member of IATA and IOSA certified. EASA Part 145 compliance for line maintenance and ATO for B737 training contribute to the company's professional reputation.

Starting from January 2019, the Group has implemented the "Fleet Management" function, conceived with the aim of outlining, managing and organising company strategies in the vehicle sector. This function assumes the responsibility of defining and guaranteeing the governance, guidelines and tools adequate to ensure the best services relating to the entire vehicle fleet of Poste Italiane and the Group companies.

In addition to its established initiatives on sustainable mobility, Poste Italiane takes measures to positively influence people's current and future behaviour. The aim is to integrate these behaviours into a new normality that favours environmental protection.

## Sustainable mobility

### Poste Italiane's main initiatives

- Work from home for staff personnel;
- **subsidised purchase** of annual season tickets for Group employees and their families;
- **TPL** in 9 metropolitan cities, as well as in the Lombardy Region for regional rail transport and in the Tuscany Region and its provinces for extra-urban, urban and rail transport, for the subsidised purchase of annual season tickets for Group employees and their families;
- 24-Hour **Shuttle** service connecting the 11 cities where the service operates with the CMP premises;
- Company **Car Pooling service** in Rome and Milan and **Car/Scooter sharing** campaigns;
- **new Eco-Drive theoretical/practical course campaign** aimed at fleet and non-fleet personnel;
- **video briefs** on the permanent Eco Drive on the intranet;
- **#MyVirtualDrive campaign**, the ecodrive simulation system in Direct3D technology;
- **eco-Drive in brief brochure**, available on the intranet, aims to illustrate what can be done in terms of urban mobility to reduce pollutant emissions and to convey a series of recommendations to encourage environmentally friendly, economical and safe driving, helping to raise the driver's awareness of fuel economy and thus the reduction of CO<sub>2</sub> in the air;
- **Changing Room**, the changing rooms for cycling and running employees;
- **#MyPostoBiciVerona campaign** dedicated to the employees of the Verona CMP Headquarters who are systematic users of bicycles for home-work commuting with the allocation of a free bicycle parking space for one year;
- **#PostePedala campaign** on the PMO portal to increase the use of bicycles in systematic travel and Changing Room, the changing rooms for cycling and running employees;
- **#MyFiabCard** and **#MyFiabFamilyCard campaign** to help spread the culture of sustainable mobility and encourage company employees and their families to rethink the range of available transport options and related benefits, with the awarding of FIAB cards for one year that include the use of a range of services, including H24/7 third-party liability insurance for bicycles in Italy and Europe;
- **awareness-raising campaigns** related to sustainable mobility issues to promote rethinking the way we move around the city;
- **#VideoTest**, multimedia video with self-assessment test, "Your low emission day. How to make your daily mobility more sustainable and safer";
- **publication of the e-Book "Smart City: a window to the future"**;
- **News Magazine** bi-monthly dedicated to sustainable mobility and **Time & Money Saving section** within the PMO portal.

## Home-Work Travel Plan 2023

### Sustainable mobility

Poste Italiane believes that the management of systematic movements of its employees is a fundamental element capable of generating positive impacts, both direct and indirect, on the relationship with key stakeholders that can be enhanced.

The environmental impact deriving from home-work trips represents one of the main indicators of the effectiveness of the Home-Work Commute Plan (PSCL). Annual monitoring not only allows reporting on the current situation, but also allows estimating the emission trend caused by systematic corporate mobility.

The PSCL is aimed at reducing private vehicle traffic and identifying measures to guide the home-work journeys of employees towards sustainable forms of mobility alternative to the individual use of private motor vehicles. This direction is based on the analysis of employees' home-work journeys, their mobility needs and the state of the transport offer in the area concerned. The PSCL also defines the benefits that can be achieved through the implementation of the measures it envisages, assessing the advantages both for the employees involved, in terms of travel time, transport costs and comfort, and for the company adopting it, in economic and productivity terms, as well as for the community, in environmental, social and economic terms.

The car fleet in circulation is surveyed through the aggregated results of the survey conducted in 2023, where specific information was requested regarding the private vehicle used for home-to-work travel. Detailed data on the composition of the workers' car fleet was also obtained. The single cluster of analysis, which makes it possible to associate the number of private vehicles used by employees with the corresponding emission factor, consists of the intersection of three pieces of information from the survey: Cylinder Capacity, Euro Class and Power Supply.

The objectives relating to the reduction of CO<sub>2</sub> emissions form the core of the joint venture agreement signed between Poste Italiane and sennder, the European leader in the digitalisation of freight transport. Through the collaboration with sennder, the Group aims to enhance the efficiency of road transport over long distances, extending its coverage to all segments of full load transport and the movement of packages and letters between the sorting and distribution hubs of the entire Group.

## Poste Italiane in Green Postal Day 2023

Together to  
combat climate  
change

Poste Italiane took part in the fifth edition of "Green Postal Day", this year coinciding with the international Zero Emissions Day. The initiative was organised in cooperation with PostEurop to highlight the contribution of postal operators to the reduction of CO<sub>2</sub> emissions and the global fight against climate change. Poste Italiane is in fact committed, together with the major players in the logistics sector, to the development of a more sustainable economy and society, through deliveries with ever lower carbon dioxide emissions. The year 2023 marked the Group's commitment to convert 50% of the company fleet currently in use to vehicles using fuels from sustainable sources by 2030. This initiative contributes to the achievement of the objectives of the 2024-2028 Strategic Plan.

The initiative promoted by the postal sector emphasises the importance of collaboration with a view to exchanging best practices and stimulating individual companies to go beyond their initial targets. The use of a common measurement system has also fostered transparency and guided sustainability choices.

With regard to the supplier selection process, Poste Italiane implements specific criteria to monitor the indirect environmental impact. Specifically, the Company carries out a verification of the technical-professional suitability of its suppliers by requesting, for qualification, the satisfaction of specific requirements, including the composition and type of vehicles in their fleet. In particular, for vehicles used in services, the Group requires compliance with European standards on polluting emissions with a class no lower than EURO6 and that XL boxed or curtainsider semi-trailers equipped with TIR cable are equipped with a GPS system for transmission of all detections on the position of the vehicles.

In the context of purchasing logistics services, Poste Italiane maintains an approach in line with sustainability issues, selecting and rewarding suppliers who adopt practices aligned with the environmental, social and governance aspects promoted by the Group. For transport services, a score is assigned that enhances eco-sustainability for suppliers who use vehicles with lower CO<sub>2</sub> emission classes.

Compliance with the reference MEC is also required for footwear and Personal Protective Equipment (PPE). In addition, incentives are given, through the technical score awarded, to bidders who propose solutions aimed at the recyclability of packaging. In parallel with the services mentioned, when purchasing technological systems for sorting parcels and letters, offers characterised by low energy absorption during use are preferred.

## Offsetting of aircraft fleet emissions ETS quotas

Poste Air Cargo, the Italian leader in full-freighter air transport, connects 8 Italian airports with a night-time network to serve the cargo courier segment logistics support of Poste Italiane. As far as the airline fleet is concerned, the rules of the UE Emission Trading System (UE ETS) stipulate that annually, by April 30th, companies covered by the greenhouse gas emission reduction scheme - including airlines - must surrender a sufficient number of ETS allowances to cover their emissions for the previous calendar year.

The price dynamics for 2023, influenced by the current socio-economic context, are characterised by stable quotations, with an average CO<sub>2</sub>e price of about €84, slightly higher than in 2022, which was about €81. Poste Air Cargo, in line with the Group's green strategy, has launched a specific feasibility study aimed at identifying the possible and most suitable actions to be taken to contain greenhouse gas emissions directly attributable to air transport.



## 7.14 CUSTOMER EXPERIENCE



Main types of capital	Objectives	Indicator (KPI)	Target	Baseline	Implementation status 2023	Outcome
<ul style="list-style-type: none"> <li>Physical/Structural</li> <li>Intellectual</li> <li>Financial</li> <li>Social-relational</li> </ul>	Evolution of the Omnichannel Service Model through further development of the digital channel and self-service offer for the subscriptions of interest-bearing postal certificates (BFP), Class I, Multi-class, Funds and GP MoneyFarm	<ul style="list-style-type: none"> <li>% number of collection transactions finalised on the digital channel</li> <li>% number of collection transactions finalised on the digital channel</li> </ul>	<ul style="list-style-type: none"> <li>19% by 2023</li> <li>20% by 2024</li> </ul>	2022	21.8%	<ul style="list-style-type: none"> <li>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</li> <li>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</li> </ul>
	Promote knowledge and skills development within the sales network	hours per capita for employees working in the sales network	90 by 2024	2022	24.2 hours per capita per year delivered to the financial and insurance target of the sales network	
	Evolution of the Service Model through the specialisation of Financial Advisors based on the clientele target into Personal, Dynamic and Premium	Number of specialised advisors	8,450 by 2024	2020	8,303	
	Evolution of the Omnichannel Service Model through further development of the digital channel and self-service offer for the subscriptions of interest-bearing postal certificates (BFP), Class I, Multi-class, Funds and GP MoneyFarm	<ul style="list-style-type: none"> <li>% of total volumes</li> <li>% of total volumes</li> </ul>	<ul style="list-style-type: none"> <li>8.0% by 2023</li> <li>8.5% by 2024</li> </ul>	2022	8.4%	
	Dematerialisation of documents to reduce the use of paper at the Post Office, through the elimination of the customer copy for loan origination and customer record changes	% number of transactions since solution release	30% by 2024	2022	Preparation of activities for the initiative	
	Increase customer experience	Value of the Group's Customer Experience	+10pp Net Promoter Score by 2028	2023	New	
	Raising awareness among the corporate population on procedures for secure access to corporate applications from external networks	No. of communication campaigns dedicated to MFA (Multifactor Authentication) Mail, communication on intranets, apps, coupon space and dedicated channels TG Poste service	1 campaign by 2024	2023	New	
	Definition of Corporate Accelerator with "Hub&Spoke" model to support national entrepreneurship also from a D&I perspective (start-ups, female entrepreneurs, etc.)	No. of initiatives	4 by 2028	2023	New	

■ Objective achieved/Objective achieved and updated
 ■ Objective not achieved
 ■ Deadline for achieving the objective that has not yet expired

## Quality and Customer experience

N F S

MAIN RELATED TYPES OF CAPITAL



Customer satisfaction constitutes a central objective in the quality policies of the Poste Italiane Group, which is committed to pursuing it by actively promoting moments of listening, which are fundamental to ensuring constant improvement in the quality of the products and services provided. In a context characterised by rapid development and evolution, with the ever-increasing spread of mobile devices, social networks, e-commerce, multi-channel services and artificial intelligence, offering a unique and distinctive experience becomes particularly important. The correct approach within these channels allows to establish a solid relationship of trust and detect any changes in customer habits and behaviours.

Fundamental values such as courtesy, transparency, fairness and impartiality, which guide the Group's approach to its customers, are described in the Code of Ethics, ensuring that customer relations are managed on the basis of correct, healthy and profitable principles.

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*Poste Italiane places customer satisfaction at the centre of its priorities, offering a high level of experience and basing its service on understanding and active listening, capable of intercepting with quality and professionalism the different needs of customers*

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In this context, the Company is committed to a monitoring process aimed at both the continuous improvement of the quality actually delivered of the services offered, and that perceived by the end user. Thanks to a system of KPIs and a regular reporting system covering the entire range of products and services offered, the Company ensures that management is constantly updated on the progress of the relevant trends, and is therefore able to offer a high level of quality delivered. The organisation has put in place a process of continuous improvement of the customer experience, starting with listening (internal and external) and AI-based process analysis. In continuity with previous years, Poste Italiane has pursued the development path of connected experiences with greater intensity, allowing the start of integration between customer assessments, operational performance and competitor results.

In the area of Mail, Communication and Logistics (PCL), a customer satisfaction survey was also conducted in 2023 to assess citizens' satisfaction with the parcel and postal delivery service. In addition, transactional surveys have been in place since March 2023 to assess recipients' satisfaction with the mail and parcel delivery service, the results of which are monitored using a "Perceived Quality Dashboard".

In the field of electricity and gas supplies and mobile and landline services, the customer experience is strongly influenced by regulatory aspects, particularly in the field of energy. This implies that the management of the issue includes close monitoring of regulatory developments and, where possible, dialogue with the Authorities in order to ensure compliance and at the same time, maintain an optimal customer experience that is harmonious with the rest of Poste Italiane's products and services. For this reason, following the market launch of the Poste Energia offer in February 2023, market research, surveys, Net Promoter Score (NPS) and CES analyses, usability tests and other research activities with users were conducted during the year to gather feedback aimed at constantly improving the products and services offered.

As far as Post Offices are concerned, the Post Office Network structure has maintained active a process of continuous monitoring of waiting times through the tool of the waiting manager, which also allows timely intervention through an alert system. In addition, the Post, Communications and Logistics (PCL) structure monitors and measures on-time delivery levels for mail and parcels, and first delivery success for parcels, using digital tools that contribute significantly to increasing quality and service delivery.



With reference to the value the Company places on the quality perceived by customers, a customer experience target has been set for 2023 for recipients of the MBO (Management by Objectives) programme. Consequently, a dynamic model was developed that is able to set targets by considering the changing context through the analysis of internal and external signals. This model is also able to incorporate management's possible drive for ambitious growth in strategic areas through top-down improvement. Thanks to the development of the target setting methodology, Poste Italiane is able to identify, within each macro area of the Group, the relevant components for measuring the Customer Experience, in order to cover all significant interactions with customers. The target components for the different business segments and channels were updated to facilitate a better comparison with external, internal and competitor signals. These also include the business areas measured in the previous year. Moreover, considering the increasingly integrated and central role of Poste Italiane's Partners in the definition and development of the various service components, a structured project was launched to listen to Partners and customers of third-party networks, in line with the Group's perceived quality model.

**PCL  
measures  
customer  
satisfaction  
with an  
innovative  
dashboard**

During 2023, the PCL (Mail, Communication and Logistics) function was equipped with a Perceived Quality Dashboard, a tool that monitors the perception of the quality of delivery and postal products (registered mail and parcels), detected through a system of surveys sent to the receiving customers after the delivery service.

The dashboard measures the quality delivered by the network and its performance, makes it possible to target action plans and interventions on off-target quality KPIs (indicators) and to report annual company results. The system collects data and information from logistics nodes throughout the territory to provide a 360-degree view of the results achieved, by means of various channels and tracking systems, such as the PDA of post officers, the Sorting Centres tracking systems, the sorting and tracking systems of the SDA HUBs and Branches, and the Tracking System. It is a constantly evolving platform that adapts to changes in operational and logistical processes. The system now allows a daily view of the performance trend, giving an almost real-time snapshot of the network's performance.

With the aim of pursuing continuous improvement of the customer experience and the quality of the service offered, the Group adopts a listening model aimed at identifying priority actions to be implemented. Specifically, Poste Italiane analyses *verbatim*, i.e. spontaneous customer responses on critical areas encountered during the customer journey with Poste Italiane products and services, obtained by means of periodic surveys in relation to the Group's ESG objectives. These opinions are then translated into Net Promoter Score terms, which is a measure of customer satisfaction to the point of recommending products or services to others. Based on these assessments, the business units identify the critical issues on which to intervene and direct their improvement actions, which are communicated by each owner within the Company in order to be implemented.

**83.8%****of customers say  
they are satisfied  
(engaged) with the  
Group's services**

The continuous listening model is guaranteed through the Customer Feedback Management (CFM) service, a company service activated for conducting surveys on the quality perceived by customers in relation to the Group's products and services. This tool provides real-time survey results, exploiting a highly efficient semantic engine. Poste Italiane is actively working to consolidate itself as an ecosystem platform for the provision of innovative products and services following a customer-centric perspective, enabling operational and business models quickly and aligned with growing market and customer needs. In particular, during 2023, the realisation of the advanced reporting of all CX results through a Customer Intelligence module was completed, which is a fundamental tool to support the business units in directing improvement. Improvement measures also include the use of a Process Mining solution for analysing the processes acted upon in order to identify unknown "patterns" useful for improving the customer experience. Within the framework of the Customer Listening structure, several projects were carried out to create a solid base of skills, methodologies and tools for the consolidation of a data-driven approach to process improvement. In 2023, the first projects on production data were also started: Health Claims settlements, Successions, Over-the-counter Savings Books, Poste Delivery Web. To support the improvement process and the Customer Experience Improvement Plan, a cross-functional Task Force is also active, mobilising more than 340 Group resources.

**more  
than 340  
resources deployed  
in the cross-  
functional task  
Force in 2023**

The impact of digital transformation is of significant importance in several sectors, with particular relevance in the postal context. Poste Italiane is therefore called upon to recognise these transformations and to take targeted action to offer customers new tools that are indispensable for meeting their needs. With an increasingly omnichannel focus, the Group has adopted an innovative approach in integrating traditional services usable through the physical network with new digital offerings accessible on the move.

The initiatives launched and pursued during 2023 cover most of Poste Italiane's business areas, such as the ongoing process of simplifying the activation of the home banking channel, the ongoing analysis and reorganisation of the content offered on the website, the release of the new online BancoPosta Loan subscription function, the launch of the new "Poste Italiane" app, and the opening up of digital channels (app and web) for the PostePay Evolution application using SPID identification. In addition, Poste Italiane implemented activities to improve the main processes of its physical channel. Among the most significant interventions, we can highlight the evolution of the access model in the Post Office, the simplification of identification in the Post Office and the introduction of identification via App (Postepass), the completion of the customer profile to allow to operate in multi-channel and the signing of the digital signature also from the Post Office.

## Punto Poste Casa&Famiglia The value of a dedicated relationship



Punto Poste Casa&Famiglia is the space in Post Offices with a dedicated operator to find solutions among products and services suitable for families. A place designed to further enhance the relationship with the customer and develop a long-lasting relationship through a wide range of products, offers and services of the Poste Italiane Group.

Punto Poste Casa&Famiglia was created as a connection point to meet and support family needs, with a range of products and services designed and modulated for different needs. For example, PosteMobile telephone offers, Poste Guidare Sicuri car insurance policies, and Poste Energia electricity and gas offers are available.

At the Punto Poste Casa&Famiglia, it is also possible to request further products, starting with the simple form of savings typical of the Savings Book and the Interest-bearing Postal Certificate, and going on to the possibility of requesting, for example, the PostePay Evolution card.

It is precisely the presence of a dedicated relationship that is the cornerstone of this important dedicated space: the presence of an Operator who orients customers towards the solutions best suited to their needs, accompanying them through the stages of the sale, from the reception to the subscription of the chosen product or service.

## Poste Italiane Group's customer care awards



Over the years, the Poste Italiane Group has placed an essential value on all activities related to customer satisfaction. Thanks to this continuous care for such issues, it has received several awards:

### - **PostePay Digital wins Product of the Year 2023 award**

The PostePay Digital Card, which has already won the "Elected Product of the Year 2023" award in the "Financial Services" category, was recognised for its ability to introduce innovation and satisfaction among customers by promoting an increasingly digital-oriented experience. The award was based on the vote of 12,000 consumers through Italy's leading research on innovation and customer satisfaction.

The distinctive features of PostePay Digital include direct use from a smartphone, enabling online, contactless and QR code payments via the PostePay app. It also offers the "P2P" service for transferring money in real time between PostePay cards, the purchase of public transport tickets, and the possibility of withdrawing cash at Postamat ATMs via the cardless withdrawal service from the App. PostePay Digital also allows users to associate an IBAN code to make transfers, credit salaries, pay utility bills and request the physical version of the card.

To further simplify the online shopping experience, PostePay has implemented an accelerated process for customers with SPID. These customers can apply for the PostePay Digital Card via the [postepay.it](https://postepay.it) website and the PostePay app, authenticating quickly via their SPID Digital Identity provider. This approach allows customers to activate the PostePay Digital within minutes and start using it immediately.

### - **Award at Smau for innovation in customer care service systems:**

Every year, Smau, Italy's leading trade fair dedicated to information and communication technologies, presents the Innovation Award to companies that have contributed to the growth of the country system with innovative and concrete proposals. The 2023 award-winners also include Poste Italiane, which has introduced a customer care service intermediated by artificial intelligence via voice (voicebot) and chat (chatbot and appbot), with the aim of promoting a radical cultural, organisational and technological change in the assistance model. In the new model, the human operator was thus gradually supported at first by a chatbot, a system that operates in natural language, dialogues and provides answers and solutions to customers via chat on the site/app and WhatsApp, which was later joined by a telephone answering channel on the helpline numbers via voicebot, which provides voice answers in automatic mode on the various channels for the different areas of Poste Italiane's business, from finance to logistics.

### - **PostePay among the winners of Italy's Best Customer**

PostePay S.p.A. is among the award-winning companies in the first edition of Italy's Best Customer Service 2022-2023. The award aims to identify the brands with the best customer service and the companies that have distinguished themselves for high quality customer service in Italy. The ranking was carried out by the *Corriere della Sera* supplement "l'Economia" in cooperation with Statista GmbH, an international research and analysis company, and involved the opinion of around 15,000 consumers. The category for which PostePay took first place is that of Fixed Telephony and Internet Companies, with the PosteMobile brand. The consumer survey considered several parameters, including professional competence, communication, service availability, customer orientation, and service variety.

### - **Postepay among the "top contact centres 2023-2024" for Postemobile customer care**

For the second year in a row, PostePay was among the companies that excelled in customer support in Italy in the "Telecommunications" category. This is the result of a survey conducted by the German Institute for Quality and Finance (Itqf) and the newspaper "La Repubblica A&F" with the aim of giving consumers an assessment of excellence in this specific area. The study analysed the satisfaction expressed by over 122,000 consumers who used the three main contact channels of the companies surveyed - telephone, chat and e-mail - with reference to 200 major companies active in Italy in 31 different product sectors. PostePay SpA ranked among the best and was awarded the "Top Contact Centre 2023-2024" certificate for Postemobile customer care. The award recognises the strategy of the entire Poste Italiane Group based on the enhancement of the relationship with the customer during all its phases: from the purchase of a product/service, to its use, to customisation, to the request for assistance.

Dissatisfaction with customer needs is a risk element that is assessed by the Board of Directors, also with reference to customer experience indicators, such as the complaint rate. In 2023, this indicator was at a stable level, after a significant reduction of 25% in 2022 compared to the previous year. The tool for optimising own operational activities and guaranteeing high quality standards is the monitoring of the quality delivered and perceived by the customer, both on a relational and transactional level. Indicative of the Company's desire to meet the needs of its customers is the use of quality resources in the Mail, Parcels and Distribution function, distributed at local and central level, who carry out targeted measurement, prevention and improvement activities to achieve the company objectives.

**54 mln**  
contacts managed in  
2023 (+31.1% vs 2022)

In order to acquire and analyse data from designated sources of interest, such as social networks, app stores, Post Office reviews on Google Maps, public online information sources, blogs and forums, the Company uses a Web Opinion Monitoring (WOM) service. Real-time reporting on all relevant topics is generated through this service. The service is designed to meet the needs of various participating structures and integrates the services used by the various functions of Poste Italiane and the Group companies in a single solution.

At an organisational level, through the area dedicated to the management of the digital channel, activated in 2020 to allow the continuous improvement of the experience KPIs detected both by listening to customers and by the analysis of external sources (app stores, Google comments, etc.), interventions were implemented that had a positive impact on the CES KPIs and app ratings detected on the channels. The main releases include: the simplification of the online purchase of the main products (Postepay Digital Card, Current Account, Postal savings book under 18 "Libretto Minori", Loans), the evolution and innovation of the Home page of the Postepay and BancoPosta apps with engagement elements to stimulate sales and transactions, the possibility for customers to withdraw without using their card at ATM Postamat using the apps, the enabling of utility payments, the consultation of receipts of payments made online and in Post Offices directly on the notice board, the online request and consultation on the notice board of the ISEE (Equivalent Economic Situation Indicator) declaration also for minors, the reloading of the Postepay card during e-commerce purchases by supplementing the remaining balance to complete the purchase, the autonomous management of the request to replace an expired card, and simple activation via app.

In addition, the continuous improvement and simplification of key processes from an omnichannel perspective continued also in 2023. Among the most significant interventions, we can highlight the evolution of the access model in the Post Office, the simplification of identification in the Post Office and the introduction of identification via App (Postepass), the completion of the customer profile to allow to operate in multi-channel and the signing of the digital signature also from the Post Office. Furthermore, with the aim of simplifying and at the same time improving the customer experience, the new Ufficio Postale app, with a new design and customised user experience, has been available since June 2023. The new app was renamed Poste Italiane App as of October, and will be further enhanced with new financial functionalities, and improved on the basis of reports from customers themselves. The areas for improvement that emerge in relation to customer feedback constitute, in fact, an important stimulus for process assessment and revision activities, together with the support activities functional to maintaining quality certifications and those identified by the "cross-functional communities". In this regard, the use of a process mining platform, purchased in 2021 by the Group, continued in 2023, which enables more effective service quality improvement projects with a strongly data-driven approach.

As of 2021, Poste Italiane has held UNI ISO 22222 certification for financial advisers who assist savers in their investment choices. This demonstrates Poste Italiane's commitment to supporting the widest application of ethical and sustainability principles, enhancing the development of professional skills and offering services dedicated to customer needs. In this regard, Poste Italiane is the first of the large Italian companies to achieve UNI ISO 22222 and UNI TS 11348 certification for the consultancy service model on the subject of investments of financial promoters engaged in the role of personal

financial planner. In addition, the concomitant certification on purchasing methods places Poste Italiane among the country's leading economic and production entities qualified in sustainable management of purchasing processes and supplier relations.

Poste Italiane brings the system for collecting and managing complaints under the responsibility of the "Customer Care Services" function. The objective of this structure is to address and guide the customer's expectations through a series of customised solutions, adopting a model that makes service a competitive lever both of the customer relationship and of

**44%**

contacts  
managed by  
**Artificial  
Intelligence**  
(+5% compared  
to 2022)

the support of the business. In this regard, the complaints system implemented by the Group is streamlined and easily accessible to all, including the most disadvantaged groups and those at risk of exclusion for reasons of financial illiteracy, so that problems that arise can be immediately resolved. With the number of complaints received in line with the previous year, the year 2023 was characterised by excellent performance in terms of average complaint handling times (for the same number of resources deployed) in all service areas, in a context of relative volumes of work for all types of requests. Compared to last year, average waiting times dropped by 31% when considering all services, to 70% for financial services. The Group's objective is to build a customer support journey for each business segment, enabling over time more efficient management of the customer experience, with

the progressive adoption of innovative technological tools. With the spread of artificial intelligence within Customer Care Services, Poste Italiane managed to increase the number of managed contacts by 13% in 2023 compared to 2022, with AI accounting for 44% of managed contacts.

Poste Italiane has always given the utmost consideration to the needs of its customers, aiming to ensure their complete satisfaction by offering products and services tailored to their needs and preferences. In situations in which the customer's expectations are not met, the customer's collaboration plays a fundamental role for the Company in order to identify and resolve the causes that generated the inconvenience. This collaboration makes it possible, on the one hand, to satisfy the needs of the person concerned and, on the other hand, to implement the necessary corrections and activities aimed at improving business processes. To this end, Poste Vita has implemented a Complaints Policy, which specifies the principles for managing customer complaints, aimed at their correct and timely treatment. Furthermore, the drafting of a monthly complaints report allows the monitoring of the activities described above, highlighting the main causes of complaints and the corrective actions undertaken to resolve them.

The theme of quality, which is also strongly integrated in the corporate development strategy, plays a role of primary importance in the Poste Italiane Group Integrated Policy. The objective is to map, within the framework of quality management systems, all processes that contribute to the design, development and realisation of products or services.

In addition, Poste Italiane attaches particular importance to building relationships with customers based on maximum transparency and fairness. To this end, the Company demands from its employees a constant commitment to meeting customer expectations. The Integrated Policy, containing the fundamental principles, is expected to be implemented by Group Companies, adapting them to their autonomy and independence, taking into account their size, organisational and operational context, as well as any regulatory provisions, such as in the Financial and Insurance sectors.

In order to ensure the highest level of effectiveness and efficiency in processes, activities and resources, the Company has implemented an Integrated Management System. This allows the production of a report representing the trend of complaints and customer experience indicators. As far as quality is concerned, the Integrated Management System enables the Company to constantly promote initiatives to improve the regulatory system. While respecting the autonomy of individual business units in drafting content and procedures, sharing of formats and tools is favoured.

In particular, in accordance with the UNI EN ISO 9001:2015 standard, the Group has adopted an effective Quality Management System, thanks to which it carries out its activities in accordance with the following principles:

- maintain adequate service quality, specifically, by ensuring efficiency and continuity of service in accordance with the specific requirements;
- maintain the adequacy of the services offered to customers;
- respect time and optimise the cost/quality ratio of products and services.

The Quality Management System, through its functions, ensures the satisfaction of customer expectations, allowing Poste Italiane to pursue continuous improvement in performance and the standard of competitiveness on the market. The System plays a fundamental role in defining the rules and limits applicable to quality control at all levels. Consequently, any anomalies found are regularly recorded and reported through specific audits and periodic checks.

With regard to the quality of the service and products offered, the foundations of the management model are based on dialogue with customers, which allows for the establishment of a relationship of harmony and to identify their needs in the best possible way. This action is characterised by:

- sharing with Top Management periodical reports on quality indicators;
- detection of the level of Customer experience in relation to the various business units, measured twice a year through the detection of the Net Promoter Score (NPS), indicative of the level of customer satisfaction. These are surveys using CATI (Computer-Assisted Telephone Interviewing) and CAWI (Computer-Assisted Web Interviewing) methods that an external research institute carries out on samples of customers representative of the reference universe;
- measurement of the level of customer experience with regard to the use of the channels, measured by the Customer Effort Score, which detects the ease of access to them. These are CATI measurements for customer service and CAPI (Computer-Assisted Personal Interviewing) for Post Offices;
- monitoring of the degree of customer satisfaction and gathering of opinions and suggestions to identify opportunities for improvement using the Customer Effort Score (CES) indicator, applied to the Group's channels (Post Offices, call centres and the web), which makes it possible to analyse how easily and in how long the Company solves problems;
- adequate management of complaints, aimed at identifying and remedying, through the necessary corrective actions, the causes that resulted in the inconvenience, with a view to continuous improvement of business processes.

Consistent with what has been done in recent years, the Group has further optimised customer listening initiatives through the multiple touchpoints relating to postal, financial and insurance services. In addition, the NPS is assessed annually, including against the main competitors operating in the Poste Italiane Group's key sectors.

In continuity with the previous year, continuous listening to the front line of the business commercial channels was also maintained. In this regard, Large Customer Accounts and SME/POE Accounts have an always-on survey through which they can point out areas for improvement in sales and after-sales customer management. During the year, the frequency of NPS measurement of large customers was increased and the "Inner Close The Loop" process was implemented, which consists of the analysis of customer *verbatim*s by a cross-functional team with the aim of structuring a follow-up, which is returned to each individual customer by the Account. In 2023, the realisation of advanced reporting of all customer experience results through a Customer Intelligence module was completed, providing increased support for all business units and directing their improvement.

Improvement measures also include the use of a Process Mining solution for analysing the processes acted upon in order to identify unknown "patterns" useful for improving the customer experience.

As regards interaction with the customer, the active management of recalls is configured as a crucial practice for the Poste Italiane Group, because it constitutes an instrumental indicator for defining the service level of the entire Group. This

process also contributes to the assessment and management of operational and reputational risks, as well as risks related to non-compliance and inappropriate behaviour. In order to analyse the progress of complaints, specific reporting systems are used, reviewed weekly and monthly, with the results reported to management. Each company belonging to the Poste Italiane Group has adopted and implemented specific procedures, outlining the principles and methods for managing complaints, periodically submitted for approval by the respective Boards of Directors.



**Poste  
Italiane**  
Close to  
customers'  
needs



During 2023, the range of financial services was expanded. In particular, the new version of the Prestito BancoPosta On Line was released, reserved for current account holders and totally available via internet banking. In addition, for the Quinto BancoPosta Pensionati (Pension-Backed Loan of one-fifth) there are promotional offers with interest rates on promotion, to encourage the financial inclusion of the specific target group. These initiatives were supported by commercial campaigns and communication activities on press and web channels.

Among the initiatives carried out in the area of current accounts, the new Poste Italiane APP was released, continuing the process of digitalising current account holders through the introduction of innovative transactional services in the App to improve the customer experience when using digital channels. The new "Poste Italiane App" for mobile devices includes all digital services with the aim of offering a single access point with an intuitive and simplified navigation model for order and informative operations from a mobile channel.

In the area of investments and savings, the methods of subscribing to investment funds remotely were extended through the release of the online fund management platform and, with the aim of facilitating the process of digitalisation of customers in a multi-channel perspective, the methods of subscribing to signature tools in Post Offices were revised. In particular, it was made possible to use the Advanced Electricity Signature (FEA), also in the physical channel, allowing the Postal Savings customer to sign with a single tool at different touch points, eliminating hard copies and streamlining the signature process at the Post Office.

In the area of insurance services, the Group planned the evolution of caring and loyalty actions towards customers, through the provision of outbound telephone campaigns and the sending of text messages integrated with BancoPosta's campaign with a view to increasing the redemption of initiatives (sending communications relating to the Poste Vita and Poste Assicura instalment skip and Poste Vita maturity dates). In the course of 2023, the customer journeys of the digital assistance of Poste Vita and Poste Assicura were refined with the aim of improving the tool on the voice and chat bot side. Poste Vita also planned to open a telephone and written assistance channel for life insurance policies in the BancoPosta APP, providing a new channel for customer support in a multi-channel approach. A multifunctional working table is being set up to streamline the claims assistance process at Poste Assicura.

In the area of telephony, in view of the major change in the process of mobile line portability, which had led to major difficulties for customers, process optimisation features were introduced over the past year, both customer- and service-side, in order to increase the success rate of the switch. The second half of the year also saw the completion of the release of the VoLTE service on all enabled terminals, which allows simultaneous voice and data traffic. Finally, with a view to supporting digitalisation, two important push notifications were released in March in the Postepay App, enabling customers to be informed in advance of the depletion of their residual credit and the renewal date of their tariff plan, so that they can load and give continuity to the service, reducing moments of fault.

### Dialogue with consumer associations

Poste Italiane is actively engaged in a process of discussion, dialogue and cooperation with Consumer Associations, both on a small and large scale. An important step in this direction is the Framework Agreement concluded in 2011, subsequently renewed in 2018. This agreement gave rise to the "Consumer Workshop", a permanent working and consultation group made up of a representative of each Association and members of the Poste Italiane Group. The main objective of the "Consumer Site" is to identify optimal solutions for harmonising the needs of the Company with those of its customers, focusing on company initiatives aimed at consumers. Thanks to this collaborative approach, the Company has been able to improve the quality of its products and services over time. The adoption of a constructive and transparent method of communication and cooperation between the parties played a key role in this process of continuous improvement.

In addition, the initiative relating to the newsletter "Dialogando con i Consumatori" (Dialoguing with Consumers) continued in 2023. This is an information tool intended for the territorial representatives of Consumer Associations, with the aim of informing stakeholders about the main news related to Poste Italiane's activities. The newsletter is a useful tool to provide new insights and recommendations, further strengthening the bond of knowledge and cooperation that has always characterised the relationship between the Company and consumers.

In addition, in order to ensure the availability of all the information necessary for the efficient use of postal products and to describe the quality objectives to be achieved over time, Poste Italiane makes available the "Postal Service Charters". They provide details on main products, targets and delivery times for Italy and abroad, as well as information on complaints and refunds. Specifically, the Universal Postal Service Charter includes products covered by the Universal Postal Service (Legislative Decree no. 261/99), while the Postal Services Charter includes products not covered by the Universal Postal Service.

### Cybersecurity, IT Security and Privacy

NFS

MAIN RELATED TYPES OF CAPITAL



In a global landscape increasingly characterised by the pervasiveness of digital technology, which is an essential driver for the growth and continuity of any company's business, Poste Italiane aims to deploy state-of-the-art cybersecurity systems to effectively defend the company information assets from attacks and data theft.

*The Poste Italiane Group is primarily committed to protecting and safeguarding the information assets of customers and stakeholders through the use of technologically advanced systems and cybersecurity mechanisms and processes*

This includes the Corporate Affairs - Information Security structure, which carries out a monthly cyber risk assessment for the Group. The methodology currently in use considers this risk from a purely technological point of view based on preventive technical security audits carried out on the three applications: Vulnerability Assessment, Static and Dynamic Code Review, Penetration Test.

- **Vulnerability Assessment** is the process of identifying, measuring and prioritising the vulnerabilities of a system. The assessment is performed with special tools twice a year for each application;
- **Code Review (Static and Dynamic)**, represents the process of checking the source code of an application to verify that the correct security controls are in place and that they are working as intended. By means of special

tools, the verification is carried out of both the source code ("Static CR") and of the code in execution ("Dynamic CR");

- **Penetration Test** is the process of evaluating the security of a system or a network through the simulation of attacks that aim to gain undue access to the system. Being a time-consuming activity, it is performed on a specific perimeter of applications.

With the aim of ensuring effective and efficient management of potential IT risks in the Company, Poste Italiane integrates precautionary measures with two other fundamental parameters: patching and hardening. These activities, combined, aim to resolve vulnerabilities by keeping the operating system, firmware and applications up-to-date. Only required ports and services are activated, while easily hackable system components are obfuscated.

The cyber risk assessment revolves around two main dimensions, Severity and Confidence. Severity identifies the level of severity of cyber vulnerabilities; while Confidence represents the degree of reliability of the cyber risk value. The latter depends on the degree of coverage of the checks carried out in terms of the number of analyses completed. After the entire analysis process, Recovery Plans are developed, which constitute the main corrective measures necessary to fill the security gaps identified during the various analyses, including technical ones. In the past, the management of recovery plans relating to the various security activities involved the contribution of various functions within the Poste Italiane Group.

The following are the main initiatives of the year:

- Expansion and improvement of methods for intercepting abnormal access by security guards;
- Raising the level of monitoring and alerting;
- Implementation of additional protection measures for traffic to Poste Italiane's data centres;
- Expansion of security measures;
- Incident management exercises;
- Staff training through phishing simulations and cybersecurity awareness initiatives;
- Installation of specific protection systems;
- Adoption of new security tools in the cloud.

In addition, Poste Italiane has undertaken a number of further initiatives:

- developed a **Security Planning**, defining and implementing a methodology for planning technical security audits (Penetration Tests, Static and Dynamic Code Review) deriving from regulatory/contractual requirements and from the Security By Design process;
- extended the **scope of Cyber Risk** analysis to include BancoPosta, PostePay, Poste Vita, Poste Assicura, Poste Welfare Servizi and other compliance/security areas;
- set up the **Information Security Committee - DTO**, a periodic working table between the Information Security and Digital, Technology & Operations functions with the aim of jointly planning and directing security activities and identifying areas for improvement;
- to ensure better management of the topic, responsibility for the Group's IT security has been assigned to a Chief Information Security Officer (CISO).

In order to ensure the company's business continuity in the management of crisis situations arising from incidents of sector, corporate or widespread catastrophes that may affect the Group, Poste Italiane has drawn up and implemented a Group Business Continuity Plan. This plan is based on the appropriate identification of the systems considered most critical, the potential threats to which they might be exposed and the countermeasures to be taken. The purpose of the Plan is to describe the criteria, procedures, technical and organisational measures, as well as the tools adopted for emergency management (Contingency Plan) and for the restoration of operating conditions prior to the occurrence of a damaging event (Disaster Recovery), in accordance with the Service Level Agreements (SLAs) agreed with the internal customer. In

order to ensure its effectiveness over time, the Business Continuity Plan is tested and updated annually, and in any case in response to significant organisational, technological and infrastructural innovations or, more generally, in all situations capable of generating new risks.

During 2023, the implementation of the new BCM (Business Continuity Management) model continued, which, after the consolidation of financial services, was extended to the perimeter of payment services with the definition of the related Business Continuity Plan. Organisational and technological solutions for continuity were tested and training events on business continuity were held.

The document framework of the new Group Crisis, Business Continuity and Incident Management (CM/BCM/IM) model includes, in addition to the Group Business Continuity Plan and the Sector Plans, the Crisis Management Plan, the ICT Disaster Recovery and Business Continuity Plan, Crisis and Business Continuity Communication Plans, Test Plans, procedures and operating instructions, which ensure effective management of the Group's business continuity, crises and incidents.

Already starting from 2022, in order to deal with the crisis that emerged due to the conflict in Ukraine, the levels of monitoring and attention of security events have been raised and cyber intelligence activities have been strengthened to

**-42%**  
IT security  
breaches/cybersecurity  
incidents compared to 2022

prevent or promptly intercept potential cyber attacks on damage to the Poste Italiane Group. For the same reason, in 2023, in addition to continuing to monitor cyber phenomena related to the conflict in Ukraine, monitoring was also expanded to include cyber phenomena related to the conflict in Palestine. In addition, specific measures were put in place to minimise the attack surface and its impact on the Group's customer base.

The Operational Continuity Plan and the Crisis Management Plan, an integral part of a framework that also includes a Disaster Recovery Plan, a Communication Plan, a Test Plan, operational procedures and instructions, guarantee effective management of operational continuity and crisis. In particular, in 2023, Poste Italiane recorded a 42% reduction in cybersecurity breaches or incidents compared to 2022.

With the aim of minimising risks related to the human factor and related impacts, numerous initiatives were implemented at Group and individual business unit level in 2023. The Mail, Parcel and Distribution services were the subject of a specific security assessment with the definition of re-entry plans, including an expansion of cyber protection measures and an increase in the level of monitoring.

In the area of Financial and Payment Services, the Crisis, Business Continuity and Incident Management (CM/BCM/IM) model was implemented as a priority.

At Group level, in continuity with previous years, technical exercises were carried out for staff with the aim of strengthening the capabilities of detection, analysis and combating cyber threats or attacks, and Table Top Scenario exercises for managing cyber incidents and operational continuity aimed at testing company processes and procedures, as well as the correct interpretation and effectiveness of the procedures in real-life cases. The adoption of innovative tools and the transition to the "proactive" monitoring model have enabled the Group to increase the organisation's level of cybersecurity. The conduct of staff exercises showed a further improvement in the ability to analyse and detect oversights. Indeed, phishing simulations in 2023 showed the ability of employees to recognise suspicious e-mails.

## Masterminds The Poste Italiane podcast on cybersecurity



During 2023, Poste Italiane published a podcast series on its corporate intranet entitled "Masterminds - Rise and Decline of America's Most Wanted Cyber criminals", dedicated to the vicissitudes of some of America's most notorious cyber criminals.

The podcast was developed with the aim of raising awareness of issues concerning the digital world, which are very often underestimated by most users. The podcast is supported by a cybersecurity section that employees can subscribe to, in order to receive all news and updates related to the cybersecurity sphere

### Computer Emergency Response Team (CERT)

The size and complexity of Poste Italiane's organisation means that a specific and targeted cybersecurity strategy needs to be outlined. For this reason, the Company set up the Computer Emergency Response Team (CERT) in 2013, which is made up of computer security experts who take care, 24 hours a day, every day of the year, of the protection of the company data through prevention, analysis and protection against cyber threats. CERT, whose services are certified to ISO/IEC 27001, ISO 9001 and ISO 37001, has implemented processes for the continuous monitoring and improvement of its services. Through internal audits, third-party audits, management reviews, KPI management, and regular reports to management, it ensures effective management and continuous improvement of its services and actions taken against defined lessons learned.

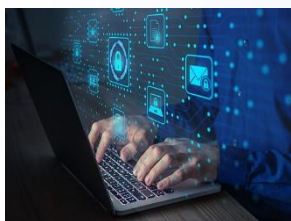
Numerous activities are provided by CERT:

- Critical System Exposure: ISO 27001:2013 certified, the Critical System Exposure service has as its main objective the early detection of vulnerabilities potentially affecting the delivery of Poste Italiane's services. Critical System Exposure Analysts constantly monitor endogenous and exogenous sources of information, collecting and analysing data from them, and then classifying them appropriately according to their reliability. In this way, it is possible to alert internal stakeholders (constituencies) in a really short time, providing the necessary details and suggestions for vulnerability mitigation. Vulnerabilities are analysed through an algorithm that assesses their dangerousness, considering the probability of exploitation and the importance of the technological asset on which it impacts. The Critical System Exposure service enables Poste Italiane to guarantee a prompt response to the risks that could threaten the company IT and information assets, and to provide continuous and constantly updated knowledge of the global IT security scenario.
- Brand Protection: ISO 27001:2013 certified, the main objective of the Brand Protection service is to constantly monitor the Social Networks and Market Stores where the Group's Mobile Apps are published in order to verify whether fraudulent use is being made of Poste Italiane's proprietary brands or whether confidential or false information is being disseminated. A Brand Protection service is a highly specialised and essential service for a company like Poste Italiane because controlling the use of a brand means ensuring that it is always legitimate, thereby increasing customer trust and loyalty.
- Cyber Threat Intelligence: the main purpose of Cyber Threat Intelligence activities is to monitor ongoing trends in cybercrime, cyber espionage and hacker activism. In this perspective, the Cyber Threat Intelligence service is aimed precisely at collecting and analysing potential existing threats that could materialise into attacks on Poste Italiane's systems, outlining scenarios of varying complexity. At the end of the analysis, the team shares any countermeasures identified with the system operators, so that they are always one step ahead of potential attackers, in order to prevent and counter the risks of aggression against Poste Italiane's IT resources.
- Information Sharing: the main objective of the Information Sharing service is the constant sharing of information on cyber attacks and threats that may affect corporate computer systems.

- Cyber attacks require a prompt response and appropriate preventive actions, which, thanks to the exchange of information, can shorten timeframes and put companies in a position to "play in advance": by focusing precisely on the fact that, individually, organisations cannot have a truly comprehensive picture of the potential risks they are exposed to and the damage that could result, by creating qualified exchange networks instead, it is possible to put up a united front against cyber crime. ISO 27001:2013 certified, the Information Sharing service aims to create this network with which to share a view of the cyber threat scenario and provide useful information on preventive or reactive actions to be taken.
- Information security event and incident management: this activity is developed in two main directions. On the one hand, there is security monitoring, i.e. the 24-hour monitoring of security events, analysis and prevention to prevent and detect attacks. On the other hand, the management of the incident itself in order to restore the normal provision of the impacted service.
- Infrastructure and application audits: activities to detect and remediate any vulnerabilities on the external perimeter and on specific applications in order to minimise the attack surface.
- Big Data Analytics: activities aimed at correlating and analysing information to identify and monitor alleged anomalous and/or atypical phenomena, in order to identify possible criticalities in the use of data and prioritise their management. These analyses are carried out in support of the activities of the CERT and the other security bodies.
- Cybersecurity awareness: activities aimed at raising awareness among employees, customers and external users on cybersecurity issues through exercises, phishing simulation campaigns, gaming, webinars, podcasts, videos, infotainment. The initiatives are implemented on an ongoing basis, exploiting all digital channels available to the Company, in order to reach as wide an audience as possible.
- Crisis and Business Continuity Management: activity that evolves the existing Business Continuity Management model and defines new Crisis Management and Incident Management models. All of this, of course, in a multi-business and multi-compliance perspective, precisely to fit into a fully integrated context, involving the entire Company, so as to guarantee effectiveness and protection in all the activities that operate so extensively in our Country.

Over the last few years, CERT has evolved towards a new generation model oriented towards the management of big data and the use of modern data analysis and business intelligence tools, the increasing use of algorithms and techniques of Artificial Intelligence, machine learning and data mining. This model allows the centralisation of all information pertaining to Poste Italiane's security domain. In addition, CERT develops training and awareness initiatives aimed at promoting a cybersecurity culture among the Group's technical and non-technical staff, customers and citizens.

## IT security Poste Italiane's commitment between education and awareness



Despite the increasing use of the web, many Italian citizens still underestimate the risks associated with the digital world. Poste Italiane therefore dedicates particular attention to educating and raising awareness among citizens in order to promote a conscious and safe use of the Internet. Considering the current and priority relevance of this issue for the Company, specific actions were implemented, including an awareness campaign on the company intranet. A computer security portal is available within the intranet, where news and weekly lessons on how to keep data up-to-date and ensure security are regularly published. Poste Italiane is also extending its reach, trying to raise awareness among ordinary users through communication methods that can involve everyone, in order to increase the perception of danger in the digital world.

Poste Italiane is constantly striving to ensure the care and safety of its employees and customers.

The Business Control Center (BCC) is the area of the Head Office in which Poste Italiane's business processes are monitored according to an integrated service delivery model and is presented as the company's technological hub. The tasks for which this function is responsible include:

- real-time control, 24 hours a day, of the services provided by the Group;
- the protection of the safety of customers inside Post Offices and of personnel in all workplaces;
- combating fraud and cybercrime;
- experimentation of the services offered by the Company.

The BCC consists of seven control rooms that use state-of-the-art applications and instrumentation to ensure the proper functioning of the postal-logistics network and guarantee the delivery of services and correct communication to Poste Italiane's customers.

Poste Italiane maintains a solid collaborative relationship with the Postal and Communications Police. This collaboration includes activities aimed at preventing and combating offences related to the products and production processes of the services offered by the Poste Italiane Group. In addition, surveillance activities are carried out at Post Offices during scheduled payment periods. A task force was also set up with the task of analysing new cyber fraud methodologies, accompanied by the development of new cybersecurity tools. These measures were necessary in response to the changing scenarios and new types of malicious events. This has prompted the Company to quickly readjust its operations over the years, especially with reference to payment systems for e-commerce and financial and insurance services. In these areas, it was necessary to intensify control activities and upgrade the physical and IT security structures.

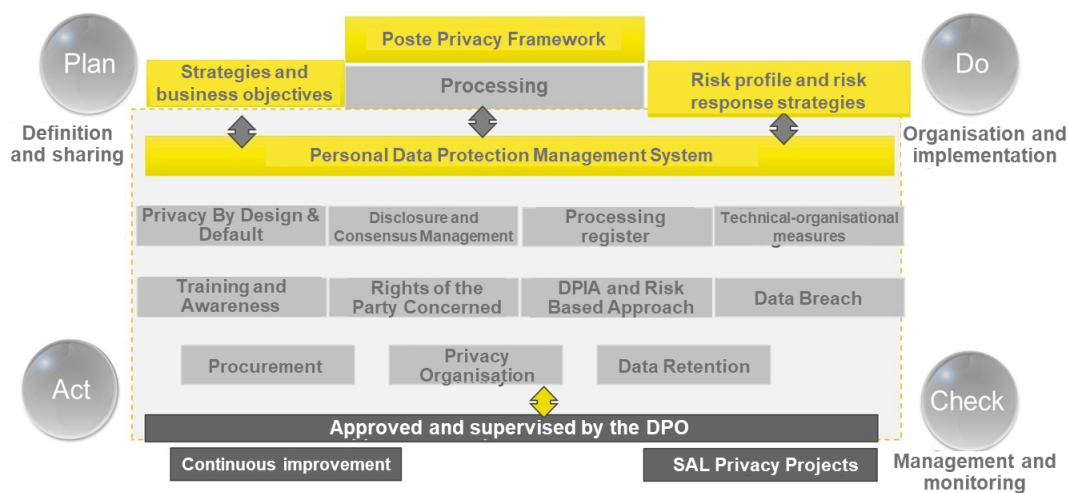
### Personal data protection

Over the years, the Group has attributed great importance to the issue of personal data protection, constantly strengthening its corporate regulatory system and to ensure full compliance with current provisions and what is regulated within the General Data Protection Regulation (GDPR). Poste Italiane manages the control of the management review process at Group level, as set out in Article 32. The regulatory system, made up of procedures, guidelines and policies, is applied in relationships with all partners and suppliers to ensure correct management of risks related to the topic of privacy in all of the Group's operations. Failure to comply with the standards defined by the system, which may lead to violations, may result in the application of disciplinary sanctions to employees, in accordance with the provisions of the Poste Italiane CCNL (National Collective Labor Agreement). These sanctions are gradually harsher according to the seriousness of the

breach (written warning, fine, suspension from work with deprivation of pay, dismissal without notice, etc.). In this context, Poste Italiane has drawn up a Corporate Policy on Personal Data Protection and Privacy Guidelines and a Personal Data Protection Management System. The latter was introduced with the aim of ensuring uniform data management across the Group. The Guideline defines the corporate privacy model and implements the principles of Privacy by Design and Privacy by Default, underlining the Company's obligation to ensure adequate protection of personal data right from the design of products/services and IT systems, as well as ensuring compliance with privacy legislation in the predefined data collection and processing processes. Poste Italiane is also committed to ensuring proper management of data protection risks, by carrying out the periodic management review process at the Group level.

*Through the adoption of policies and information campaigns aimed at raising awareness of data protection, the Group promotes the protection of the personal data of all stakeholders*

Poste Italiane's Privacy Framework was created with the aim of ensuring compliance with these obligations and aspiring to the continuous improvement of the management system. This framework provides an overview of the areas of intervention in which the relevant organisational and technical frameworks that have been developed operate, in order to provide continuous monitoring of the progress achieved.



Poste Italiane identifies for the entire Group the figure of the Data Protection Officer, a privacy expert who assumes responsibility for supervising compliance with the regulations on the protection of personal data by the data controller, as provided for by the GDPR, and who also ensures the drive towards continuous improvement.

Consistent with this approach, the Privacy function ensures nomophylactic oversight at Group level for all responsibilities relating to personal data protection issues and coordinates the development of the aforementioned framework.

The Privacy Service Centre operates within this function and its task is to represent a single point of reference for customers in matters of privacy and to collect and manage efficiently and centrally all the requests received from customers, such as requests for access, rectification or integration of personal data and changes in the consent given, also monitoring their progress in order to identify any opportunities to improve business processes.

The Privacy Service Centre, due to its approach towards continuous improvement, unique handling of customer requests and correct compliance with regulatory provisions, is certified for its information security management system according to ISO 27001:2013 and for personal data protection according to ISO 27701:2019, through which Poste Italiane's Privacy function is able to demonstrate the compliance of certified services with the GDPR and other data privacy requirements.



7.15 INNOVATION

MAIN RELATED TYPES OF CAPITAL



Main types of capital	Objectives	Indicator (KPI)	Target	Baseline	Implementation status 2023	Outcome
<ul style="list-style-type: none"> <li>Physical/Structural</li> <li>Intellectual</li> <li>Financial</li> </ul>	Increase digital transactions for the various products of the Poste Italiane Group	Number of digital transactions in financial, insurance and payment services	+50% by 2024	2020	+103%	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</p>
	Increase contactless transactions	Number of transactions	1.2 billion by 2024	2022	1.3 billion	
	Full Digital POs	No. pilot POs	One pilot PO by 2023	2022	Inaugurated on 8 November the PO in Florence	
	Development and deployment of digital and paperless services in energy supply	<ul style="list-style-type: none"> <li>% of paperless contracts</li> <li>% of customers acquired via digital channels</li> <li>% of digital bills and/or digital payments</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 95% by 2025</li> <li>&gt; 10% by 2025</li> <li>&gt; 40% by 2025</li> </ul>	2021	<ul style="list-style-type: none"> <li>98%</li> <li>9%</li> <li>57%/52%</li> </ul>	
	Install SMART mailboxes	Number of SMART mailboxes	10,500 by 2026	2022	707	
	Increasing the number of cards made of environmentally sustainable material	Number of environmentally sustainable cards	20 million by 2026	2020	10.6 million	
	Replacement of all PCL operating personnel uniforms	Number of PCL operating personnel uniforms replaced	40,000 (all staff) by 2025	2021	6,400	
	Increase the level of automation of back office processes	% of back office resources supported by automated digital processes	75% by 2024	2020	65%	
	Development of pre-sale and sale channels of products and services in multi-channel	% of new funnels created in multi-channel	75% by 2024	2020	70%	
	RDS-Digital Service Request Project	Preparation on digital channels of data for in-branch transactions	Preparation on digital channels for data for in-branch transactions by 2024	2020	<ul style="list-style-type: none"> <li>Release on APP Poste Italiane for products</li> <li>Realisation of training course with Corporate University delivered to colleagues in the Territory</li> <li>FAD creation for Dynamic Assistance</li> <li>Design porting solution Financial Products on Poste.it site</li> <li>Issuing of dematerialised customer receipts to transactions related to Monetygram, Vigilia and Pago PA products</li> </ul>	
Digitisation of Customer Receipt - Phase 1	Digitisation customer receipt	Digitisation paper receipt by 2024	2020			
Increasing the level of automation of back office processes, with progressive introduction of advanced Artificial Intelligence solutions	% of back office resources supported by automated digital processes	85% by 2026	2023	New		
Increase digital transactions for the various products of the Poste Italiane Group	% of digital transactions in financial, insurance and payment services compared to 2020	+115% by 2024	2023	New		
Increase contactless transactions	Number of transactions	1.7 billion by 2026	2023	New		
Development of an ethics-driven framework, to support Artificial Intelligence	N° survey on ethics perception Company Policy and monitoring tools	<ul style="list-style-type: none"> <li>2 by 2025</li> <li>Implementation of the Policy and identification of tools for overseeing the ethics-driven approach in AI processes by 2026</li> </ul>	2023	New		
On-line current account openings	% number of current accounts opened online out of total openings	8% by 2024	2023	New		
Supporting the internal digitisation process through training for the adoption of new digital solutions	<ul style="list-style-type: none"> <li>No. of training initiatives to support Sales</li> <li>No. of training initiatives to support post-Sales</li> </ul>	<ul style="list-style-type: none"> <li>1 training initiative by 2024</li> <li>1 training initiative by 2024</li> </ul>	2023	New		
Experimenting with digital learning solutions to improve the learning experience and participant engagement	<ul style="list-style-type: none"> <li>No. immersive reality experiments</li> <li>No. of microlearning experiments</li> </ul>	<ul style="list-style-type: none"> <li>1 immersive reality experimentation in the induction pathway of new hires by 2024</li> <li>1 experimentation with text-based microlearning in the follow-up of training courses by 2024</li> </ul>	2023	New		
Generating a widespread culture of innovation through the understanding and dissemination of a common mindset, the acquisition of new skills related to the adoption of AI technologies	No. of courses issued	Release of two courses by 2024: 1. AI verticals course 2. AI Literacy course	2023	New		

■ Objective achieved/Objective achieved and updated
 ■ Objective not achieved
 ■ Deadline for achieving the objective that has not yet expired

## Innovation and digitalisation of products, services and processes

N F S

MAIN RELATED TYPES OF CAPITAL



In the context in which it operates, Poste Italiane is called upon to face challenges that require profound strategic changes. The Group's attention is focused on two important ongoing processes, which are closely interrelated: on the one hand, technological development to support new products and services, and on the other, a diversification of the offer, enabled by a new network infrastructure and articulated in financial services, insurance, digital payments and strengthening of the logistics network. Poste Italiane has rapidly evolved to become an 'ecosystem' platform capable of supporting, on the one hand, the daily needs of all customers and, on the other hand, guaranteeing a highly customised service for more sophisticated customers. The digital transformation undertaken by Poste Italiane in recent years has involved not only its own offer, but also the distribution model which, through an omnichannel strategy, allow the Company the possibility to provide services in step with the changed needs of its customers.

# +20.4%

Transactions carried out on  
digital channels (web and App)  
compared to 2022

For Poste Italiane, innovation and digitalisation are two central drivers of strategic progress and enable it to guarantee its customers innovative technological solutions, also through the integration of its own products and services with those of third parties. Through these drivers, the Company not only guarantees the accessibility and efficiency of its offer to all citizens, but also promotes the connection with the Public Administration and the Italian entrepreneurial world, setting itself as a reference point on the path towards innovation and digitalisation of the country.

*Poste Italiane contributes to the creation of value for society, through continuous technological evolution, capable of influencing the reduction of environmental impacts and promoting social inclusion, through products and services accessible to all customers.*

The constant commitment to the search for innovative digital solutions and the ability to integrate new business models has enabled the Group to achieve important results for the development of its business and for the creation, through the review of its products and services, of shared value for society and the country. The Group has implemented a programme of "digital transformation" of all its service and offer models in order to guarantee its customers full digital contact experiences. This programme, which was significantly accelerated in 2021, in view of the effects of the health emergency, made the Group's products available to customers in conditions of absolute safety.

In particular, in 2023, the Group worked to strengthen the digital sales channel by expanding the available functions, extending the range of products and services that can be purchased directly through the Group's digital properties (Group's websites and APPs), optimising the PosteBusiness infrastructure, and investing across the board in cloud-driven technology infrastructure, data-driven companies and advanced AI-supported assistance.

## Innovation and digitalisation of products and services

The Group's omnichannel strategy is aimed at creating an "ecosystem" and multichannel platform model which, thanks to cutting-edge physical and digital channels and simplified processes to serve its customers, aims to guarantee an excellent customer experience on all points of contact, through the proprietary physical network, the digital infrastructure and remote contact points and the physical network of third parties.

During 2023, Poste Italiane achieved important results in terms of development and value creation for the country and the community, and thanks to its constant commitment to the search for cutting-edge digital solutions and the integration of

new business models, it was able to revisit its range of products and services and on opening further communication channels with its customers.

### *Payments and current accounts*

Measures were implemented in the area of payments to streamline existing processes aimed at improving the customer experience by increasing the use of PostePay's products/services increasingly focused on omnichannel. These actions also concerned communications, so as to make the information easily accessible to the customer. In particular, in the area of issuing, the company confirmed its commitment to implementing communication activities in order to make the status of its charter and its operations clearer and more transparent. In addition, the content of the website and the documentation related to the services and products available for the Customer Service function are periodically updated using the feedback gathered through listening to the customer. Consistent with the PostePay Operating Rules (ROF) and in compliance with the Product Oversight Governance (POG) process, periodic monitoring is carried out for the products issued, with particular regard to:

- information flows between distributor and manufacturer concerning the coherence between the target market identified for the product and how it was placed with customers;
- evaluation of the results and critical issues that emerged during the marketing phase.

Specifically, in order to address the actual negative impacts, an internal PostePay cross-functional table was opened to identify and map the critical points and take timely action on them.

The Group continued with the objective of implementing the digital payment services available, through an ecosystem of collection services available for consumer, business or PA customers, usable both with a physical network and through web channels or apps. Still considering digital payments, the Group in the field of acquiring continues the expansion of 'Soft POS' deployment on our proprietary networks and some large merchants.

In 2023, the 'Pay and Withdraw' service was launched on the Punto LIS affiliate network, which allows the withdrawal of small amounts of cash at the same time as a card purchase transaction.

A further service offered in the field of payments and current accounts is the Open Banking platform, through which customers have the possibility of managing accounts and cards, even if held at other banks or payment service providers, directly on the BancoPosta and Postepay app. Opening a BancoPosta current account can be done directly from a mobile device thanks to the instructions provided by the app, and it is possible to choose the desired type from several options: "Start Giovani", "Start" e "Medium". With regard to the "Premium" service, aimed at customers with high capitalisation and sophisticated needs, remote consultancy is guaranteed, at the end of which customers will be able to sign the necessary documents with an advanced electronic signature in the dedicated area on the Poste Italiane website. In particular, Premium consultants are carefully selected following continuous and highly specialised training. In addition, BancoPosta also provides a Basic account for pensioners, aimed, therefore, at holders of pension payments up to a gross annual amount of €18,000, with a free annual fee, certain types of services and a fixed number of transactions. Such initiatives make Poste Italiane's infrastructure open and offer customers increasingly connected and comprehensive services.

Furthermore, as part of the PosteBusiness infrastructure optimisation process, the "My Business" service was integrated for users of the "BancoPosta Business Link" current account intended for Small Business customers, which allows to have a simple and intuitive view of the financial situation, monitoring income, expenditure, cash flows, including forecasts, and the achievement of personalised income and/or expenditure objectives. Furthermore, during 2023, the "Off-Site" Offer was launched, aimed at Small Economic Operators (POE) and Business customers, which involves sales through the presence of the seller at the customer's premises and the use of automated tools for signing of contracts.


In 2023, the digital payment functionalities in the business ecosystem of customers with Postepay Evolution Business and Postepay Debit Business cards were expanded, integrating the payment of slips (both web and app), Postepay top-ups (both web and app) and F24 forms (web). In addition, the promo providing for the refund of the first year's fee for the Postepay Evolution Business card in the event of a simultaneous request for the card and the 'Tandem Mobile POS' or 'Tandem Physical POS' acquiring service was renewed, remaining active for the duration of 2023.


In 2023, collaboration continued between Poste Italiane and a number of institutions (*Compass Banca, Deutsche Bank Findomestic Banca and Santander Consumer Bank*) for the disbursement and placement of the BancoPosta loan, in all its distinct options, including those for home and car renovation.

In continuity with previous years, the Group has promoted the use of ATMs, digital channels and apps for carrying out transactions, as an alternative to the counter for cash withdrawal. Aware of the current context, aimed at digital progress, the Company is committed to guaranteeing its customers an offer that encourages the use of electronic money and, at the same time, discourages the use of cash. Postamat ATMs are available seven days a week and in operation 24 hours a day, and most are equipped with high-brightness digital monitors and banknote dispensers protected by modern video surveillance systems and innovative security devices, such as an anti-skimming solution to prevent card cloning and a banknote staining system in case of attempted theft. In addition, Postamat ATMs also allow transactions that are usually the responsibility of the counter (e.g. payment of utility bills).

The Group's research and commitment, as well as supporting government initiatives, have also enabled the development of a number of products and services, including:

- Postepay Digital**, the first 100% digital and free Postepay prepaid card suitable for online payments, public transport payments, payments via QR code or Google Pay for owners of an Android-enabled smartphone. The Postepay Digital Card, was named 'Product of the Year 2023' in the 'Financial Services' category, due to its innovation and customer satisfaction. It is managed by the Postepay app and allows users to request association of an associated IBAN code to receive or make transfers, credit their salary and pay their utility bills. Starting in 2022, the possibility was introduced for customers to apply for Postepay Digital also through the web. Users who decide to receive the IBAN card version of the card have the opportunity to request delivery of the physical card at home, so that they can withdraw cash from any ATM and pay at establishments affiliated with the Mastercard circuit;


- The Postepay Debit Card** is the payment card associated with the BancoPosta current account for everyday purchases and withdrawals, and also for online purchases. The card is environmentally friendly, produced with materials made by recovering marine plastic debris from the oceans, with material of biological origin (PLA) or with recycled PVC (rPVC). The Postepay Debit Card participates in the ScontiPoste programme that allows to receive cashback discounts directly on the current account;
- The **Postepay Evolution** card is a rechargeable card with IBAN code that guarantees the use of main banking transactions without requiring a current account. The card, which is accepted by physical and online points of sale operating on the Mastercard circuit, allows money transfers via bank transfers/postagiuro, utility payments and the crediting of salary or pension. By adding the card to the Apple Pay and Google Pay wallets, it can be used in cardless mode via your smartphone or smartwatch, in contactless mode, simply by bringing it close to the POS.



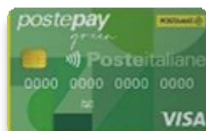
The Postepay Evolution also offers the possibility of sending money to wallets and accounts, 24 hours a day, via the Postepay app and website to more than 200 countries thanks to its partnership with Western Union. For the target group of freelancers with a VAT number and sole proprietorships, the 'business' version (Postepay

Evolution Business) is available. In continuation of the previous year, the possibility of extending the digital functionalities of the Postepay Evolution to the digital channel of the Postepay Evolution Business (App PosteBusiness, business.poste.it) was confirmed, and the conversion of the card fleet to low environmental impact materials continued. From 2023 onwards, it is also possible, via the Postepay App, to request 'Postepay Connect', which includes a Postepay Evolution card and a PosteMobile SIM with a dedicated phone rate and allows access to exclusive services;



- **Postepay Impresa**, simplifies a company's management of payments for occasional services, salaries, contributions and various fees for its employees;

- **Postepay Green**, an **eco-sustainable prepaid card**, made with organic materials with low environmental impact (made up of 82% polylactic acid of biological origin), reserved for young people between 10 and 17 years old. The prepaid card allows children to make quick and secure payments, and parents to quickly make top-ups through the "pocket money" system and to control transactions (parental control). The services described can be used via both web and app channels;



- The **IoStudio Postepay** card is the Student Card created by the Ministry of Education, University and Research and distributed to high school students. The card declares student status in Italy and abroad and in addition to guaranteeing benefits and advantages in establishments affiliated with the MIUR, it allows membership of ScontiPoste. The card has the same functionality as the Postepay card and features high security standards, preventing payments to merchants in product categories prohibited to minors such as gambling, adult services and liquor sales. Since September 2023, the Postepay Borsa di Studio Card has also been made available in cooperation with MIM (Ministry of Education and Merit), which enables the crediting of funds allocated by the Ministry for scholarships for secondary school students;
- The card **dedicata a Te**, promoted by the Ministry of Agriculture, Food Sovereignty and Forestry, is a prepaid payment card on which a 'one-off' contribution of €382.50 is pre-loaded, for the purchase of basic foodstuffs only, to which a further bonus of €77 is subsequently added, for the purchase of fuel or a season ticket for local public transport.



- The **app withdrawal service**, provided by LISPAY for all Poste Italiane Group cards, introduces the possibility of making a withdrawal using the Postepay app for customers with debit card relationships linked to a postal current account. These services are accessible from LIS network points of sale operating with Postepay acquiring, in line with the Poste Italiane Group omnichannel strategy.



## MLK Deliveries enabled for temperature- controlled transport

Poste Italiane  
supports Italian food  
and wine SMEs

In March 2023, a partnership was finalised between MLK Deliveries S.p.A and the company Mazzocco S.r.l, in order to enable the logistics operator to perform temperature-controlled transport, i.e. A mode of transport that involves maintaining a constant temperature inside the vehicle - whether hot or cold - whatever the outside temperature. This partnership is aimed at building a unique offer dedicated mainly to Italian food and wine SMEs. The offer includes the combination of logistics assets, such as logistics distribution platforms and a temperature-controlled last mile fleet, with scheduled delivery solutions. The solution developed thanks to the collaboration between the two companies combines the technology of MLK Deliveries, which will receive customer bookings for scheduled deliveries, with the Mazzocco S.r.l. cold logistics platform.

During 2023, a pilot delivery chain was launched in major Italian cities. Specifically, as of 31 December 2023, the provinces where the service is active are: Turin, Milan, Bergamo, Brescia, Pavia, Mantua, Cremona, Verona, Vicenza, Padua, Parma, Bologna, Modena, Reggio Emilia, Florence, Prato, Pistoia, Livorno, Rome, Empoli, Piacenza. At the beginning of 2024, the service was also extended to the cities of Genoa and Pisa.

Furthermore, in January 2024, the joint venture 'MLK Fresh' was established between the two companies and the new product 'PosteGoFresh' was launched.

## MLKFresh postegofresh

## Sourcesense acquires 'Eco Mind'

Strengthening the  
digitalisation  
process

One of the objectives of the Group's strategy is to strive to strengthen its in-house development capabilities for applications based on cloud and open source technology, significantly increasing the level of internalisation of activities and evolving towards a 'product factory' model.

To support digitalisation, a technology engine, based on hybrid cloud, open APIs and exponential technologies (those technologies that rapidly accelerate and shape major industries and all aspects of daily life such as Artificial Intelligence and Data Science, the Internet of Things, Virtual & Augmented Reality) was implemented and applied to all Group activities and infrastructures.

In this sense, *Sourcesense*, on the strength of its expertise in Enterprise Open Source technologies and in the development of next-generation native cloud solutions, has joined the Poste Italiane Group to support business innovation in the Public Administration channel, and in particular in the Health sector. *Sourcesense* finalised, in the second half of 2023, the acquisition of Eco Mind Ingegneria Informatica S.r.l. ("Eco Mind") and its subsidiary HeadApp S.r.l., IT companies operating as software factories specialising in the design and development of business, mobile and cloud-native solutions and augmented and virtual reality solutions.

Furthermore, during 2023, innovation-related projects focused on Data and Artificial Intelligence, Virtual Reality, Quantum Computing, Blockchain and IoT by supporting innovation in the following areas through use-cases: Data driven company; hyper customisation and inclusiveness of the customer experience and service model; new business models of digital platforms and services; evolution and innovation; operations; logistics; green transformation and innovation in education.

In the area of transport, the physical acquiring service was launched according to the Payment Facilitator model with FNMPay on Trenord merchants, which will continue with the expansion of the virtual service.

The payment solutions that were introduced in previous years and maintained in 2023 include:

- **Apple Pay**, enables contactless payments with Postepay debit or prepaid cards from enabled iOS devices;
- **Google Pay (Gpay)**, allows you to pay contactless and online directly from your Google Pay-enabled Android smartphone;
- **PostePay Code**, through the Postepay App and the BancoPosta App you can pay, at Post Offices or in affiliated shops, by simply framing the QR code with the Postepay App, the BancoPosta App or from the camera of your smartphone and authorising the payment via PosteID;
- **Cardless withdrawal**, Postepay card holders can withdraw at Postamat ATMs without having to insert their card, thanks to the cardless mode that involves scanning the QR code shown on the ATM screen; Starting in September, the new cardless withdrawal service was introduced in the BancoPosta and Postepay apps, which will allow Postepay debit card holders to withdraw cash without using their physical card by going to one of the affiliated tobacconists in the PUNTOLIS network.
- **Postepay Open**, allows users to top up their Postepay prepaid card with accounts of third-party banks (Payment Initiation Service - PIS) and to be able to view the balance and movement list of the selected current account directly in the Postepay app (Account Information Service - AIS).



## Poste Italiane among the 10 companies with the highest transformation rate

Poste Italiane is a constantly evolving reality that shows a special regard for innovation, representing Italian excellence in this field. As proof of the Group's commitment in this regard, the University of Pavia, on the occasion of the presentation of a multidimensional survey carried out by the newly-established ITIR (Institute for Transformative Innovation Research), included Poste Italiane among the 10 Italian companies with the highest rate of transformative innovation, a concept that expresses the ability of companies to renew business models, initiate a digital transformation and pursue an ecological and social transition.

According to the report, the companies at the top of this ranking, which also include Poste Italiane along with important companies operating in the financial, insurance, food, but also banking, communication, construction, sustainable energy and fashion sectors, have shown greater agility in facing new global challenges, such as digitalisation and sustainability.

### Collections

With regard to the collections sector, Poste Italiane's role is stable in the PagoPA system, also thanks to the extension of the offer of services dedicated to the Central and Local Public Administration (PAC) in digital channels (web and apps).

In 2023, the development and deployment of payment solutions to the public administration continued, allowing for greater digitalisation of the process and a reduction in paper payment receipts. In the payment experience at physical channels,

the offer includes the possibility of dematerialised (paperless) payments and in this direction, projects aimed at digitalised invoice alerts are also being implemented. The pilot project has already been launched within the Poste Italiane Group.

As early as 2020, PostePay SpA, in addition to BancoPosta, is also accredited as a payment service provider on the PagoPA system, allowing customers to carry out these operations on all digital channels, in post offices and through the portals of creditor bodies, also for payment notices from bank current accounts. In addition, in continuity with previous years, in compliance with the Ministerial Decree of the MEF of 30 April 2021, Poste Italiane has kept active the solution 'Incassi Piattaforma per le Amministrazioni dello Stato' (Collection Platform for State Administrations), which allows to manage payments related to the practices of State Public Administrations.

Since 2021, Poste Italiane customers have the option of using the SEPA Instant Credit Transfer (or SCT Instant) service on digital channels, through which they can arrange payments that are credited to the beneficiary in less than 10 seconds, and in 2023, activities to expand the offer and enable new use cases in digital and instant.

With reference to the insurance area, also in 2023, the Group provided the service in the third-party motor liability market, with the Poste Guidare Sicuri product, which saw the Company adopt a gradual sales enabling approach for the distribution network. The service provides extensive coverage and includes a number of free warranty extensions. The car policy is designed to put the safety of the family at the centre, and with the "Guida Libera" formula it allows maximum flexibility in the use of the insured vehicle by the members of the household. To subscribe to the policy, customers can go to one of the about 5,000 authorised Post Offices, after booking an appointment via the BancoPosta app or online.

Also in the area of insurance, Poste Italiane continued with the marketing of an integrated Life and Non-Life offer whereby subscribers to specific Life policies receive a joint offer for a Non-Life policy.

A further innovative solution active in the field of digital savings is represented by Poste Italiane's Digital Money Box (Salvadanaio Digitale), a free digital service that allows customers to set aside specific sums and reach micro-spending and/or saving goals, through the management of their Smart passbook, BancoPosta account and/or Postepay Evolution prepaid card. The service provides the possibility of creating up to 5 savings targets at the same time for a maximum total amount of €5,000. The customer chooses the sum to be accumulated, the date of attainment (from 1 to 24 months) and the relevant category (e.g. travel, leisure) with the option of customisation. Through the sharing functionality, it is also possible to ask family and friends for a contribution to the achievement of the objective.

## Poste Italiane supports the Digithon digital marathon

**DIGITHON** 20  
23

A four-day full immersion in the digital world and an opportunity for innovative ideas and businesses to meet and connect. The inventors measured themselves against the brightest realities of the Italian digital scene, strengthened their network of contacts, multiplied synergies and opportunities for collaboration with companies, and discussed directly with major investors, including Poste Italiane. In addition to the competition, the event's core event, there were also major events in the square open to the public: appointments to explore in-depth with the protagonists from the world of institutions, culture and Italian and international companies, the issues related to the digital world and their impact on society and the economy.

### Telephony and Energy

In line with the communication services strategy of previous years, which aims to bring advanced internet connectivity solutions to individuals and companies, Poste Italiane, through PostePay SpA, has maintained its agreements with two national operators, Open Fiber and TIM. Open Fibre is a provider of direct internet access and connectivity services to customers through the use of fibre (FTTH) and fibre blended copper (FTTC and FTTE) access technologies. The second



agreement, on the other hand, refers to Internet access and connectivity services, but only with FTTH technologies. The partnership with Open Fiber will ensure broad coverage in cities and small towns, while the agreement with TIM envisages the deployment of the FTTH network in more than 1,600 municipalities nationwide by 2025. The dual initiative expands the portfolio of offers aimed at the consumer and business market with new ultrabroadband fibre-optic services, and aims to reduce the digital divide in Italy.

During 2023, Poste Italiane also established itself as a major operator in the telecommunications sector, not only thanks to its partnerships with Open Fiber and TIM, but also for having confirmed and/or implemented initiatives for home and mobile telephony:

- **Postepay Connect Back**, a service offering an exclusive cashback function. Subscribers of the offer receive a monthly cashback discount that is credited directly to Postepay Evolution, equal to the unused Giga of the tariff plan. Cashback can be used without time constraints and for any type of expenditure;
- **PosteMobile Casa WEB** offers 4G wireless internet connection for the home. The service can be purchased online as installation does not require the presence of a technician, and offers unlimited high-performance traffic (speed up to 300 Mbps), with a Wi-Fi modem included on free loan;
- **PosteCasa Ultraveloce**, the data-only offer with which Poste Italiane entered the broadband market that allows users to surf from home at fibre speed (1 Gbps) without limits. The service, which can be subscribed to online in a full-digital process, includes a second unlimited connection on a 4G network to offer customers a fast provisioning and full connectivity experience. In addition to the provision of a Wi-Fi modem and a USB stick on loan for free, subscribers to the offer can also activate the 'voice' component for unlimited calls from home to all national fixed and mobile numbers. The **PosteCasa Ultraveloce Start** product, which can be subscribed to at post offices and provides only a fibre data connection, leaving the customer the flexibility to choose a second connection on the mobile network with a 4G USB stick. PostePay customers with SPID can access a simplified process to apply online for fibre connectivity;
- **Mobile Tariff Offer**, offers mass market promotions, which can be activated from the physical or online channel, which include a high amount of giga and are reserved for all customers;
- **Mobile phone services in the Postepay app**, with which PosteMobile SIM card holders, after registering on the poste.it website, can monitor traffic details and make top-ups directly from the app. Additionally, customers have the opportunity to check their telephone rate plan, bonuses and active promotions, as well as available options.

Through the expansion of PostePay's digital offering, the Poste Italiane Group positions

**+16%**

downloads from the  
PostePay App  
compared to 2022

itself as a reference institutional player for the digitalisation and development of the country, especially in the areas defined as "market failure areas". In 2023, in continuity with previous years, the trend in digital app downloads is positive, accompanied by a steady growth in transactions carried out via consumer digital channels (websites and apps).

**+15%**

downloads from the  
PosteID App  
compared to 2022

The year 2023 was an important year for the 'Poste Energia' offer, which reached over 500,000 electricity and gas subscriptions.

Poste Energia is an electricity and gas offer, a pay-as-you-go offer, which can be activated for one or both supplies exclusively in all post offices, on the web channel and on the Postepay and BancoPosta apps, based on three pillars such as predictability (thanks to the Fixed Rate bill and the possibility of defining payment dates for all bills) transparency (there are no security deposits or exit penalties), and proximity to people and the environment, thanks to the approximately 12,000 Post Offices in the territory and to the supply of electricity from 100% Italian renewable sources (certified through GSE Guarantees of Origin). CO<sub>2</sub> emissions, related to the consumption of the gas sold, are offset through the purchase of carbon credits that finance international projects aimed at reducing greenhouse gases. In fact, Poste Italiane is committed to combating CO<sub>2</sub> emissions by supporting - with its partner Lifegate - international projects aimed at reducing greenhouse gases and improving people's lives in different areas of the planet.

**500  
thousand**

electricity and gas  
subscriptions since the  
launch of the offer

The Energia offer was launched in the first quarter of 2023 on the mass market, and the first dedicated communication campaign was carried out. Communication activities continued in the third quarter with an "always on" presence on digital channels and in post offices. In September in particular, communication on the offer was relaunched with a significant increase on offline channels such as: TV, print and radio, as well as digital channels and in the post office.

During 2023, a number of promotions were launched to support the new offer:

- "EnergiaXNoi", from July 2023 to January 2024;
- "Porta una casa", from October and December 2023 dedicated respectively to all Poste Italiane Group employees and Poste Energia customers with dedicated discounts on the first year of supply;
- "Yellowfriday", from 20th to 30th November 2023, which enhanced the "EnergiaXNoi" promotion with the possibility of an additional discount on the first year of supply.

## Expanding the skills of the Poste Digital Assistant

With the entry into the energy market, the skills of Poste's Digital Assistant, the artificial intelligence-based bot that manages and directs customer enquiries to customer service and supports operators, on almost all business areas, are growing further.

In addition to providing general information on the electricity and gas offer, the Poste Digital Assistant is able to check the activation status of the service, check bill payments and record gas self-readings. For more complex enquiries or in the event of difficulties in understanding customer needs, the Digital Assistant directs customers to the Customer Service operators, thus activating a rapid response, putting customer satisfaction at the centre. In the first months since launch, the Digital Assistant has already addressed more than 100,000 requests with a customer satisfaction rate of about 9 out of 10 on the voice channel and 4 out of 5 on the chat channel.

At a time when digitalisation is an increasingly integral part of the service experience delivery, a service model characterised also by the presence of artificial intelligence is intended to provide additional support to customers, faster and more effectively, so that they can independently solve simple needs and approach the use of new technological means such as interaction with AI in natural language.

## The rewards of the Poste Energia offer



The Poste Energia offer was honoured at Utility Day, organised by IKN ITALY, as the New Incomer on the Italian energy market that is bringing the most technological innovation and new business models.

This recognition emphasises a welcoming and non-aggressive approach to customers and a sales model based on a multi-channel and integrated strategy. Further support for the result achieved is due to the planning of the advertising campaign on TV, web and also mobile, which was awarded at the NC Digital Awards 2023, in the category 'Integrated Digital Campaigns - Services of Public Interest', awarded by ADC Group for the communication of the offer.

### Parcels and Distribution

The postal market is currently going through a phase of profound changes, largely attributable to digitalisation, which affects the volumes of letters and parcels in circulation in different ways. The continuing structural decline in traditional mail volumes, replaced by digital forms of communication (e-substitution), is accompanied by an increase in the volume of parcels sent.

Also in the first nine months of the year, the Group continued with the process of reorganising its transport, sorting, delivery activities and improving the customer experience, in line with the long-term objectives outlined in the Strategic Plan, such as increasing efficiency, flexibility and quality in order to seize the opportunities arising from the development of e-commerce.

## Poste Italiane and Deutsche Post DHL Group A strategic agreement in the international parcel market

In relation to the delivery area, the Group continued its growth strategy in the logistics sector relating to e-commerce purchases by signing a strategic agreement with Deutsche Post DHL Group.

Through this agreement, Poste Italiane and DHL will contribute their experience and strengths to the partnership. Thanks to Poste Italiane's extensive service access network, customers will be able to make urgent shipments through the global DHL Express network by delivering them to any of Poste Italiane's collection points.

In addition, DHL eCommerce, together with Poste Italiane, will install modern, sustainable and user-friendly automated lockers in strategic locations throughout Italy. Finally, DHL eCommerce will support Poste Italiane by delivering parcels through its European network and Poste Italiane will support DHL eCommerce by delivering international parcels in Italy.

PuntoPoste, Poste Italiane's network for the collection of online purchases and the delivery of any returns, is part of this strategy. It complements the about 12,800 Post Offices and consists of around 15,700 alternative collection points including tobacconists, bars, stationers, newsagents, shops and KiPoints, lockers and enabled Carrefour supermarkets. The choice by customers to pick up or send a parcel at one of these points is what is now called "green behaviour", a more responsible and sustainable behaviour as the logistical process behind the use of the service helps to reduce CO<sub>2</sub> emissions. This stems from the fact that Poste Italiane, instead of using numerous vehicles to deliver to customers' multiple domiciles, can concentrate collection at a single collection point, thus reducing the number of passages and vehicle movements of the company fleet.

In addition, the agreement with DHL eCommerce will make it possible to increase the number of pick-up points dedicated to online purchases, the dispatch of pre-franked parcels and returns from the main e-commerce sites that adhere to the PuntoPoste Network thanks to the installation of automatic lockers available H24 7/7, nationwide.

Additionally, in 2023 the Group continued its cooperation with Zalando, offering the possibility of using the PuntoPoste network for returns management and outward shipments. In continuity with previous years, the Scegli Tu (You Choose) service remained active, providing flexibility in the delivery of a shipment to the recipient, allowing it to be managed and customised even when in transit.

With reference, on the other hand, to the partnership with Amazon, renewed in 2021 for a further three years, Poste Italiane maintains the objective of satisfying the growing demand of customers throughout Italy through an offer of innovative services for deliveries and returns. In this regard, operators running an e-commerce site are enabled to activate the 'Reverse Paperless' function of Poste Delivery Business, which not only makes the return service easier for the e-shopper without the need to print the shipping label, but is also advantageous for the retailer as it allows them to increase their sales volume. The new box- and label-free return service (boxless) was also released in 2023, which represents a further evolution of the offer and improvement of the eshopper experience. In fact, the person making the return does not have to worry about anything: it is Poste Italiane that takes care of the preparation and printing of the waybill. The Service is currently available to Amazon customers, but will soon be released to all merchants through the Poste Delivery Business offer.

**Fighting  
food waste**  
Poste Italiane  
collaborates  
with the Too  
Good to Go  
app in the  
Vidigulfo  
Logistics  
Centre (Pavia)

In 2023, the Too Good to Go app selected the Vidigulfo Logistics Centre of the Italian Postal Service's courier company, SDA, to manage and prepare its new pantry boxes. In compliance with the most modern environmental standards, the Logistics Centre in Vidigulfo, in the province of Pavia, is the place from where the app's pantry boxes leave to reach the homes of Italians. The pantry boxes are, in fact, purchased on the Too Good to Go app and then sent directly to the Centre's warehouse. Subsequently, the products are taken from the shelves and placed in the pantry boxes, which are delivered to the end consumers via the express courier service 'Poste Delivery Business'.

In the Logistics Centre itself there is a large product processing area, exclusively dedicated to Too Good to Go, which guarantees the safety of food products throughout the supply chain, with an average of around 1,000 pantry boxes handled every day, which are transferred to the new, highly automated hub in Landriano, where they are delivered nationwide in just 24 hours.

#### **The Vidigulfo logistics hub**

As of April 2023, the new Logistics Centre in Vidigulfo (Pavia) will be in operation. With an area of 62,000 square metres and 74,000 pallet spaces, it is the largest of Poste Italiane's warehousing facilities. The site handles the order of an important customer who has entrusted the Group with the entire activity of storage, order picking and distribution of its products for its shops located in Central-Northern Italy.

#### **Too Good to Go**

Founded in Denmark in 2015, today Too Good to Go is the leading anti-waste app in Europe, which in early 2020 also started expansion into the United States. More specifically, Too Good To Go is the innovative service through which it is possible to order unsold food that is still fresh and of high quality from affiliated shops and restaurants, allowing everyone to make a concrete contribution to the fight against food waste.

The Poste Italiane Group's unique assets for the development of Integrated Logistics Projects, managed by the dedicated team, confirm the Group's willingness to increasingly support the fight against food waste.

## Sustainability of production processes

### Padua sorting centre awarded in the Lean World Class

The sorting centre in Padua was awarded as part of Poste Italiane's Lean World Class mail and parcel programme for the development of a lean culture and process optimisation. The scores obtained during the audits enabled the centre, which has made sustainability and production efficiency its strong points, to reach the bronze goal.

The Padua sorting centre has been placed on the highest podium of the Lean certification for having been able to develop the synergy between production efficiency, sustainability and safety in a particularly virtuous way, through a gradual and continuous improvement fuelled also by the direct suggestions of those working on the front line. In particular, the lean path involves process efficiency, as well as a focus on safety and quality, which requires bottom-up involvement, as the operational staff is directly involved in the change and operational activities.

As part of the offerings for consumer customers, in continuity with previous years, the company kept the following shipping services active:

- **Poste Delivery Web**, the service that allows to quickly and easily send online parcels of up to 30 kg in Italy and abroad using the service. The customer, after registering and paying for the shipment via the website or app, can choose to take the shipment to the Post Office or the most convenient PuntoPoste showing the operator the waybill - or the 2D Code in the case of domestic shipments - generated during the purchase, or to book home collection and deliver the package directly to a courier without having to print the waybill. In this regard, from 2021, it is possible to choose instant delivery to send urgent documents and parcels, even in the evening or at weekends, with different delivery options: Instant (within 120 minutes), Today (same day), Tomorrow (next day). In addition, for direct mailings in Italy, the customer can avoid printing the shipping label, saving time and paper. With 'Paperless Collection', simply hand the parcel over to the courier or show the 2D code received by e-mail to the counter staff at the Post Office or the operator at the Punto Poste (network of affiliated tobacconists). They will be responsible for printing the waybill.
- **Poste Deliverybox Express**, the service with a box included through which it is possible to ship at the same time as the purchase, or within one year at no extra cost directly from a Post Office or from one of the tobacconists enabled by the PuntoPoste network. The service provides double delivery attempt, but if the addressee is absent even on the second attempt, they may collect the parcel within 10 days at the Post Office, without paying a penalty. Alternatively, it is possible to extend the delivery service to Europe and the United States using "Poste Deliverybox International Express", available in three formats and equipped with the basic customs declaration to be completed.
- **Poste Delivery Now**, the set of value-added services offered by the Group in collaboration with Milkman that enables e-commerce operators to offer their customers a simple and interactive shopping experience, thanks to the possibility of choosing the exact moment at which to receive the order. The offer is available in two options: the Scheduled Delivery mode allows flexible scheduling of delivery, choosing the day and time slot - even in the evening or on Saturdays - directly on the site where the purchase is made; with the Same Day formula, on the other hand, it is possible to receive the product ordered online on the same day of purchase, within an afternoon or evening time slot. Moreover, the customer, after making payment on the website and selecting the desired delivery type, can follow the shipment in real time through an advanced tracking system and, if necessary, interact with the courier.
- **Poste Delivery Express International**, the service that allows international shipments, available both at post offices and from the Post Office App or on the website, provides urgent shipments up to 30 Kg, two delivery attempts and with

approximate times of two working days for shipments in the EU, 2-3 days in non-EU countries, 3-4 days for the rest of the world, plus the day of shipment and excluding customs time. The service is also available online via the Poste Delivery Web portal or via the Post Office App. After preparing the parcel with the waybill and customs documentation (for non-EU countries only), you can request free home collection of the consignment (only via Poste Delivery Web), or alternatively it can be delivered at authorised post offices. SDA Poste Italiane's 2ruotExpress service allows motorbikes and bicycles to be transported throughout Italy and to Barcelona in Spain, with special metal cages and dedicated packaging for bikes.

**Innovation  
for workers  
in the  
delivery  
circuit**  
Poste Italiane  
renews the  
wardrobe of its  
approximately  
29,000 letter  
carriers and  
provides new-  
generation PDA

During 2023, Poste Italiane renewed the company uniforms of approximately 29,000 employees working as letter carriers. Specifically, the garments are characterised by a new design that combines functionality and aesthetics, recycled fabrics and versatility, capable of protecting against the cold in winter and highly breathable for warmer periods, characterised by the classic colours of Poste Italiane, yellow and blue, to which grey is also added. In detail, the cargo-style trousers with side pockets are made of technical and breathable materials, lined with K-Flex fabric. The long and short-sleeved polo shirts are made from fibres that are highly protective against UV radiation. The new 3-in-1 winter jacket is equipped with a self-supporting jacket that can be adapted to any context, class 2 for high visibility in accordance with Uni En Iso 20471:2017, class 4 for waterproofness and breathability.

In addition, the new uniforms are complemented by other equipment, such as new-generation PDA that allow services such as paying bills or sending registered mail to the home. Through the use of such devices, the delivery of parcels is facilitated not only by the function of the recipient's electronic signature directly on the PDA, but also by the possibility of contacting the recipient of parcels by telephone during delivery, so that the delivery can be managed on time. The PDA also enables efficient value-added operations such as cash-on-delivery, delivery by appointment and home collection of registered mail.

In addition, the new devices are able to handle the payment of major bills and MAVs, cashless, via the PostePay 'Pay with code' functionality and with the new SoftPOS payment type in contactless mode. In addition, it is possible to manage telephone and PostePay top-ups exclusively through electronic payments in a safer and faster way.

### Innovation and digitalisation of processes

Poste Italiane has undertaken a digitalisation journey that has involved both the Group's offering and company processes, transforming the distribution model from an omnichannel perspective, in order to guarantee the provision of services in an agile manner and aligned with customer needs. The implementation of the omnichannel strategy involved all business levels and, through the extension of the physical footprint and the strengthening of digital channels, it was possible to invest in the Group's digital transformation. Through the use of digital platforms that provide new and personalised products and services by exploiting the opportunities deriving from technological innovation, Poste Italiane has opened new communication channels capable of offering its customers a seamless experience in line with their needs.

**~ 2 billion**

will be invested in the Group's  
digital transformation over  
**2021-2024**

## Inauguration of UP Full Digital in Florence



On 8 November 2023, the Florence Post Office was opened as a pilot project of UP Full Digital. In particular, the activities involved the definition of criteria, the analysis and identification of the post office, a communication campaign and the launch of the UP itself in an experimental phase.

The Florence Post Office is the first in Italy where citizens can make use of all Post Office services by booking access through the 'Search office and book' function, available on the poste.it website and on the Poste Italiane, BancoPosta and PostePay apps. In addition, the 'Booking Only' trial was launched, a new access model in post offices that aims to reduce waiting times and improve the efficiency of the service through booking via app or Poste's website.

The objective of ensuring better efficiency in customer management is flanked by that of contributing to digital education, thanks to the figure of a reception operator who, already since August in the Florence office, has been informing and supporting customers on the use of the Apps and the Poste Italiane website and for any specific needs. Furthermore, the focus on the most fragile groups is confirmed, for whom priority service is always guaranteed.

Finally, a further benefit of the 'Booking Only' project will be to significantly reduce the issuance of paper (physical tickets) in line with Poste Italiane's sustainability plan, which aims to reduce to zero the potential environmental impact generated by its activities.



## Digital innovation in the Company Employee training



In the area of Information & Communication Technology, annual training plans were launched to develop, update and strengthen the skills required for the operation, management, development and security of ICT systems. An in-house catalogue of around 4,800 titles is available for this highly specialised context.

Continuing education plans continue as part of the partnerships with Microsoft Corporation on Azure topics (Cloud Computing, Data Analytics and Platforms) and with Amazon Web Services Inc. with the delivery of multiple specialised courses that delve into thematic areas such as: common AWS products, services and solutions, security engineering, advanced architecting, technical essentials.

At a transversal level, with the aim of automating and improving IT business processes, an IT Methodology training plan is in place, aimed at developing skills to support the adoption of Methodologies and Best Practices (e.g. Project Management, Lean Six Sigma, DevOps and Scrum and Design Thinking). Lastly, a specific initiative was launched dedicated to the resources operating in the newly established Data Office structure in the DTO area on Data Science & Analytics topics with the aim of exploring the essential elements of Data Literacy, raising awareness of the potential of introducing solutions that enhance Big Data & Analytics for business process innovation.

In the Customer Operations sector, particularly in the area of Customer Assistance, training initiatives were launched dedicated to specific targets such as Tutor Trainers, Operations Tutors and Financial Services Operators focused on the evolution of the assistance model towards a greater commercial proposition and an integrated and omnichannel customer experience. It is also worth mentioning the launch of a specific training project on Artificial Intelligence and Conversational Design dedicated to resources working in the Customer Service Models structure.

## Poste Italiane consolidates its role as a platform company

### The winning strategy of the Platform Company

The omnichannel strategy has transformed Poste Italiane into a Platform Company, already resilient to the pandemic and the financial upheavals produced by the war in Ukraine, and prepared to manage any new critical issues arising from the current context. In the fourth quarter of 2023, the Company achieved a 9.4% year-on-year increase in operating profit, reaching at 2.62 billion a level more than double that of 2017.

Important initiatives such as the Polis project, SPID, the launch of fibre connection services and the entry into the energy market show how Poste Italiane is a facilitator of the country's technological transformation.

Poste Italiane considers human capital a resource of central importance for innovation. For this reason, in addition to continuing its policy of open innovation and inorganic growth with the acquisition or majority shareholding in some of the most innovative companies and start-ups, it also continues its "reshoring" policy, hiring young resources, emigrated abroad. In this way, the company contributes to the digitalisation and modernisation of the country and combines the virtualisation of services with a constant and qualified presence on the territory.

In this scenario, by stimulating the growth of the productive fabric and favouring the simplification of the Public Administration, Poste Italiane has positioned itself as the Distribution Platform of Choice of the Italian System to support citizens in their daily life needs.

The Distribution Platform of Choice, in order to connect citizens, businesses and the Public Administration and meet their needs, has the task of addressing the emerging needs of the Country System through a Tech Ops Liquid Engine capable of enabling business evolution, articulated in four areas.



With the aim of improving and speeding up services and simplifying internal operations and customer interaction, the company constantly strives to implement lean and innovative processes by automating most of its large-scale operational processes.

In particular, the Customer Operations division, which deals with the processing of service activation files and their billing, was reorganised in 2023. In fact, 60 processes were mapped and digitalised to streamline and speed up back office activities and eliminate paper. The digitalisation of Poste Italiane's processes and the elimination of paper are the key factors for a transformation that can support a new digital economy.

To make a radical transformation possible in addition to strategic partnerships capable of accelerating the digitalisation of the country, the Company believes it is necessary to trigger a cultural change that involves all people in a series of aspects:

- **culture:** it is essential to establish a generative culture in which people are strongly oriented to customers and continuous improvement;
- **collaboration:** adequate collaboration tools allow the creation of internal communities that progress independently and generate value for the entire corporate ecosystem;
- **improvement:** continuous improvement must be part of the DNA of all employees in order to anticipate customer needs;
- **agile:** the adoption of agile methods, not only on the production chain, makes it possible to provide a rapid response to the changes that a highly digital world imposes from the outside;
- **skills:** it is necessary to strengthen internal skills through the inclusion of specialised resources (e.g. architects, software engineers, etc.) in order to internalise skills and create strategic business platforms in-house, through the establishment of specialised IT factories also located throughout the territory.

In addition, from 2019 to 2023, the Poste Italiane Group has been attentive to more than 2,200 national and international start-ups, from scouting on the global market, interaction with supply chain operators such as Venture Capital Funds/accelerators/incubators, and participation in national and international Open Innovation Programmes with which Poste Italiane has signed collaboration agreements. Among the start-ups mentioned above, over 450 were deemed to be of potential interest for the Business Units and around 250 projects were evaluated for potential synergies/collaborations. More than 40 companies have emerged from this rigorous process and have been the subject of active collaboration, some with acquisitions and equity participation such as Scalapay, Sennder, Tink and Milkman.

~ 2 thousand  
start-ups

from the 2019-2023 scouting on  
the world market were analysed  
by the Group

## Renewing with start- ups Poste Italiane acts for innovation



Poste Italiane underlines its commitment to innovation by participating in the seventh edition of the OPEN ITALY programme promoted by the ELIS Consortium. The Company's objective is to continue the path of innovation and digital transformation envisaged in the Strategic Plan, promoting the culture of open innovation and strengthening its leading role in digital evolution and innovation in Italy. In particular, during the OPEN ITALY programme, Poste Italiane collaborated with Clearbox and B4Tech.

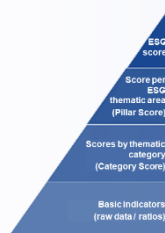
### B4Tech

Innovative start-up of B4 Group recently completed the 'Parcel Mapping' project with Poste Italiane, as part of the OPEN ITALY programme of ELIS Innovation Hub. The initiative represents a significant step in the supply chain world, responding to Poste Italiane's need to trace and map critical issues in the distribution process in detail. Thanks to the implementation of two innovative tracking devices, Smart Label and GPS Box, B4Tech's solution offers real-time position control of the shipment as it passes through the entire distribution chain. These IoT devices transmit signals at regular intervals during transport, providing crucial data to improve operational efficiency. The use of B4Tech's Augmented Analytics platform made it possible to further process and enrich the value of the data coming from these devices, generating a series of valuable insights that improve the traceability and transparency of the distribution process, optimising the management of anomalies in the entire logistics ecosystem.

### Clearbox AI

The partnership between Poste Italiane and Clearbox AI, initiated as part of ELIS Innovation Hub's Open Italy programme, opened the door to innovation through the creation of a sandbox of high-quality synthetic data. Synthetic data are created by AI algorithms on the basis of real data, to enrich and protect them, thus enabling analysis and testing in a secure environment. The adoption of Clearbox AI's generative AI technology has enabled innovative processes to be set in motion, enhancing the company's information assets. Thanks to the 'Synthetic Data Sandbox' project, it was possible to understand and investigate the potential for using synthetic data in Poste Italiane, while guaranteeing data protection and privacy.

## The ESG advisory model A Guided Advisory Platform



Through the creation of an online platform, Poste Italiane offers an advisory model focused on sustainable investments. The Guided Advisory Platform aims to supplement the client's existing information set with information on the ESG Synthesis Profile and the score on each individual ESG pillar.

This model focuses on a specific product catalogue, including financial criteria and ESG preferences of the client, e.g. product and client knowledge, advice and suitability, and disclosure to the client. Each product in the catalogue is associated with an ESG score based on two levels, an overall pillar score and a category score, also providing a representation of ESG characteristics. In the profiling process, the client's level of interest and preferences on the ESG topic is explored, based on which a minimum portfolio score is associated with the individual pillar.

Thanks to the introduction of specific safeguards that verify the minimum portfolio score of each pillar, according to the client preferences gathered from the MiFID Questionnaire, advice is given in relation to financial drivers. The control is in addition to those of the current adequacy model. With reference, however, to disclosure to the customer, the recommendation report is enriched with indications on the consistency of the proposed products with respect to personal ESG preferences and with the changes in terms of the single pillar score, between the pre- and post-recommendation portfolio. Within the information sheet of each product, the Consulting Platform provides information in the ESG field, and in the "product sheet" item, the scores relating to each driver are broken down (E, S, G).

Also in 2023, the optimisation of purchasing processes in a one-click-to-buy logic and the expansion of the range of products and services that can be purchased directly online contributed to strengthening the Group's digital sales channel. In particular, the strengthening of digital channels continued in 2023 with a view to guaranteeing a fluid and omnichannel experience for its customers based on three main drivers of evolution: the introduction of new functionalities on digital channels, the enhancement of the catalogue of offerings on digital channels, and the optimisation of the PosteBusiness infrastructure.

Moreover, Poste Italiane has embarked on a significant digital transformation process, taking into account the main trends of technological change influencing the market in which it operates and focusing on the following elements:

- enhancing the Post Office network, integrating it with B2B2C partner networks, in synergy with the strengthening of digital channels;
- optimisation of digital solutions, favouring the inclusion and development of the digital economy, with the aim of satisfying the different needs of customers of all age groups;
- expanding the addressable market to smart customers with data connectivity needs;
- consolidating the Company's role as a key interlocutor for the Public Administration.

*The Company aims to connect Italian SMEs, Public Administration and citizens also through the strengthening of partnerships in order to provide innovative digital services.*

## Poste Italiane with Microsoft

Posteitaliane

Microsoft and Poste Italiane are Digital Partners to improve business productivity, simplify collaboration, reach recipients, protect and certify data and documents.

Business customers are offered a range of packages that consider various specific needs; the Microsoft Standard package can be supplemented with Poste Delivery Business, the service aimed at companies that send documents or goods to private and business recipients in Italy, with delivery within two working days. The service can also be combined with “Salva e-invia Web”, which offers an integrated system of web-based services provided by Postel to simplify the sending of mail. To meet the need for the digital signature of documents prepared with the Microsoft package, it is possible to proceed with the activation of the option the Remote Digital Signature of Poste Italiane to securely sign electronic documents with legal value. Finally, DataCerta Digitale is Postel's service that allows the certification of the date and time of production of any document, which is legally valid with the certainty of the date guaranteed by the EPCM (Electronic Postal Certification Mark) issued by Poste Italiane.

## Poste Italiane participates in EU-funded projects on digital identity and payments and eXtended Reality solutions



NOBID  
CONSORTIUM



Poste Italiane participates in the **DC4EU** project which aims to create and test a scalable and interoperable system among Member States and Stakeholders for the use of the new European digital identity (EUropean Digital Identity Wallet, EUDIW). To this end, several use cases will be developed and tested, involving both the public and private sectors, in different contexts based on an architecture and framework that will have to be aligned with the ARF 2.0 (Architecture and Reference Framework for European Digital Identity) scheme that is currently being published. Poste Italiane is participating in the project by providing its technical and organisational expertise to contribute to the activities of adopting a digital identity solution, analysing and designing the ecosystem for the wallet that will contain the identities, verifying consistency and alignment with the ARF and all related issues emerging from the work of the EU Commissions.

Poste Italiane is actively involved in the **NOBID** project whose objective is to test one of the main use cases defined by the European Commission in the area of payments, which concerns the authorisation of payments for products and services by the user/wallet owner. To support the payment use case and the broader ambitions of cross-border participation of several member states, the consortium includes national agencies from Norway, Denmark, Italy, Latvia and Iceland, and also tests the payment use case in wallets from Germany. The NOBID project includes public and private parties, attribute/credential and attestation providers, as well as EU citizens and residents who will test the wallet functionalities. Poste Italiane participates in the project by providing its technical and organisational expertise to ensure the 'on-boarding' of users in the Digital Wallet system.

Poste Italiane participates in the **SERMAS** project, which focuses on the implementation and management of new eXtended Reality systems by providing its technical expertise in the development of methodologies, coordinating the implementation activities of case studies, and participating in the testing and validation of the implemented solutions. Two of the three case studies envisaged in the project will be implemented by Poste Italiane to test XR solutions in assistance services. Through tactile and vocal interactions, the Receptionist Agent will welcome visitors at Poste Italiane's premises with the aim of providing information and physical access services to the buildings. Instead, a Post Office Agent with user-friendly communication capabilities will be active in post offices to provide information and offer services to users. In this context, participation in the project is of interest to Poste Italiane to test new models of human-machine interaction.

7.16 SUSTAINABLE FINANCE

MAIN RELATED TYPES OF CAPITAL



Main types of capital	Objectives	Indicator (KPI)	Target	Baseline	Implementation status 2023	Outcome
Financial	<b>Reduce the Group's total portfolio emissions in line with the Paris Climate Agreement targets and contribute to limiting global warming to 1.5°C</b>	• Net tCO <sub>2</sub> e	• Net zero by 2050	2023	New	
	<b>Development of sustainable finance initiatives dedicated to internal stakeholders</b>	• No. of initiatives	• 4 by 2024	2021	5	
	<b>Development of a dedicated offer for people who would have to disinvest part of their invested capital in the event of a serious illness</b>	• Expansion of the offer on the main flagship products of both class I and multi-class	• Expansion of offerings by 2024	2022	4	Launched 4 products including Serious Illness cover
	<b>Implementation of a new insurance check-up to tailor proposed cover to each client on by household, and not just by individual, to identify protection needs more precisely, and thus reduce the level of underinsurance of the Italian population</b>	• No. of insurance check-ups in production	• 1 by 2023	2022		Start of production of the dedicated household insurance check-up
	<b>Creation of a new model of access to and use of insurance products, with a main focus on personal coverage, to increase awareness and diffusion among the Italian population, in two phases:</b> • Rationalisation and simplification of offerings, moving beyond the traditional "coverage" structure towards a "needs" structure • Development of an advisory model that guides the client to the most suitable health facilities for the specific need and generally facilitates the "use" of the policy (i.e. claims management)	• Restyling of Persona line by Poste Vivere Protetti • New advisory and benefit management process	• Restyling of Persona line by Poste Vivere Protetti by 2023 • New advisory and benefit management process by 2023	2022		• Restyling of the Poste Vivere Protetti person line, simplifying the structure of the offer and orienting it towards a needs-based logic • New claims consultancy model launched in October
	<b>Gradual inclusion of an ESG component in Poste Vita investment products</b>	• % of Poste Vita products with ESG elements	• 100% by 2024	2020	79%	
	<b>Integrate into at least one fund open to retail a strategy - also in competition with others - aimed at controlling and containing carbon emissions</b>	• No. of funds	• 1 by 2024	2022	30%	
	<b>Increase ESG indicators against which BancoPosta Fondi SGR's investment portfolios can be monitored</b>	• Define a proprietary synthetic sustainability indicator	• Definition of the indicator by 2024	2022	30%	
	<b>Development of a strategy concept integrating sustainability objectives (pursuant to Art. 9)</b>	• No. of strategies with a sustainability objective	• 1 by 2024	2022	30%	
	<b>Integration of Poste Vivere Protetti's Personal Line offer with coverage dedicated to specific targets e.g. caregivers</b>	• Dedicated coverage for specific targets e.g. caregivers	• Coverage launch by 2024	2023	New	
	<b>Carrying out a feasibility study on the possibility of extending the target group of insurable persons for health coverage to persons normally excluded, through greater sophistication of the health declaration required at the time of underwriting</b>	• Carrying out a feasibility study to expand the target group of people insurable for health coverage	• Implementation of the study by 2024	2023	New	



■ Objective achieved/Objective achieved and updated
 ■ Objective not achieved
 ■ Deadline for achieving the objective that has not yet expired

## Integration of ESG factors into investment policies

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MAIN RELATED TYPES OF CAPITAL



The consideration of ESG factors and the dissemination of sustainable finance principles now represent a consolidated strategic axis for institutional investors, which they are called upon to embrace by weighing the social and environmental impact of their activities.

For several years now, the Poste Italiane Group has adopted a responsible investment approach that accompanies BancoPosta Fondi SGR and Poste Vita in their investment activities. In fact, the Group applies the principles of sustainability in all its areas of operation, including the financial sector, firmly believing that the asset management and insurance sectors, through the integration of ESG factors into investment decision-making processes, can contribute to the generation of long-term sustainable value, helping to protect society, foster innovation and support economic growth.

*Poste Italiane believes that the integration of ESG risks and opportunities in the management of investment portfolios can provide a concrete response to the social and environmental needs expressed by society, positively influencing the entire Country System*

### Supervisory expectations on climate and environmental risks

The Bank of Italy, consistent with similar initiatives by the ECB and other national supervisory authorities, developed in 2022 a set of supervisory expectations on the incorporation of climate and environmental risks into business strategies, governance, control and risk management systems, and market disclosures by supervised intermediaries. The Bank of Italy followed this up with a thematic survey conducted on a sample of non-banking financial intermediaries. In view of the findings, all intermediaries were asked to prepare an 'Action Plan' by 31 March 2023, identifying the actions planned to address the gaps identified and ensure the alignment of business practices with supervisory expectations, specifying the priorities and timeframes required to complete the various initiatives.

In response to the expectations expressed by the Bank of Italy, BancoPosta Fondi SGR has therefore defined its Action Plan on the integration of climate and environmental risks into business processes. The Plan was developed on the basis of the AMC existing situation at the beginning of 2023 and a gap analysis with respect to evidence from the survey conducted by the Bank of Italy. This Plan, approved by the Board of Directors of BancoPosta Fondi SGR and subject to the assessment of the Board of Statutory Auditors, is divided into five main development drivers: governance and organisational structure, corporate strategy, risk management system, reporting model and information flows, and remuneration policy. The Plan has a three-year horizon 2023 - 2025. The individual elements of the Plan, contained in each driver, are indicated through three levels of priority and associated with an indicative time horizon, which will be reviewed periodically to assess the feasibility of the Action Plan, also in accordance with changes in the context and regulations.



The definition of a holistic approach for the integration of sustainability considerations into the Group's investment activities is part of a path started in 2019 through the development of the strategies and the general responsible investment approach adopted by the Group's financial companies, BancoPosta Fondi SGR and Poste Vita. The first step along this path was the signing of the Principles for Responsible Investment (PRI) by both companies. These are six principles, adhered to by an extensive international network of investors, which promote the integration of ESG issues and the dissemination of responsible investment practices within their investments and portfolio companies, proposing a long-term vision in the interests of the signatories, the economy, the environment and society. Adherence to the PRI not only entails the integration of ESG criteria, but also results in a commitment by signatories to regularly report on their progress in implementing the responsible investment approach. This step is therefore consistent not only with the Group's perspective that the inclusion of ESG issues in investment processes is

necessary to pursue long-term sustainable performance and reduce portfolio risk, but also with the principles of transparency and integrity in conduct. After a one-year suspension to allow for a review of its structure, the PRI questionnaire became active again in 2023 and both BancoPosta Fondi SGR and Poste Vita completed it in the planned reporting window.

Among the aforementioned PRI principles, one of them includes the commitment to incorporate ESG issues in shareholder policies and practices; Poste Italiane considers the action of dialogue with the issuers in which Group companies choose to invest, and their involvement in initiatives dedicated to the management of sustainability aspects, a fundamental tool for the dissemination of sustainable development models and the achievement of the sustainability goals that the Group considers a priority. In line with this belief, in 2023, BancoPosta Fondi SGR and Poste Vita renewed their commitment to engagement as a pillar of ESG integration strategies in investment processes, participating in collaborative initiatives and dialogue with the financial sector, institutions and associations category, consistently with the Guidelines that regulate the exercise of voting rights and engagement activities by the two Companies. These Guidelines set out the specific methods and timing for BancoPosta Fondi SGR and Poste Vita to consider engagement actions in the event of investments in companies operating in sectors deemed sensitive to environmental issues - such as climate change - or social issues - such as human rights - or governance issues; at the same time, following a logic of prioritisation of the most significant issuers, the Guidelines also define the level of engagement priority for specific issuers.

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*Poste Italiane believes that collaboration with other stakeholders is essential to foster the achievement of concrete results, in a stewardship logic. Pooling resources with other investors will allow for greater influence on the decision-making and actions of portfolio companies and will bring superior results in the progress towards sustainable development*

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Engagement activities aim to encourage issuers to improve the way they integrate environmental and social dimensions into their business operations and increase levels of transparency in reporting. For these purposes, therefore, engagement activities are monitored and assessed periodically and, if these have not led to tangible improvements over time, BancoPosta Fondi SGR and Poste Vita consider resorting to further actions according to a logic of escalation, as governed by the Guidelines.

## Salone del Risparmio (Savings Exhibition)

The CEO of BancoPosta Fondi SGR, Stefano Giuliani, participated in the Salone del Risparmio 2023, focusing on investors' green choices and the need to fully understand customers' expectations in order to guide them on sustainability issues

Specifically, Poste Vita and BancoPosta Fondi SGR continued to participate in social initiatives such as: Access to Medicine Initiative, committed to raising pharmaceutical industry awareness to expand access to essential health products in low- and middle-income countries, Access to Nutrition Initiative (ATNI), Workforce Disclosure Initiative (WDI). At the same time, collaborations were confirmed with the climate change networks Land Use & Climate, of the international Ceres network, and Climate Action 100+, the investor network that engages major carbon emitters globally to push them to implement concrete actions to reduce harmful emissions. BancoPosta Fondi SGR also adheres to the 'Science Based Target' and 'Non-Disclosure' campaigns promoted by CDP (Carbon Disclosure Project) and in 2023 began the process of joining IIGCC (Institutional Investors Group on Climate Change), finalised in early 2024.

Furthermore, as in past years, dialogue activities on ESG issues were carried out with listed companies as part of the "Engagement" Working Group coordinated by the Forum for Sustainable Finance on the occasion of the Euronext Sustainability Week of the Italian Stock Exchange. In particular, meetings were held with two Italian companies in the utility sector in which topics related to energy transition, such as the alignment of activities to the EU taxonomy and sustainable debt, and related social issues were discussed.

BancoPosta Fondi SGR has been publishing since 2022 an annual reporting on the application of the guideline on the exercise of voting rights and engagement activities, which, among other things, lists the portfolio companies for which voting rights were exercised during the previous year.

On the other hand, with regard to voting activities, BancoPosta Fondi SGR and Poste Vita<sup>161</sup> take into account their own Guidelines aimed at describing the criteria and procedures for exercising voting rights, which also define the assessments carried out by the Companies in exercising their right to vote and in determining the same decisions.

The mainstay of BancoPosta Fondi SGR and Poste Vita's responsible investment approaches is the system of policies and guidelines adopted by the two companies to define the ESG integration strategy in their investment processes, consisting of the Responsible Investment Policy, the Guideline for Investing in Sensitive Sectors and the Guideline on the exercise of voting rights and engagement activities. This system is subject to periodic updates (the last one took place in the last months of 2023) aimed at integrating internal growth elements in terms of sustainability governance, corporate strategy, investment strategy and product strategy. With regard to this last point, the SFDR encouraged new rules and criteria for assessing the sustainability of investments, with the aim of ensuring greater transparency and accountability in financial practices. The revision of the internal rules therefore entailed the need to take specific measures to monitor and assess compliance with these rules with respect to the qualification of the underlying investments in financial products. In addition, Poste Vita and BancoPosta Fondi SGR consider it essential to monitor the external environment, represented by regulations, the market and international standards, in order to intercept new market trends and requests from regulators, investors and standard-setters.

The Responsible Investment Policy is the document that describes and formalises the commitment to the integration of issues related to the individual ESG aspects (environmental, social and governance) into the investment processes on the basis of the reference principles and guidelines, activities, managed portfolios and asset classes, roles and instruments

## Net Insurance

Following the corporate transactions finalised in 2023, the update of Poste Vita's responsible investment policies and guidelines provided for the inclusion of Net Insurance SpA and Net Insurance Life SpA in the scope of application.

<sup>161</sup> During the financial year, Poste Vita did not exercise its voting rights. Direct exposure to equities is residual, with equities in the company's financial statements representing about 0.3% of total assets.

envisaged by the defined strategy, with the aim of making a positive contribution to the sustainability challenges. This strategy is based on taking into account the sustainability risks associated with investing and assessing issuers and financial instruments also according to environmental, social and governance criteria. With this in mind, the investment policies provide for exclusion criteria that limit the investable universe of BancoPosta Fondi SGR and Poste Vita with respect to issuers directly involved in the production of weapons banned by UN Conventions that violate fundamental humanitarian principles.

In addition to the definition of exclusion lists, the Group provides specific sector-specific approaches and guidelines for those activities or business conducts that present a significant inherent ESG risk. To this end, BancoPosta Fondi SGR and Poste Vita's Guideline for Investing in Sensitive Sectors has been adopted and updated, which defines the criteria and processes for identifying, assessing and monitoring exposure to issuers involved in fossil fuels, coal, animal testing and social and environmental controversies. Also in the area of sectoral assessments, Poste Vita recently introduced a watchlist to monitor the exposure of investments in issuers belonging to the tobacco, alcohol and gambling sectors.

BancoPosta Fondi SGR and Poste Vita consider the Principal Adverse Impacts (PAIs) on sustainability factors caused by investment decisions, adopting Regulation (EU) 2019/2088 and the subsequent Delegated Regulation (EU) 2022/1288 as the framework for identifying and measuring these impacts. During 2023, the companies developed and formalised an initial approach for monitoring and managing PAIs, both at the entity and individual investment product level, in accordance with regulatory requirements and existing internal regulations. This activity makes it possible to identify and measure the positive/negative impact on the sustainability challenges, enabling the identification of any negative impact mitigation actions to be implemented. In particular, for example, with reference to the challenges linked to climate change, Poste Italiane measures its possible positive contribution to sustainability challenges by monitoring the performance of PAI indicators through metrics such as 'Carbon footprint' and 'Investments made in companies that do not adopt initiatives to reduce carbon emissions'; with regard, on the other hand, to sustainability challenges linked to the social sphere (e.g. support for human rights), PAIs such as 'Violations of the principles of the UN Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises' and 'Gender Diversity in Council' are tracked. Information on the criteria for monitoring and managing PAIs is available in BancoPosta Fondi SGR's Responsible Investment Policy and Poste Vita's Guideline on PAIs, updated during 2023, as well as in the respective Statements on the Main Negative Effects of Investment Decisions, to which reference should be made for further references and details on the effects of these measurements and the actions implemented.

The correct implementation of the system of policies described above is guaranteed by their dissemination and communication within the organisation, in the belief that everyone's awareness is necessary to fully incorporate ESG considerations into business activities. At the same time, the clear allocation of roles and responsibilities enables the establishment of governance that favours smooth processes and the creation of focal points within companies for the management of ESG integration. In this way, with the support of central coordination, consistency of approaches is ensured with the broader sustainability strategy and objectives of the Poste Italiane Group. In order to strengthen the sharing of ESG integration in the investment area, as well as to bring to attention some general observations on regulatory and market developments, induction sessions were organised in 2023 with the Boards of Directors of Poste Vita and BancoPosta Fondi SGR.

BancoPosta Fondi SGR and Poste Vita promote the integration of ESG criteria within them, including through the adoption of an incentive system that includes, among the main performance drivers, parameters related to the achievement of the Poste Italiane Group's strategic guidelines on ESG issues and, in particular, the specific objectives defined in the area of sustainable finance.

## Principal Adverse Impacts (PAIs)

BancoPosta Fondi SGR and Poste Vita published on 30 June 2023 their first 'Statement on the principal adverse impacts of investment decisions on sustainability factors'. Within this Statement, also known as the PAI Statement, evidence is provided of the performance of the PAI indicators, as identified by Delegated Regulation (EU) 2022/1288, on the companies' overall portfolios for the year 2022, as well as the main actions planned by each company to limit the negative impacts on sustainability challenges related to its investments.

While implementing a monitoring process for each PAI indicator, BancoPosta Fondi SGR and Poste Vita have identified certain impacts as priorities due to their interconnectedness with the principles set out in the Responsible Investment Policy and with the sectors identified in the Guidelines for investing in sensitive sectors. In particular, these are impacts resulting from the exposure of investment portfolios to the fossil fuel sector, to the controversial arms sector or to issuers that do not comply with the principles of the Global Compact or the OECD Guidelines for Multinational Enterprises.

### ESG monitoring

In line with their Responsible Investment Policies, BancoPosta Fondi SGR and Poste Vita make use of a timely and structured process for monitoring the investments in the portfolio, aimed at respecting the strategies applied, containing the risks associated with sustainability issues and evaluating opportunities to carry out engagement initiatives with the issuers in the portfolio. Thus, monitoring activities include the verification of exclusion criteria and exposures to sensitive sectors, the analysis of ESG profiles of portfolios, and the assessment of negative impacts generated on sustainability factors. Through the principles and processes adopted, the two Group companies can therefore monitor both the overall ESG profile of their investments as well as specific sustainability issues of a systemic nature (such as climate change and human rights), using in both cases assessments prepared by specialised and internationally recognised info-providers. To this end, the portfolios of BancoPosta Fondi SGR and Poste Vita are periodically analysed on an ESG level through an external service provider specialised in social and environmental issues to evaluate the degree of social responsibility and the carbon footprint, with the aim of mitigating any emerging risks. The info-provider's evaluations are carried out in accordance with internationally recognised and disseminated standards, guidelines and norms by organisations such as the UN, ILO and OECD.

### Information flows

BancoPosta Fondi SGR and Poste Vita have integrated portfolio analysis tools into their information systems for the integration of ESG data and the continuous monitoring of ESG KPIs, including PAI indicators

## Monitoring the ESG profiles of the investment portfolio

**Postevita**  
Gruppo Assicurativo Postevita

For the Poste Vita Group<sup>162</sup>, the weighted average ESG score for the investment portfolio in 2023 was 54/100 for corporate issuers and 77/100 for country issuers. The results obtained are higher than the ESG performance of the reference benchmarks, iShares MSCI World ETF equal to 43/100 for corporate investments (equity and corporate bonds) and Xtrackers Global Government Bond equal to 65/100 for government investments, confirming the high quality of the Group's investments in terms of sustainability. With respect to the CFET (Carbon Footprint Energy Transition) analysis, the weighted average carbon footprint of its portfolio was 7,342,187 tCO<sub>2</sub>eq, with an Energy Transition score of 57/100 for corporate issuers. The comparison with the iShares MSCI World ETF benchmark is unfavourable in terms of carbon footprint (equal to 6,213,978 tCO<sub>2</sub>eq for the ETF), while the Energy Transition of Poste Vita investments is higher than that of the index (score 47/100). Lastly, the Carbon Footprint of government investments was equal to 356,862,393 tCO<sub>2</sub>eq and the Energy Transition score was 73/100.

**BancoPostaFondi SGR**

With reference to BancoPosta Fondi SGR, the weighted average ESG score of the portfolios relating to the direct and indirect management of the AMC was found to be equal to 54/100 for corporate issuers and 76/100 for country issuers. BancoPosta Fondi SGR also scored higher than the ESG performance of its reference benchmarks, iShares MSCI World ETF at 43/100 for corporate investments (equity + corporate bonds) and Xtrackers Global Government Bond at 65/100 for government investments. This result confirms, once again, the high level of quality of the Group's investments in the area of sustainability. Compared to the CFET analysis, the weighted average carbon footprint of direct and indirect investments in companies of the AMC was equal to 5,077,339 tCO<sub>2</sub>eq, with an Energy Transition score of 57/100 for issuing companies. Both indicators performed better than the iShares MSCI World ETF benchmark (6,213,978 tCO<sub>2</sub>eq, Energy Transition score 47/100). The Carbon Footprint of government investments, however, is equal to 504,143,360 tCO<sub>2</sub>eq and the Energy Transition score is 72/100.

<sup>162</sup> The Poste Vita Group refers to the portfolio under management delegation (separate management schemes and assets) of Poste Vita and Poste Assicura.

### Offering investment products with environmental and social benefit

The focus on sustainability, ESG risk management and reporting on the positive and negative impacts generated through investments is crucial in building portfolios sensitive to environmental and social issues. Today, the investment product catalogue of Group companies is based on the integration of ESG criteria into their strategy; the periodic review and updating of the system of policies and guidelines described above also allows additional strategies to be added to the integration approaches common to all portfolios established by the Group. During 2023, Poste Italiane therefore continued its efforts to expand its proposal of financial products that promote environmental and/or social characteristics, with a view to channelling an ever-increasing amount of capital in favour of sustainable development and meeting the demands of savers and investors interested in the creation of positive social-environmental value through the investment products they subscribe to. The offer of this type of investment solutions is based on the criteria for the classification of financial products as defined by Regulation (EU) 2019/2088 (SFDR Regulation), in particular with reference to so-called Article 8 SFDR products. The extension of this offer stems from both the launch of new products and the review of the investment strategies applied, with the introduction of additional ESG integration strategies, and represents a commitment shared by both BancoPosta Fondi SGR and Poste Vita.

### "Poste Vita Valore Solidità" Separately Managed Account

In 2023, Poste Vita launched a new Separately Managed Account, which was designed to be classified under Article 8 SFDR as a product that promotes environmental and/or social characteristics

### Thematic Funds

Between 2021 and 2022, BancoPosta Fondi SGR offered thematic products focused on the environment for placement, with the launch of BancoPosta Focus Ambiente 2027, which was followed by BancoPosta Focus Ambiente March 2028. The funds, managed under delegation by Anima SGR, invest primarily in third-party funds classified as products that promote environmental and/or social characteristics or that pursue a sustainability objective (within the meaning of the SFDR regulation), in particular focusing on sectors and economic segments related to environmental protection such as, for example, the circular economy, water management, blue economy, renewable energy and climate transition.

In relation to the insurance sector, Poste Vita's portfolio includes investments in alternative asset classes characterised by a specific green component: for example, the Real Estate Diamond Eurozone Office (DEO) fund, which has obtained a high rating in terms of sustainability by the GRESB and which won the title of Green Fund, and the Diamond Core real estate investment fund whose underlying assets are WELL/LEED Gold certified properties and which received the first green financing in the Italian real estate sector.

### ESG funds of funds

As part of the ESG integration implemented by products consisting of fund of funds, BancoPosta Fondi SGR operates as an asset manager through flexible solutions based on the adoption of a specific proprietary model to support investment decisions. This product category includes the funds of BancoPosta Fondi SGR's Universo family. In 2023, BancoPosta Universo 40 and BancoPosta Universo 60 were joined by a third fund, Universo Tematico, which focuses its investments on three megatrends (planet, innovation, population) that are believed to be among the main drivers of future changes. In turn, Poste Vita offers insurance investment products containing investment options that promote environmental and/or social characteristics under Article 8 SFDR (managed under delegation by the Group's SGR) represented by the Company's internal funds: Poste Vita Valore Sostenibilità Dinamico, Poste Vita Valore Sostenibilità Equilibrato, Poste Vita Valore Sostenibilità Sviluppo and Poste Vita Obiettivo Sostenibilità.

In all cases, the selection of funds in which to invest is based on the consideration of ESG criteria that allow for the preference of the most virtuous fund houses from the point of view of the responsible investment approach adopted and the relevant funds with investment policies aimed at selecting issuers with positive ESG profiles. The evaluation of the fund house is, in fact, a selection criterion that ensures the consistency of its commitment with that of the SGR. To this end, a proprietary ESG rating methodology has been developed by BancoPosta Fondi SGR that assigns an internal rating to investable UCITS based on an assessment of the degree of commitment and application of responsible investment strategies.

### Best-in-class Funds

This category includes those investment products of BancoPosta Fondi SGR, managed under delegation by third parties, for which a strategy is adopted aimed at selecting only issuers that respect certain acceptability thresholds, defined according to an ESG rating scale that can be developed by the delegated manager or by the reference info-provider chosen by the latter.

The offer of this type of fund includes, as of 2021, the BancoPosta Selezione Attiva and BancoPosta Azionario Euro products, managed under delegation by Amundi, an operator with a strong vocation for responsible investment. They were joined in 2022 by the BancoPosta Azionario Internazionale, BancoPosta Orizzonte Reddito and BancoPosta Azionario Flessibile funds; these products select issuers with the aim of minimising exposure to certain business sectors (e.g. tobacco, coal) and maintaining an ESG rating level per individual issuer or average portfolio above a predetermined minimum threshold.

The transition of the three BancoPosta funds Mix 1, Mix 2 and Mix 3 from Article 6 to Article 8 SFDR was completed in the course of 2023. The AMC changed its investment policies, redefining its investment objective and management style in order to orient investments towards assets that meet certain ESG requirements. In particular, a strategy combining negative selection criteria, such as the exclusion of issuers operating in the coal, defence, tobacco and gambling sectors, with the implementation of a best-in-class strategy based on the ESG scores of the individual issuers in the portfolio, was also adopted here.

During the reporting year, Poste Vita also launched a product, Poste Prospettiva Valore Gold, whose underlying investment options, consisting of a new Separate Account and a specific portfolio of securities (so-called Specific Provision of Assets), are both classified under Article 8 SFDR on the basis of the implementation of a positive selection strategy dependent on the portfolio's ESG rating.

The Poste Investo Sostenibile product of BancoPosta Fondi SGR deserves separate consideration; this fund differs from the Best-in-Class product range in that it makes, with regard to a portion of its assets under management, sustainable investments, i.e. investments that contribute to at least one environmental or social objective without significantly damaging any other sustainability objective.

## Integration of ESG factors into insurance policies

The increasing scale of environmental and social issues and the macro-trends that have emerged in recent years have led to an urgent need to ensure adequate coverage of environmental, social and governance risks as well, drawing the attention of the insurance industry and the essential role it plays in this area. In fact, through correct and effective implementation of risk management processes also by sector operators, the insurance industry can contribute to the mitigation of risks for the community and the sustainable development of society. In light of these considerations, the path of ESG integration in the financial business was also initiated with reference to insurance activities and Poste Vita, on the basis of this awareness, decided to define a robust approach formalised within its "Responsible Insurance Policy". This Policy describes the principles, objectives and processes underlying the Company's approach to managing risks and opportunities related to ESG factors within traditional insurance processes.

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MAIN RELATED TYPES OF CAPITAL



### Emilia-Romagna Emergency

The Poste Vita Group has activated a plan of initiatives to help and support its policyholders living in the flooded areas of Emilia-Romagna and in some municipalities of Marche and Tuscany

*The early adoption of an ESG integration approach in the financial business has enabled Poste Vita to anticipate developments in the relevant market scenarios by introducing innovative insurance products with social and environmental impacts*

Since 2019, the Poste Vita Group has been a signatory to the Principles for Sustainable Insurance (PSI) promoted by the United Nations, affirming its formal commitment to the inclusion of sustainability criteria relevant to the insurance sector in its decision-making processes. This commitment is also highlighted through collaboration paths with customers and partners aimed at raising awareness in this area and the promotion of synergies with bodies and institutions with the aim of favouring widespread and cohesive action on ESG issues.

### Brand Finance Global 500

In 2024, Poste Italiane ranks 231st in the ranking of the 500 brands with the highest financial value worldwide

One area that has engaged Poste Vita and Poste Assicura companies, and which will continue to be developed with a view to ongoing evolution, concerned the integration of further considerations in relation to sustainability risks into the risk management framework and the Actuarial Function. The aim is to ensure alignment with national and EU regulatory requirements and market best practices, with a particular focus on climate change risks.

## Insurance products with social and environmental benefit

The Poste Vita Insurance Group, consistent with its corporate objectives, defines and markets its products pursuing the objectives of enhancing the social role of insurance protection and inclusiveness facilitating economic affordability. For this reason, the Group develops insurance solutions that, on the one hand, encourage the adoption of sustainable and responsible behaviour by its policyholders and, on the other, are functional to the mitigation of ESG risks. During the development phase of its offering, the Group is committed to including more vulnerable social groups that need greater attention, such as younger and older people. Specifically, in the area of individual pension plans, Poste Vita offers special



complementary forms, accessible also to the younger generations, who find themselves having to fill a substantial pension gap, reducing the difference between the expected basic compulsory pension and what is needed to guarantee a decent standard of living.

Moreover, in so-called risk coverages, such as term life or health policies, which play a crucial social role, the Group seeks to broaden the pool of potential policyholders as much as possible by adopting inclusive underwriting criteria. With reference to Poste Assicura, as part of its important social responsibility to bridge the insurance gap, the company pursues the objective of providing coverage for homogeneous groups of companies and their employees.

Starting in 2021, the Group has put in place a process to evolve the services and functionalities available to customers on the main digital channels (Insurance Reserved Area and BancoPosta App) with respect to life and protection policies. It is thanks to this update that policyholders have the possibility of viewing, in their Private Insurance Area, the summary of the characteristics of the insurance product they have subscribed to and of activating additional services, such as, for life policies, the possibility of requesting partial or total redemption before maturity or requesting the settlement of a policy close to maturity, while for protection policies the possibility of managing their claims from the opening of the claim to settlement. In the same year, as part of the evolution of Poste Italiane's advisory model, an experimental phase was launched, as part of the distribution strategy for insurance investment products (Multi-class and Class I policies), of remote offerings through the dispatch by the BancoPosta distributor, in the reserved area of customers, of personalised advice tailored to their profile. In this way, customers have the possibility of finalising the remote consultations they receive online via Advanced Electronic Signature (Firma Elettronica Avanzata, FEA). This new mode of offering, which was included in most of the products in the catalogue in 2022, alongside the offering at Post Offices, confirms the multi-channel approach followed by the Group to improve the customer experience.

In line with the strategic objectives, during 2023, the Poste Vita Group continued the process of expanding the range of insurance investment products (IBIPs products) through the development of solutions that allow access to the opportunities offered by the financial markets, also seizing the return opportunities that arise from investments in securities characterised by positive ESG profiles. This marked a strong evolution of the process started in May 2022 with the placement of Poste Vita's first product classified as promoting ESG characteristics under the SFDR, namely 'Poste Progetto Valore 360'. In the second half of 2023, the company made five IBIPs products available to customers that promote environmental and/or social characteristics: these are the new products Progetto Integrazione Programmata, Poste Progetto Bonus 4in4 and Poste Prospettiva Valore Gold, and the existing and reclassified products Progetto Dinamico New and Soluzione Valore New. The rules for qualifying investment options under Article 8 SFDR were updated by Poste Vita during the year in order to homogenise the strategies applied across different products. Further developments in this direction are planned for 2024 with the launch of new products with environmental and social benefits.

In particular, in 2023, Poste Vita decided to extend the horizon of products with ESG characteristics to class I portfolios for the first time. In fact, the company's new segregated management scheme, Poste Vita Valore Solidità, has been classified under Article 8 SFDR.

## Poste Prospettiva Valore Gold

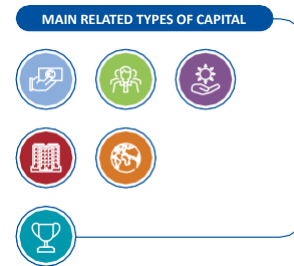
"Poste Prospettiva Valore Gold" is a class I insurance solution with specific assets, the benefits of which are linked to a Specific Asset Pool for the first 5 years of the product's duration and to the Posta Vita Valore Solidità segregated fund for the following 5 years. Both product components apply ESG integration criteria based on achieving a weighted average portfolio ESG rating of at least 50/100, both for the component invested in corporate issuers and for the component invested in government issuers. In addition, issuers that are found to have significant involvement in coal mining or unconventional oil & gas activities and, at the same time, achieve an ESG score of less than 30/100 are to be excluded. These thresholds derive from the evaluation methodology adopted by the data provider, according to which a score of at least 50/100 represents a 'robust' level of performance by the rated issuer, while below 30/100 represents a 'weak' level of performance. The investment strategy of the Specific Asset Allocation and the Separate Account requires that at least 65% of the assets are invested in such a way as to meet the ESG criteria described above.

In addition to the sustainability considerations of the investment options in the product range, and thus to satisfying the needs of customers oriented towards more sustainable investment choices, the Poste Vita Group is committed to offering customers all-round advice, which responds in an integrated manner to their investment needs and life and non-life protection needs. For example, subscribing to Poste Progetto Valore 360 allows, among others, the possibility of accessing in a single simplified process also 'Poste Vivere Protetti', one of the insurance offers offered by Poste Assicura in the area of protection most widely recognised by customers, which aims to provide an integrated and modular solution of protection, assistance and services in the areas of the person, property and assets.

## 7.17 INDICATORS TABLES

**NFS**

The following tables show the indicators required by the Global Reporting Initiative standards, together with other indicators that Poste Italiane believes important in order to illustrate its performance. The indicators are presented on the basis of the 8 Pillars of the Group's Strategy.



### [GRI 2-6] Capillarity of the organisation<sup>(\*)</sup>

	2021		2022		2023	
	Category	Personnel	Category	Personnel	Category	Personnel
Operating Area Managers	6	19	6	22	6	21
Branch offices	66	825	67	821	67	828
<b>Total</b>	<b>72</b>	<b>844</b>	<b>73</b>	<b>843</b>	<b>73</b>	<b>849</b>

<sup>(\*)</sup> The figures refer to the Group company, SDA SpA.

### [GRI 2-6] Capillarity of the organisation<sup>(\*)</sup>

	2021		2022		2023	
	Category	Personnel	Category	Personnel	Category	Personnel
Local Operating Centres	9	485	9	467	9	411

<sup>(\*)</sup> The figures refer to the Group company Postel SpA.



## Integrity and transparency

**[GRI 205-1] Companies assessed for risks related to corruption<sup>(\*)</sup> and percentage<sup>(\*\*)</sup> of operations audited for risks related to corruption**

<b>Analysis by corruption risk and impact of audit activities</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total number of Group companies assessed for risks related to corruption	16	18	21
Total number of Group companies	24	33	32
Percentage of Group companies assessed for risks related to corruption	66	55	66
Percentage of operations audited for risk of corruption <sup>(***)</sup>			
High coverage	86	64	82
Medium coverage	14	32	18
Low coverage	0	4	0

<sup>(\*)</sup> Assessment of Group companies for risks related to corruption was conducted as part of the survey carried out in drawing up the Organisational, Management and Control Model required by Legislative Decree 231/2001.

<sup>(\*\*)</sup> Coverage represents the overall percentage of operations audited.

<sup>(\*\*\*)</sup> The figures refer to Poste Italiane SpA.

**Reports handled by the whistleblowing committee [GRI 205-3] Established incidents of corruption and actions taken**

<b>Reports</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Reports handled	617	790	1,280
of which confirmed	28 <sup>(*)</sup>	37 <sup>(**)</sup>	83 <sup>(***)</sup>
of which being evaluated	28	57	188
Total reports handled in the area of corruption	0	0	0
of which confirmed	0	0	0
of which being evaluated	0	0	0

<sup>(\*)</sup> The decision-making measures with regard to confirmed reports are referred to the competent corporate functions or bodies, from time to time on the basis of the organisational responsibilities assigned. The functions involved in decision-making are different from the functions that are part of the Whistleblowing Committee (CW). For cases involving senior personnel, the CW shall report this to the competent corporate/social bodies, ensuring that they are informed and kept up-to-date on the developments of the initiatives implemented. If the Whistleblower is jointly responsible for the violations he/she has reported, the reporting system of Poste Italiane and of the Group Companies provides for a privileged treatment for the latter with respect to the other jointly responsible persons, in accordance with the applicable rules.

<sup>(\*\*)</sup> Of 37 reports found to be confirmed, 30 relate to Poste Italiane SpA Of these 30 reports:

- 1 was found to be critical, due to compliance risks;
- 11 were of a material level, due to: negligent behaviour by persons with organisational responsibilities, control systems with evident malfunctions attributable to specific significant risks, significant administrative, managerial or operational impacts;
- 18 were of insignificant level, due to non-critical or insignificant reports.

On the subject of critical level reporting:

- A number of critical issues and violations were reported concerning: working hours, recognition of overtime, workplace safety, training for the safe driving of company vehicles, confusion and disorganisation, irregularities in the tracking of priority mail, delivery of Personal Protective Equipment (PPE), piles of waste of all kinds abandoned in the yard, and others. A potential impact was found under Legislative Decree 231/01 concerning the malfunctioning of mopeds, the delivery and use of PPE and the presence of waste for disposal. The management defined specific action plans on the anomalies detected.

Concerning relevant level alerts:

- Reports of negligent behaviour on the part of persons with organisational responsibilities (post officers wore non-compliant accident shoes) were handled through follow-up audits, which did not reveal any critical situations in the working environment of the CD. The corrective actions taken consisted of equipping all CD post officers with the correct footwear.
- The report due to intimidating behaviour (the manager allegedly took intimidating attitudes in particular towards CTD staff who approached the union in question regarding contractual demands) was handled through follow-up audits that did not reveal any critical situations in the CD's working environment. The corrective actions included management interventions carried out following the report, which helped to improve the internal climate.

Regarding non-significant level alerts:

- The report of anti-union behaviour (the manager of a delivery centre engaged in anti-union behaviour towards a trade union organisation active at the centre) was handled through follow-up audits that did not reveal any critical situations in the working environment of the CD. The corrective actions included management interventions carried out following the report, which helped to improve the internal climate.
- The reports due to control systems with evident malfunctions attributable to specific significant risks (several anomalies were found that endangered the health of workers and the regular performance of work activities, including the malfunctioning of the ventilation system and the open red fire-fighting box with no protective glass) were handled through follow up checks that did not reveal any further critical situations in the work environment. The corrective actions included the resolution of the reported anomalies.

(\*\*\*) Of 83 reports found to be confirmed, 45 relate to Poste Italiane SpA. Of these 45 reports:

- 2 serious reports of violations of the Code of Ethics, one relating to harassment in the workplace and one relating to fraud by an employee; for these critical issues, management took appropriate disciplinary action;
- 4 critical level reports referred to a fraud by third parties in the franking of postal products, cash shortages, violations of UP security provisions and irregularities in the observance of working hours; for these critical issues the competent functions were informed for legal and disciplinary assessments;
- 24 material level reports attributable to negligent conduct on the part of persons with organisational and executive responsibilities, significant administrative, managerial or operational impacts;
- 12 insignificant reports;
- 3 reports were found to be of negligible level.

With regard to the follow-up checks, carried out to verify the absence of discriminatory actions or other forms of retaliation against whistleblowers, it was found that:

- for the harassment case the working conditions of the resource did not deteriorate and the centre is constantly monitored for the presence of resources with relational problems;
- for cases relating to incorrect operation in PO, the offices concerned are constantly monitored by the Branch and relations between the operators are strictly professional, with no further problems detected.

**Cases of bribery and corruption and corrective actions**

<b>Number of cases of bribery and corruption and corrective actions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Cases of corruption and bribery	0	0	0

**Specific training on procedures and policies of anti-corruption**

<b>Anti-corruption training</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total workforce	92,661	100,829	85,279
Of which:			
Executives	455	478	278
Middle managers	13,899	14,393	10,598
Operational staff	78,307	85,958	74,403

**Existing tenders which incorporate specific environmental criteria<sup>(\*)</sup>**

<b>Tender procedures with environmental criteria</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(**)</sup></b>
Percentage of suppliers selected on the basis of environmental criteria (%)	83.4	84.8	90.5

(\*) The assessment regards tender processes for amounts above the EU thresholds and is functional to identify tenders that include specific qualification environmental criteria in the subject, in the technical specifications or in the assessment criteria (e.g. ISO 14001, ISO 50001, low environmental impact vehicles, Minimum Environmental Criteria, use of recyclable materials in supplies, FSC certification, etc.), as well as in contractual clauses.

(\*\*) For 2023, reference is made to tenders launched included in the current thresholds for special sectors, conventionally extended to non-code tenders, referring to Competitive Tenders/Competitions carried out by Poste for its own needs and in service for the Group Companies included in the centralised purchasing framework or Competitive Tenders/Competitions carried out directly and independently by the Group Companies themselves (subject to the economic thresholds): PostePay, Postel, PosteVita (Poste Assicura), BancoPosta Fondi, Egi, Poste Air Cargo, SDA, Nexive Network, PosteWelfare Servizi. The stabilisation of the sustainability compliance in procurement procedures ensured the continuation of the positive trend of the indicator, which recorded an increase in environmental performance of 5.7 percentage points compared to the 2022 figure. The index, if not including tenders without a technical offer because they were awarded at the lowest price, certifies that almost all tenders launched require environmental criteria (> 99%).

**Existing tenders which incorporate specific social criteria<sup>(\*)</sup>**

<b>Tender procedures with social criteria</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(**)</sup></b>
Percentage of suppliers selected on the basis of social criteria	84.5	88.3	87.9

(\*) The analysis pertains to tender procedures for amounts exceeding EU thresholds and is functional in identifying tenders that present specific social qualification criteria in the subject, in the technical specifications or in the evaluation criteria (e.g. SA8000, ISO 45001, measures to combat Covid-19, measures concerning health, social security and employee well-being, diversity and inclusion, FSC certification, etc.), as well as in the contractual clauses.

(\*\*) For 2023, reference is made to tenders launched included in the current thresholds for special sectors, conventionally extended to non-code tenders, referring to Competitive Tenders/Competitions carried out by Poste for its own needs and in service for the Group Companies included in the centralised purchasing framework or Competitive Tenders/Competitions carried out directly and independently by the Group Companies themselves (subject to the economic thresholds): PostePay, Postel, PosteVita (Poste Assicura), BancoPosta Fondi, Egi, Poste Air Cargo, SDA,

Nexive Network, PosteWelfare Servizi. The stabilisation of sustainability monitoring in purchasing procedures has guaranteed a relatively constant trend of the indicator, which records a slight decrease in social performance equal to - 0.4 percentage points compared to the 2022 figure. The index, if not including tenders without a technical offer because they were awarded at the lowest price, certifies that almost all tenders launched require social criteria (> 98%).

#### Existing tenders that incorporate specific governance criteria<sup>(\*)</sup>

Tender procedures with governance criteria	2021	2022	2023 <sup>(**)</sup>
Percentage of suppliers selected on the basis of governance criteria	33.1	52.3	78.9

<sup>(\*)</sup> The analysis relates to tendering procedures above the EU thresholds and is functional to identify tenders with specific governance criteria in the qualification, evaluation criteria (e.g. ISO 37001, Legality Rating, Code of Ethics/Conduct, Policy, etc.) as well as in the contractual clauses.

<sup>(\*\*)</sup> For 2023, reference is made to tenders launched included in the current thresholds for special sectors, conventionally extended to non-code tenders, referring to Competitive Tenders/Competitions carried out by Poste for its own needs and in service for the Group Companies included in the centralised purchasing framework or Competitive Tenders/Competitions carried out directly and independently by the Group Companies themselves (subject to the economic thresholds): PostePay, Postel, PosteVita (Poste Assicura), BancoPosta Fondi, Egi, Poste Air Cargo, SDA, Nexive Network, PosteWelfare Servizi. The stabilisation of the sustainability compliance in procurement procedures ensured the continuation of the positive trend of the indicator, which recorded a significant increase in governance performance of 26.6 percentage points compared to the 2022 figure. The index, if not including tenders without a technical offer because they were awarded at the lowest price, certifies that almost all tenders launched require governance criteria (> 98%).

#### [GRI 301-1] Materials used by weight or volume

Type of material/raw material (kg)	2021	2022 <sup>(*)</sup>	2023
<b>Renewables</b>	<b>34,675,462</b>	<b>35,710,037</b>	<b>32,630,107</b>
Paper	18,775,259	19,333,096	15,358,637
Cardboard	6,115,574	7,026,213	8,921,461
Wood	9,784,629	9,350,728	8,350,009
<b>Non-Renewables</b>	<b>3,538,701</b>	<b>3,208,353</b>	<b>3,573,122</b>
Plastic	2,655,118	1,986,962	2,042,802
Ink/toner	80,003	71,084	51,260
Glues	6,552	8,485	10,262
Other <sup>(**)</sup>	797,028	1,141,822	1,468,798
<b>Total</b>	<b>38,214,163</b>	<b>38,918,390</b>	<b>36,203,228</b>

<sup>(\*)</sup> The values relating to "Paper", "Cardboard" and "Wood" referring to 2022 have been updated following a refinement of the reporting system.

<sup>(\*\*)</sup> 'Other' includes materials belonging to the categories: Labels/Adhesives, Sacks, Seals, Twine, consistent with the process of updating the material clusters allocated to the reporting categories in the previous reporting year.

#### [GRI 301-2] Materials used that originate from recycling

Type of material/raw material from recycling (kg)	2021	2022 <sup>(*)</sup>	2023
Paper	4,003,532.9	4,248,312.6	3,576,722.2

Cardboard	1,890,347.4	5,799,657	7,150,534.6
Wood	9,784,527.7	1,709,561.5	735,710
Plastic	205,653.4	109,955	366,492.1
Ink/toner	17,795.7	23,451.3	20,642
<b>Total materials used</b>	<b>38,214,163</b>	<b>38,918,390</b>	<b>36,203,228.32</b>
of which: from recycling	15,901,857.2	11,890,937.3	11,850,101
<b>Percentage of materials used from recycling</b>	<b>41.61%</b>	<b>30.55%</b>	<b>32.73%</b>

(\*) The values relating to "Paper", "Cardboard" and "Wood" referring to 2022 have been updated following a refinement of the reporting system.

#### Anti-competitive practices

<b>Total sanctions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Sanctions for anti-competitive practices/antitrust infringements (€)	11,000,000	0	0
Number of sanctions for anti-competitive practices/antitrust infringements	1	0	0

#### Suppliers with an ISO 14001 or EMAS certified environmental management system

<b>Percentage of suppliers</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Percentage of qualified suppliers with an ISO 14001 or EMAS certified environmental management system (%)	83.4	84.8	90.5

#### [GRI 207-4] Reporting of information of a fiscal nature(\*)

Fiscal data (€m)	2021			2022			2023				
	Italy	Hong Kong	China	Italy	Hong Kong	China	United Kingdom	Italy(**)	Hong Kong(***)	China(****)	United Kingdom(*****)
Revenue from sales to third parties	31,633	77	0	31,761	115	0	2	19,990	145	0	5
Revenue from intra-group transactions with other tax jurisdictions	63	0	1	95	0	3	2	117	0	2	11
Profits/losses before tax	2,164	4	0	2,319	8	1	0	2,717	9	0	1
Tangible assets other than cash and cash equivalents	2,454	0	0	2,592	0	0	0	2,746	0	0	0
Income taxes paid on the	380	0	0	471.1	0	0	0	485	2.86	0	0.22



basis of cash											
accounting											
principle											
(*****)											
Corporate											
income taxes	587	1	0	817	1	0	0	792	2	0	0
accrued on											
profits/losses											
Revenues	32,065	77	1	32,024	116	3	4	20,288	145	2	15

(<sup>1</sup>) Figures refer to the only four jurisdictions in which the Poste Italiane Group operates (Italy, Hong Kong, China and the UK).

(<sup>2</sup>) The figures refer to the following entities: Poste Italiane SpA, Poste Vita SpA, BancoPosta Fondi SGR SpA, Europa Gestioni Immobiliari SpA, Consorzio Logistica Pacchi SCPA, SDA Express Courier SpA, Postel SpA, Postepay SpA, ConsorzioServizi ScpA, Poste Air Cargo Srl, Poste Assicura SpA, PatentiVia Poste ScpA, Consorzio Poste Motori, Poste Welfare Servizi Srl, Poste Insurance Broker Srl, MLK Deliveries SpA, sender Italia Srl, Nexive Network Srl, Nexive Scarl, Net Holding SpA, Net Insurance SpA, Net Insurance Life SpA, LIS Holding, LIS Pay, Agile Lab Srl, Plurima SpA, Bridge Technologies Srl, Logos Srl, Sourcesense SpA, Sourcesense Digital Srl, Sourcesense Technology Srl, Sourcesense Platforms Srl.

Significant differences with respect to 2022, especially with regard to revenue, are due to the application of the accounting standard IFRS 17 in 2023. Below are the 2022 figures reclassified according to IFRS 17: Revenue from sales to third parties: 13,800; Pre-tax profit: 2,424; Corporate income taxes accrued on profits/losses: 849; Revenues: 14,063.

(<sup>3</sup>) The figures refer to Sengi Express Limited (logistics services).

(<sup>4</sup>) The figures refer to Sengi Express Guangzhou Limited (logistics services).

(<sup>5</sup>) The figures refer to Sourcesense Ltd. (IT sector)

(<sup>6</sup>) With reference to the Italian jurisdiction, two macro phenomena appear to have occurred in 2023, such as a credit of approximately €7 million deriving from the presentation of the Supplementary Declaration for the 2017 tax year, as well as the tax effect deriving from the allocation to the risk provision for the liability underlying the issue of tax credits prudentially considered non-deductible and subject to further assessments, the final effect on the tax rate appears to be substantially offset.



## People development

## [GRI 2-7] Personnel by contract type, gender and business line (\*)

Type of contract	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Contract Stable</b> (**)	<b>49,714</b>	<b>60,197</b>	<b>109,911</b>	<b>52,022</b>	<b>61,393</b>	<b>113,415</b>	<b>50,472</b>	<b>59,789</b>	<b>110,261</b>
Of which:									
Mail, Parcels and Distribution	49,112	59,557	<b>108,668</b>	51,250	60,664	<b>111,914</b>	49,600	58,937	<b>108,537</b>
Financial Services	249	217	<b>466</b>	252	229	<b>481</b>	260	249	<b>509</b>
Insurance Services	214	269	<b>483</b>	220	239	<b>459</b>	293	329	<b>622</b>
Payments and Mobile	140	154	<b>294</b>	300	261	<b>561</b>	319	275	<b>594</b>
<b>Contract Flexible</b> (***)	<b>5,700</b>	<b>3,358</b>	<b>9,058</b>	<b>4,742</b>	<b>2,876</b>	<b>7,618</b>	<b>6,013</b>	<b>3,881</b>	<b>9,894</b>
Of which:									
Mail, Parcels & Distribution	5,697	3,353	<b>9,050</b>	4,738	2,863	<b>7,602</b>	6,006	3,871	<b>9,877</b>
Financial Services	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
Insurance Services	3	4	<b>7</b>	0	1	<b>1</b>	2	6	<b>8</b>
Payments and Mobile	0	1	<b>1</b>	4	12	<b>16</b>	5	4	<b>9</b>
<b>Total</b>	<b>55,414</b>	<b>63,555</b>	<b>118,969</b>	<b>56,765</b>	<b>64,269</b>	<b>121,033</b>	<b>56,485</b>	<b>63,670</b>	<b>120,155</b>

(\*) The figures are shown in Full Time Equivalent (FTE) terms.

(\*\*) Includes permanent personnel and apprenticeships.

(\*\*\*) Includes fixed-term and agency personnel.

## [GRI 2-7] Personnel by contract type, gender and business line (\*)

Type of employment	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Full-time</b>	<b>53,763</b>	<b>59,321</b>	<b>113,084</b>	<b>54,817</b>	<b>60,142</b>	<b>114,959</b>	<b>54,047</b>	<b>59,298</b>	<b>113,345</b>
Of which:									
Mail, Parcels & Distribution	53,159	58,695	<b>111,854</b>	54,043	59,425	<b>113,468</b>	53,171	58,463	<b>111,634</b>
Financial Services	248	209	<b>457</b>	251	222	<b>473</b>	259	241	<b>500</b>
Insurance Services	217	265	<b>482</b>	220	230	<b>450</b>	294	323	<b>617</b>
Payments and Mobile	139	152	<b>291</b>	303	265	<b>568</b>	323	271	<b>594</b>
<b>Part-time</b>	<b>2,963</b>	<b>6,900</b>	<b>9,863</b>	<b>3,419</b>	<b>6,561</b>	<b>9,980</b>	<b>4,412</b>	<b>7,062</b>	<b>11,474</b>

Of which:									
Mail, Parcels and Distribution	2,961	6,875	<b>9,836</b>	3,416	6,529	<b>9,945</b>	4,408	7,027	<b>11,435</b>
Financial Services	1	11	<b>12</b>	2	9	<b>11</b>	1	10	<b>11</b>
Insurance Services	0	10	<b>10</b>	0	13	<b>13</b>	1	15	<b>16</b>
Payments and Mobile	1	4	<b>5</b>	1	10	<b>11</b>	2	10	<b>12</b>
<b>Total</b>	<b>56,726</b>	<b>66,221</b>	<b>122,947</b>	<b>58,236</b>	<b>66,703</b>	<b>124,939</b>	<b>58,459</b>	<b>66,360</b>	<b>124,819</b>

(\*) Figures expressed as Headcount.

#### Employees (Foreign)

Distribution by Country	2021	2022	2023
Of which:			
China	24	32	36
Hong Kong	0	0	0
United Kingdom	0	2	6
<b>Total</b>	<b>24</b>	<b>34</b>	<b>42</b>

#### [GRI 2-8] Non-employees

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Total number of trainees by age group and gender</b>									
Total number of worked hours(*)	92	55	<b>147</b>	90	67	<b>157</b>	75	72	<b>147</b>
Of which:									
< 30 years old	92	55	<b>147</b>	90	67	<b>157</b>	75	72	<b>147</b>
30 – 50 years old	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
> 50 years old	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>

(\*) Figures expressed as Headcount. For each year, the number of “active” internships in that year was reported.

**Distribution of employees by educational qualification<sup>(\*)</sup>**

Type of education	2021	2022	2023
University degree (%)	19.1	21.5	23.1
High School Diploma (%)	67.9	66.8	66.3
Middle School certificate (%)	12.9	11.6	10.6
Elementary School certificate (%)	0.1	0.1	0
<b>Total (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>(\*)</sup> The percentages have been calculated for permanent personnel in Headcount.

**Number of participants in development programmes**

Development programme	2021	2022	2023
Assessment of potential	1,162	2,069	1,891
Mentoring and coaching paths	562	867	1,186
Skills development and innovation	6,990	4,760	8,544
<b>Total</b>	<b>8,714</b>	<b>7,696</b>	<b>11,621</b>

**[GRI 404-1] Average hours of training for employees by gender and category**

Category	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	38	49	41	42	51	44	25	32	27
Middle managers	80	99	89	71	83	77	73	86	79
Operational staff	37	49	44	39	48	44	43	54	49
<b>Total workforce</b>	<b>43</b>	<b>55</b>	<b>49</b>	<b>43</b>	<b>52</b>	<b>48</b>	<b>47</b>	<b>57</b>	<b>52</b>

**Average training days per employee**

Days of training	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Average training days provided to employees	7.1	9.1	8.2	7.2	8.7	8	7.8	9.6	8.7

**Hours by type of training<sup>(\*)</sup>**

Type of training	2021	2022	2023
Management	33,200	53,600	36,750
Technical – specialist	2,743,150	3,041,350	3,391,350
Compliance	3,266,800	2,893,800	3,110,000
<b>Total</b>	<b>6,043,250</b>	<b>5,988,750</b>	<b>6,538,100</b>

<sup>(\*)</sup> The figures have been rounded in line with the figures reported last year. For the total, the sum of the individual rounded values for each type of training was taken.

**Training programmes and career development**

<b>Training and development programmes</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total expenditure on training and development programmes (€)	8,220,217	8,310,436	9,648,534

**Positions filled through internal hiring**

<b>Percentage of positions filled through internal hiring</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Percentage of positions filled through internal hiring (%)(*)	57	25	39

(\*) The percentage of positions filled through internal hiring refers to the Parent Company.

**Training and development inputs by gender and age**

	<b>2021</b>			<b>2022</b>			<b>2023</b>		
<b>Training and development inputs</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>
<b>Average number of hours of training and development delivered to employees(*)</b>	<b>43.84</b>	<b>57.33</b>	<b>51.05</b>	<b>44.40</b>	<b>54.21</b>	<b>49.61</b>	<b>48.58</b>	<b>59.96</b>	<b>54.61</b>
Of which:									
< 30 years old	46.95	65.90	<b>54.17</b>	67.24	100.74	<b>80.40</b>	63.54	96.32	<b>76.18</b>
30 – 50 years old	48.86	59.08	<b>54.24</b>	47.74	56.85	<b>52.47</b>	54.56	65.97	<b>60.44</b>
> 50 years old	37.32	54.64	<b>47.18</b>	33.19	44.65	<b>39.76</b>	35.23	48.00	<b>42.65</b>
<b>Amount spent per employee on training and development(**)</b>	<b>59.34</b>	<b>77.60</b>	<b>69.10</b>	<b>61.46</b>	<b>75.02</b>	<b>68.66</b>	<b>72.5</b>	<b>87.2</b>	<b>80.30</b>
Of which:									
< 30 years old	63.55	89.20	<b>73.31</b>	93.07	139.43	<b>111.28</b>	88.4	134.0	<b>105.96</b>
30 – 50 years old	66.13	79.96	<b>73.42</b>	66.07	78.68	<b>72.63</b>	83.8	97.7	<b>90.99</b>
> 50 years old	50.51	73.96	<b>63.86</b>	45.94	61.79	<b>55.03</b>	51.5	68.9	<b>61.64</b>

(\*) Refers to the total number of training and development hours provided in the last fiscal year divided by the total number of FTEs.

(\*\*) Refers to the total amount spent on training and development in the last fiscal year divided by the total number of FTEs. This figure does not include the operational cost of the "learning and development" team, such as the salaries of the employees of that team.

Total number of new hires by gender and age<sup>(\*)</sup>

Total	2020			2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>number of new hires</b>												
<b>New hires by gender</b>	<b>1,153</b>	<b>1,023</b>	<b>2,176</b>	<b>1,356</b>	<b>1,268</b>	<b>2,623</b>	<b>4,208</b>	<b>3,664</b>	<b>7,872</b>	<b>1,814</b>	<b>1,660</b>	<b>3,474</b>
Of which:												
< 30 years old	568	478	<b>1,046</b>	<b>773</b>	<b>667</b>	<b>1,440</b>	2,058	1,667	<b>3,724</b>	885	697	<b>1,582</b>
30 – 50 years old	540	519	<b>1,059</b>	<b>532</b>	<b>570</b>	<b>1,102</b>	2,017	1,936	<b>3,953</b>	850	918	<b>1,769</b>
> 50 years old	45	26	<b>71</b>	<b>51</b>	<b>31</b>	<b>82</b>	133	62	<b>195</b>	78	45	<b>123</b>
Percentage of new hires by gender(%)	53	47	<b>100</b>	52	48	<b>100</b>	53	47	<b>100</b>	52	48	<b>100</b>
<b>Number of positions filled through internal hiring(**)</b>												
	91	68	<b>159</b>	847	884	<b>1,731</b>	449	394	<b>843</b>	415	364	<b>779</b>
Of which:												
< 30 years old	91	68	<b>159</b>	0	0	<b>0</b>	111	49	<b>160</b>	99	55	<b>154</b>
30 – 50 years old	0	0	<b>0</b>	0	0	<b>0</b>	325	309	<b>634</b>	295	272	<b>567</b>
> 50 years old	0	0	<b>0</b>	0	0	<b>0</b>	13	36	<b>49</b>	21	37	<b>58</b>

(\*) The figures are shown in Full Time Equivalent (FTE) terms.

(\*\*) Figures referring to the Parent Company Poste Italiane SpA and Poste Air Cargo.

Trend of employee involvement by gender<sup>(\*)</sup>

Trend of employee involvement	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employees involved in engagement activities	14,417	16,146	<b>30,563</b>	10,345	11,335	<b>21,680</b>	23,439	26,008	<b>49,446</b>
Total number of Group employees	55,414	63,555	<b>118,969</b>	56,765	64,269	<b>121,033</b>	56,485	63,670	<b>120,155</b>
Percentage of employees involved in engagement activities(%)	26	25	<b>26</b>	18	18	<b>18</b>	41	41	<b>41<sup>(**)</sup></b>

(\*) Figures are expressed on the basis of the number of involvements/participants.

(\*\*) The target set for 2023 is 35%.

## Trend of employee involvement by gender and age

Trend of employee involvement	2022			2023			
	Men	Women	Total	Men	Women	Total	
Number of employees involved in engagement activities by age group (No.)							
< 30 years old		952	1,043	<b>1,995</b>	2,014	2,058	<b>4,072</b>
30 – 50 years old		4,971	5,446	<b>10,417</b>	13,146	13,467	<b>26,613</b>
> 50 years old		4,422	4,845	<b>9,268</b>	8,278	10,483	<b>18,761</b>
Number of employees involved in engagement activities by age group (No.)							
< 30 years old		9	9	<b>9</b>	9	8	<b>8</b>
30 – 50 years old		48	48	<b>48</b>	56	52	<b>54</b>
> 50 years old		43	43	<b>43</b>	35	40	<b>38</b>

**[401-2] Benefits provided to full-time employees that are not provided to temporary or part-time employees**

Benefits for full-time employees	2021				2022				2023			
	Permanent contracts		Fixed-term contracts		Permanent contracts		Fixed-term contracts		Permanent contracts		Fixed-term contracts	
	Part-time	full-time	Part-time	full-time	Part-time	full-time	Part-time	full-time	Part-time	full-time	Part-time	full-time
<b>Financial benefits</b>												
Life insurance		YES (*)		YES (*)		YES (*)		YES (*)		YES (*)		YES (*)
Health Assistance	YES (**)	YES		YES (*)	YES (**)	YES		YES (*)	YES (**)	YES		YES (*)
Coverage for disability and invalidity insurance		YES (*)		YES (*)		YES (*)		YES (*)		YES (*)		YES (*)
Parental leave	YES (**)	YES (**)	YES (**)	YES (**)	YES (**)	YES (**)	YES (**)	YES (**)	YES (**)	YES (**)	YES (**)	YES (**)
Pension	YES (**)	YES	YES (**)	YES	YES (**)	YES	YES (**)	YES	YES (**)	YES	YES (**)	YES

(\*) This refers to Executives.

(\*\*) This refers to Non-executives.

**Employee assessment systems**

Percentage of employees by type of assessment (%)	2021	2022	2023
Management by objectives <sup>(*)</sup>	96	96	97
Multidimensional performance assessment <sup>(**)</sup>	96.2	97.4	98.3
Comparison of employees in the same category <sup>(***)</sup>	0	0	0

(\*) In the field of Human Resources, management by objectives is a method of staff evaluation based on the results achieved against fixed objectives, and not on the competences expressed. The figures have as target value the entire population of the Poste Italiane Group. The percentages refer to the resources assessed in the reference year and therefore excluded from the calculation are the resources that cannot be assessed due to long absence (for 2023 with reference to the assessment year 2022 the number of N.A. is approximately 3,000 resources, while, for the 2022 evaluation year, 4 managers are excluded from the multidimensional evaluation, indicated as "not assessable").

(\*\*) The percentage refers to the total managerial population assessed in the 180° assessment process compared to the total of those assessable (1,382 assessed by colleagues out of 1,406 assessable). Also for 2023 (performance 2022), the multidimensional assessment is not only made up of the 180° process (assessment of managers, colleagues) but for 205 managers, the overall assessment is given by the contribution of managers, colleagues and collaborators (360° assessment).

(\*\*\*) The comparison of employees belonging to the same category, which refers to a system in which employees are systematically compared in relation to their colleagues of the same professional level, belonging to the same team/function, is not applicable to Poste Italiane's model.

**Workforce trends**



<b>Workforce trends</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total turnover rate (%) <sup>(*)</sup>	7.90	6.30	6.40
Voluntary turnover rate (%) <sup>(*)</sup>	7.20	5.50	5.50
Average cost of FTEs hired (€)	36,000 <sup>(**)</sup>	35,700 <sup>(**)</sup>	42,262 <sup>(***)</sup>

<sup>(\*)</sup> The turnover rate was calculated on the basis of the number of FTEs leaving the Group as a proportion of the total workforce for year n-1. The voluntary turnover rate is FTEs leaving the Group voluntarily as a proportion of the total workforce for year n-1.

<sup>(\*\*)</sup> The average per capita annual cost of new hires regards all types of contract (permanent, fixed-term, executives, etc.). The per capita figure takes into account the following elements: fixed remuneration, ancillary remuneration (performance bonus, overtime, various allowances, etc.) mainly in addition to the contributions/employee termination benefits on the first two elements, but does not take into account: canteen voucher, travel costs (trains, planes, hotels, etc.) and company car because they do not fall within the scope of the cost of labour. The average cost for FTEs hired refers to the Parent Company.

<sup>(\*\*\*)</sup> The average annual per capita cost of hiring concerns the following contract types (permanent contracts, apprenticeships, managers). The total annual cost incurred for newly recruited resources 2023 is identified through the ratio of the aforementioned total cost to the FTE sum (weighted by the number of months of impact) to obtain the average cost of newly recruited resources in the year 2023. For Executives, the average cost is used. The total number of new recruits for the year 2023 for the Parent Company is 2,973. Per capita labour costs only take into account ordinary salary items that take into account the following elements: fixed remuneration, accessory remuneration (e.g. performance bonus, various allowances, etc.) to which contributions/employee severance indemnity on the first two elements are mainly added, but do not consider: canteen ticket, travel costs and company car. The average cost for FTEs hired refers to the Parent Company.

#### Turnover rate of employees by gender and age

Turnover rate of employees	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total turnover rate (%) <sup>(*)</sup>	3.9	4.3	<b>8.2</b>	3.0	3.2	<b>6.2</b>	3.3	3.3	<b>6.6</b>
Of which:									
< 30 years old	0.1	0.1	<b>0.2</b>	0.2	0.1	<b>0.3</b>	0.2	0.2	<b>0.4</b>
30 – 50 years old	0.2	0.2	<b>0.4</b>	0.3	0.2	<b>0.5</b>	0.4	0.3	<b>0.7</b>
> 50 years old	3.6	4.0	<b>7.6</b>	2.5	2.9	<b>5.4</b>	2.7	2.8	<b>5.5</b>
Voluntary turnover rate (%) <sup>(*)</sup>	<b>3.6</b>	<b>3.9</b>	<b>7.5</b>	<b>2.5</b>	<b>2.9</b>	<b>5.4</b>	<b>2.8</b>	<b>2.9</b>	<b>5.7</b>
Of which:									
< 30 years old	0.1	0.1	<b>0.2</b>	0.2	0.1	<b>0.3</b>	0.2	0.1	<b>0.3</b>
30 – 50 years old	0.1	0.1	<b>0.2</b>	0.2	0.2	<b>0.4</b>	0.3	0.3	<b>0.6</b>

> 50 years old	3.4	3.7	<b>7.1</b>	2.1	2.6	<b>4.7</b>	2.3	2.5	<b>4.8</b>
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(\*) The turnover rate was calculated on the basis of the number of FTEs leaving the Group as a proportion of the total workforce for year n. The voluntary turnover rate is FTEs leaving the Group voluntarily as a proportion of the total workforce for year n.

### Disputes

Disputes	2021	2022	2023
Disputes with employees	700	601	750(*)

(\*) The periodic trends show an increase in the Group's disputes compared to the same period of the previous year, attributable almost exclusively to Poste Italiane. In fact, 750 new cases were counted in the reporting period compared to 601 cases in 2022, an increase of about 20%. On the "establishment of the employment relationship" front, there has been a slight increase. There are 148 new disputes (those in 2022 were 136) of which 13 CTD, 104 hirings in procurement matters and 31 temporary work. As regards the "conduct of the employment relationship", it is noted that the disputes arising in 2023 are 524 (those in 2022 were 390), recording an increase of approximately 26% determined largely by cases relating to conservative disciplinary sanctions and wages following a contract declared illegitimate. Finally, as far as 'termination of employment' is concerned, there were 78 new disputes, broadly in line with last year (75 in 2022).

### [GRI 403-8] Workers covered by an occupational health and safety management system(\*)

Employees covered by the system(**)	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number employees covered by the system	56,303	66,076	<b>122,379</b>	57,257	66,352	<b>123,609</b>	57,677	66,023	<b>123,700</b>
% employees covered by the system	100	100	<b>100</b>	100	100	<b>100</b>	100	100	<b>100</b>

(\*) Data do not include managerial staff due to the different configuration of the contractual employment relationship.

(\*\*) Total number of employees covered by an occupational health and safety management system.

Employees covered by the system(*)	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number employees covered by the system	56,303	66,076	<b>122,379</b>	57,257	66,352	<b>123,609</b>	57,677	66,023	<b>123,700</b>
% employees covered by the system	100	100	<b>100</b>	100	100	<b>100</b>	100	100	<b>100</b>

(\*) Total number of employees covered by an occupational health and safety management system that is internally audited.

2021

2022

2023

Employees covered by the system <sup>(*)</sup>	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number employees covered by the system	56,207	65,989	<b>122,196</b>	57,167	66,276	<b>123,443</b>	57,620	65,993	<b>123,613</b>
% employees covered by the system	99	99	<b>99</b>	99	100	<b>100</b>	99	100	<b>100</b>

(\*) Total number of employees covered by an occupational health and safety management system that has been audited or certified by an independent third party (e.g. in line with ISO 45001).

Non-employees covered by the system <sup>(*)</sup>	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of non-employees covered by the system	3,021	831	<b>3,852</b>	3,465	256	<b>3,721</b>	4,263	2,469	<b>6,732</b>
% of non-employees covered by the system	100	100	<b>100</b>	100	90	<b>99</b>	99	99	<b>99</b>

(\*) Total number of non-employees covered by an occupational health and safety management system.

Non-employees covered by the system <sup>(*)</sup>	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of non-employees covered by the system	1,797	336	<b>2,133</b>	3,011	242	<b>3,253</b>	3,139	952	<b>4,091</b>
% of non-employees covered by the system	59	40	<b>55</b>	87	85	<b>87</b>	73	38	<b>60</b>

(\*) Total number of employees covered by an occupational health and safety management system that is internally audited.

Non-employees covered by the system <sup>(*)</sup>	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of non-employees covered by the system	2,094	533	<b>2,627</b>	2,936	212	<b>3,148</b>	2,543	870	<b>3,413</b>
% of non-employees covered by the system	69	64	<b>68</b>	85	74	<b>84</b>	59	35	<b>50</b>

<sup>(\*)</sup> Total number of employees covered by an occupational health and safety management system that has been audited or certified by an independent third party (e.g. in line with ISO 45001).

### [GRI 403-9] Occupational accidents

#### Occupational accidents including Covid-19 cases

Employees	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Rate of occupational Accidents recordable <sup>(*)</sup>	63.26	62.51	<b>62.87</b>	136.70	164.12	<b>150.96</b>	27.85	25.52	<b>26.63</b>
Rate of occupational accidents with severe consequences <sup>(**)</sup>	10.48	11.48	<b>11.01</b>	7.27	6.98	<b>7.12</b>	6.54	6.96	<b>6.76</b>
Rate of deaths resulting from accidents at work	0.07	0.02	<b>0.04</b>	0.07	0.01	<b>0.04</b>	0.01	0.01	<b>0.01</b>
Average mobile injuries at work <sup>(***)</sup>			<b>8,109</b>			<b>14,663</b>			<b>14,013</b>
Injuries	<b>5,759</b>	<b>6,453</b>	<b>12,212</b>	<b>11,841</b>	<b>15,461</b>	<b>27,302</b>	<b>2,829</b>	<b>2,986</b>	<b>5,815</b>
Of which:									
at work	5,346	5,868	<b>11,214</b>	11,410	14,850	<b>26,260</b>	2,349	2,337	<b>4,686</b>
whilst travelling <sup>(****)</sup>	413	585	<b>998</b>	431	611	<b>1,042</b>	480	649	<b>1,129</b>
Fatalities	<b>6</b>	<b>4</b>	<b>10</b>	<b>7</b>	<b>1</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>5</b>
Of which:									

at work	6	2	8	6	1	7	1	1	2
whilst travelling <sup>(****)</sup>	0	2	2	1	0	1	2	1	3
<b>Occupational accidents with severe consequence</b>	<b>1,032</b>	<b>1,257</b>	<b>2,289</b>	<b>742</b>	<b>828</b>	<b>1,570</b>	<b>715</b>	<b>821</b>	<b>1,536</b>
Of which:									
at work	886	1,078	1,964	607	632	1,239	552	637	1,189
whilst travelling <sup>(****)</sup>	146	179	325	135	196	331	163	184	347
<b>Total number of worked hours</b>	<b>84,510,5</b>	<b>93,871,3</b>	<b>178,381,8</b>	<b>83,468,2</b>	<b>90,480,5</b>	<b>173,948,7</b>	<b>84,358,4</b>	<b>91,575,8</b>	<b>175,934,2</b>
	22	11	33	72	04	76	94	04	98

(<sup>o</sup>) No. of workplace injuries divided by the number of hours worked multiplied by 1,000,000. The rate is calculated for permanent and flexible personnel.

(<sup>\*\*</sup>) A work-related accident that involves absence from work greater than or equal to 40 days and leads to an injury from which the worker cannot recover, does not recover or cannot realistically be expected to recover fully and return to the pre-accident state of health. It excludes deaths.

(<sup>\*\*\*</sup>) The trend in the number of occupational accidents of the Parent Company was also observed through the application of a three-year moving average, using accident data, gross Covid, from 2019 to 2023. This metric makes it possible to determine the trend of the accident phenomenon by mitigating the distorting effects of exceptional events (pandemic), as well as to observe the effectiveness of management actions with a medium to long term time horizon and aimed at containing the risk factors controllable by the company (e.g. progressive adoption of the Lean methodology in sorting centres). Specifically, the calculation was made considering a total period of five years (2019 – 2023) and the average of three consecutive three-year periods (19-20-21 / 20-21-22, 21-22-23), comparing quarterly data and the cumulative since the beginning of the year. FY 2021, 2022 and 2023 are thus to be understood correspondingly as FY 19-20-21, FY 20-21-22 and FY 21-22-23.

(<sup>\*\*\*\*</sup>) Accident occurring during the normal journey between home and place of work or during the worker's normal journey to the place where meals are usually taken, if there is no company canteen. Moreover, even during the normal journey that the employee has to make to go from one place of work to another, in the case of relations with several employers.

**Absenteeism rate including Covid-19 cases****Number of employee absences by type**

Employees	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Illness</b>	731,341	1,032,274	<b>1,763,615</b>	739,850	1,056,700	<b>1,796,550</b>	580,693	842,346	<b>1,423,039</b>
<b>Injury</b>	159,888	187,179	<b>347,067</b>	181,770	232,840	<b>414,610</b>	84,282	98,430	<b>182,712</b>
<b>Stress</b>	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
<b>Other (specify)</b>	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
<b>Hospitalisation/ Convalescence</b>									
<b>Absenteeism rate</b>	5.29	6.18	<b>5.77</b>	5.53	6.73	<b>6.17</b>	4.05	4.97	<b>4.54<sup>(**)</sup></b>

(\*)

(\*) No. of days of absence due to illness and injury/working days \* 100. The rate is calculated for permanent personnel only and does not include executives.

(\*\*) The target set for 2023 is 5%.

**Rate of occupational illnesses**

Employees	2021	2022	2023
Number of recordable cases of occupational illnesses	8	5	12
Rate of recordable occupational illnesses (%)	0.04	0.03	0.07

## Occupational accidents net of Covid-19 cases

Employees	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Rate of occupational Accidents recordable<sup>(*)</sup></b>	<b>30.91</b>	<b>26.26</b>	<b>28.46</b>	<b>30.38</b>	<b>25.44</b>	<b>27.81</b>	<b>27.82</b>	<b>25.42</b>	<b>26.57</b>
<b>Rate of occupational accidents with severe consequences<sup>(**)</sup></b>	7.56	7.29	<b>7.42</b>	7.01	6.71	<b>6.85</b>	6.54	6.96	<b>6.76</b>
<b>Rate of deaths resulting from accidents at work</b>	0.04	0.00	<b>0.02</b>	0.07	0.01	<b>0.04</b>	0	0	<b>0</b>
<b>Average mobile injuries at work<sup>(***)</sup></b>			<b>5,351</b>			<b>4,753</b>			<b>4,812</b>
<b>Injuries</b>	<b>3,025</b>	<b>3,050</b>	<b>6,075</b>	<b>2,967</b>	<b>2,913</b>	<b>5,880</b>	<b>2,827</b>	<b>2,977</b>	<b>5,804</b>
Of which:									
at work	2,612	2,465	<b>5,077</b>	2,536	2,302	<b>4,838</b>	2,347	2,328	<b>4,675</b>
whilst travelling <sup>(****)</sup>	413	585	<b>998</b>	431	611	<b>1,042</b>	480	649	<b>1,129</b>
<b>Fatalities</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>7</b>	<b>1</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>5</b>
Of which:									
at work	3	0	<b>3</b>	6	1	<b>7</b>	1	1	<b>2</b>
whilst travelling <sup>(****)</sup>	0	2	<b>2</b>	1	0	<b>1</b>	2	1	<b>3</b>
<b>Occupational accidents with severe consequences</b>	<b>785</b>	<b>863</b>	<b>1,648</b>	<b>720</b>	<b>803</b>	<b>1,523</b>	<b>715</b>	<b>821</b>	<b>1,536</b>
Of which:									
at work	639	684	<b>1,323</b>	585	607	<b>1,192</b>	552	637	<b>1,189</b>
whilst travelling <sup>(****)</sup>	146	179	<b>325</b>	135	196	<b>331</b>	163	184	<b>347</b>
<b>Total number</b>	<b>84,510,5</b>	<b>93,871,3</b>	<b>178,381,8</b>	<b>83,468,2</b>	<b>90,480,5</b>	<b>173,948,7</b>	<b>84,358,4</b>	<b>91,575,8</b>	<b>175,934,2</b>
	22	11	<b>33</b>	72	04	<b>76</b>	94	04	<b>98</b>

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**of worked  
hours**


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(<sup>†</sup>) No. of workplace injuries divided by the number of hours worked multiplied by 1,000,000. The rate is calculated for permanent and flexible personnel.

(<sup>\*\*</sup>) A work-related accident that involves absence from work greater than or equal to 40 days and leads to an injury from which the worker cannot recover, does not recover or cannot realistically be expected to recover fully and return to the pre-accident state of health. It excludes deaths.

(<sup>\*\*\*</sup>) The trend in the number of occupational accidents of the Parent Company was also observed through the application of a three-year moving average, using accident data, gross Covid, from 2019 to 2023. This metric makes it possible to determine the trend of the accident phenomenon by mitigating the distorting effects of exceptional events (pandemic), as well as to observe the effectiveness of management actions with a medium to long term time horizon and aimed at containing the risk factors controllable by the company (e.g. progressive adoption of the Lean methodology in sorting centres). Specifically, the calculation was made considering a total period of five years (2019 – 2023) and the average of three consecutive three-year periods (19-20-21 / 20-21-22, 21-22-23), comparing quarterly data and the cumulative since the beginning of the year. FY 2021, 2022 and 2023 are thus to be understood correspondingly as FY 19-20-21, FY 20-21-22 and FY 21-22-23.

(<sup>\*\*\*\*</sup>) Accident occurring during the normal journey between home and place of work or during the worker's normal journey to the place where meals are usually taken, if there is no company canteen. Moreover, even during the normal journey that the employee has to make to go from one place of work to another, in the case of relations with several employers.

**Absenteeism rate net of Covid-19 cases**
**Number of employee absences by type**

Employees	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Illness</b>	618,268	878,353	<b>1,496,621</b>	587,940	846,066	<b>1,434,006</b>	571,198	826,307	<b>1,397,505</b>
<b>Injury</b>	93,717	101,377	<b>195,094</b>	87,689	93,592	<b>181,281</b>	84,270	98,348	<b>182,618</b>
<b>Stress</b>	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
<b>Other (specify)</b>	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
<b>Hospitalisation/ Convalescence</b>									
<b>Absenteeism rate (<sup>†</sup>)</b>	4.23	4.97	<b>4.63</b>	4.05	4.90	<b>4.51</b>	3.99	4.89	<b>4.47</b>

(<sup>†</sup>) No. of days of absence due to illness and injury/working days \* 100. The rate is calculated for permanent personnel only and does not include executives.



## Occupational accidents involving non-employees including Covid-19 cases

Non-employees	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Rate of occupational accidents recordable</b>	<b>19.89</b>	<b>26.91</b>	<b>21.25</b>	<b>13.14</b>	<b>10.26</b>	<b>12.77</b>	<b>13.91</b>	<b>26.44</b>	<b>15.39</b>
<b>Rate of occupational accidents with severe consequences</b>	0.88	2.45	<b>1.18</b>	0.61	0.00	<b>0.53</b>	1.05	1.96	<b>1.16</b>
<b>Rate of deaths resulting from accidents at work</b>	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
<b>Injuries</b>	<b>78</b>	<b>34</b>	<b>112</b>	<b>93</b>	<b>12</b>	<b>105</b>	<b>128</b>	<b>34</b>	<b>162</b>
Of which:									
at work	68	22	<b>90</b>	86	10	<b>96</b>	106	27	<b>133</b>
whilst travelling	10	12	<b>22</b>	7	2	<b>9</b>	22	7	<b>29</b>
<b>Fatalities</b>	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
Of which:									
at work	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
whilst travelling	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
<b>Occupational accidents with severe consequences</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>13</b>	<b>2</b>	<b>15</b>
Of which:									
at work	<b>3</b>	<b>2</b>	<b>5</b>	4	0	<b>4</b>	8	2	<b>10</b>
whilst travelling	2	0	<b>2</b>	1	0	<b>1</b>	5	0	<b>5</b>
<b>Total number of worked hours</b>	3,418,572	817,660	<b>4,236,232</b>	6,545,201	974,791	<b>7,519,992</b>	7,619,476	1,021,231	<b>8,640,707</b>

## Accident severity rate including Covid-19 cases

Non-employees	2021	2022	2023
Number of days lost due to injuries	3,068	3,267	3,442
Total hours worked	4,236,233	7,519,992	8,640,707
Accident severity rate (%)	0.001	0	0

## Accidents by type including Covid-19 cases

Employees Accident by type	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fall from a motorcycle	804	411	<b>1,215</b>	851	405	<b>1,256</b>	680	331	<b>1,011</b>
Accident with company vehicle	481	349	<b>830</b>	351	243	<b>594</b>	379	301	<b>680</b>
Hit by a car	14	18	<b>32</b>	8	10	<b>18</b>	9	8	<b>17</b>
Accident with company vehicle	11	28	<b>39</b>	24	34	<b>58</b>	40	43	<b>83</b>
Fall and/or awkward movement	620	1,001	<b>1,621</b>	617	913	<b>1,530</b>	597	981	<b>1,578</b>
Physical attacks	207	240	<b>447</b>	200	222	<b>422</b>	187	221	<b>408</b>
Handling manual load	107	70	<b>177</b>	111	78	<b>189</b>	125	95	<b>220</b>
Robbery	28	49	<b>77</b>	28	49	<b>77</b>	36	61	<b>97</b>
Crushing contusion	279	254	<b>533</b>	300	304	<b>604</b>	244	234	<b>478</b>
Other causes	2,795	3,448	<b>6,243</b>	8,920	12,592	<b>21,512</b>	52	62	<b>114</b>
<b>Total</b>	<b>5,346</b>	<b>5,868</b>	<b>11,214</b>	<b>11,410</b>	<b>14,850</b>	<b>26,260</b>	<b>2,349</b>	<b>2,337</b>	<b>4,686</b>

## Accidents by type net of Covid-19 cases

Employees	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fall from a motorcycle	804	411	<b>1,215</b>	851	405	<b>1,256</b>	680	331	<b>1,011</b>
Accident with company vehicle	481	349	<b>830</b>	351	243	<b>594</b>	379	301	<b>680</b>
Hit by a car	14	18	<b>32</b>	8	10	<b>18</b>	9	8	<b>17</b>
Accident with company vehicle	11	28	<b>39</b>	24	34	<b>58</b>	40	43	<b>83</b>
Fall and/or awkward movement	620	1,001	<b>1,621</b>	617	913	<b>1,530</b>	597	981	<b>1,578</b>
Physical attacks	207	240	<b>447</b>	200	222	<b>422</b>	187	221	<b>408</b>
Handling manual load	107	70	<b>177</b>	111	78	<b>189</b>	125	95	<b>220</b>
Robbery	28	49	<b>77</b>	28	49	<b>77</b>	36	61	<b>97</b>
Crushing contusion	279	254	<b>533</b>	300	304	<b>604</b>	244	234	<b>478</b>
Other causes	61	45	<b>106</b>	46	44	<b>90</b>	50	53	<b>103</b>
<b>Total</b>	<b>2,612</b>	<b>2,465</b>	<b>5,077</b>	<b>2,536</b>	<b>2,302</b>	<b>4,838</b>	<b>2,347</b>	<b>2,328</b>	<b>4,675</b>

Non-employees	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fall from a motorcycle	13	6	<b>19</b>	4	1	<b>5</b>	1	1	<b>2</b>
Accident with company vehicle	19	2	<b>21</b>	6	0	<b>6</b>	25	4	<b>29</b>
Hit by a car	1	1	<b>2</b>	0	0	<b>0</b>	1	0	<b>1</b>
Accident with company vehicle	4	1	<b>5</b>	4	1	<b>5</b>	2	1	<b>3</b>
Fall and/or awkward movement	12	3	<b>15</b>	39	5	<b>44</b>	34	17	<b>51</b>
Physical attacks	0	0	<b>0</b>	6	1	<b>7</b>	3	0	<b>3</b>
Handling manual load	7	7	<b>14</b>	10	1	<b>11</b>	28	1	<b>29</b>
Robbery	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
Crushing contusion	4	1	<b>5</b>	3	1	<b>4</b>	8	2	<b>10</b>
Other causes	4	0	<b>4</b>	14	0	<b>14</b>	4	1	<b>5</b>
<b>Total</b>	<b>64</b>	<b>21</b>	<b>85</b>	<b>86</b>	<b>10</b>	<b>96</b>	<b>106</b>	<b>27</b>	<b>133</b>

## Employees trained on Health and Safety issues

	2021	2022	2023
Total employees trained on Health and Safety issues	49,632	68,930	84,602

## Number of cases of non-compliance with labour standards

	2021	2022	2023
Number of cases of non-compliance with labour standards	0	0	0



## Diversity and inclusion

**[GRI 405-1] Composition and breakdown of Poste Italiane SpA Board of Directors by gender and age<sup>(\*)</sup>**

Composition and breakdown of the Board of Directors	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Members bodies of</b>									
<b>Governance</b>	<b>5</b>	<b>4</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>9</b>
< 30 years old	0	0	0	0	0	0	0	0	0
30 – 50 years old	0	0	0	0	0	0	1	0	1
> 50 years old	5	4	9	5	4	9	4	4	8
<b>Members bodies of</b>									
<b>Governance(%)</b>	<b>55.6</b>	<b>44.4</b>	<b>100</b>	<b>55.6</b>	<b>44.4</b>	<b>100</b>	<b>55.6</b>	<b>44.4</b>	<b>100</b>
< 30 years old	0	0	0	0	0	0	0	0	0
30 – 50 years old	0	0	0	0	0	0	20	0	11
> 50 years old	100	100	100	100	100	100	80	100	89

<sup>(\*)</sup> Figures expressed as Headcount.

**[GRI 405-1] Classification of employee by category, gender and age group<sup>(\*)</sup>**

Level of professionalism of employees	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executives</b>	<b>481</b>	<b>146</b>	<b>627</b>	<b>512</b>	<b>167</b>	<b>679</b>	<b>514</b>	<b>174</b>	<b>688</b>
< 30 years old (%)	0	0	0	0	0	0	0	0	0
30 – 50 years old (%)	36	42	38	35	43	37	30	39	32
> 50 years old (%)	64	58	62	65	57	63	70	61	68
<b>Middle managers</b>	<b>7,822</b>	<b>7,034</b>	<b>14,856</b>	<b>8,040</b>	<b>7,132</b>	<b>15,171</b>	<b>8,079</b>	<b>7,212</b>	<b>15,291</b>
< 30 years old (%)	0.3	0.2	0.2	0.4	0.2	0.3	0.4	0.4	0.4
30 – 50 years old (%)	49	47	48	51	49	50	53	51	52
> 50 years old (%)	51	53	52	49	50	50	46	49	47
<b>Operational staff</b>	<b>47,111</b>	<b>56,375</b>	<b>103,486</b>	<b>48,213</b>	<b>56,970</b>	<b>105,183</b>	<b>47,892</b>	<b>56,284</b>	<b>104,176</b>
< 30 years old (%)	12	6	9	14	8	11	15	8	11
30 – 50 years old (%)	48	46	47	49	47	48	50	47	49
> 50 years old (%)	40	47	44	37	46	42	35	45	40
<b>Total</b>	<b>55,414</b>	<b>63,555</b>	<b>118,969</b>	<b>56,765</b>	<b>64,269</b>	<b>121,033</b>	<b>56,485</b>	<b>63,670</b>	<b>120,155</b>

<sup>(\*)</sup> The figures are shown in Full Time Equivalent (FTE) terms for both permanent and flexible personnel.

**[GRI 405-1] Number of personnel by other diversity indicators**

Employees	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees with disabilities	3,123	2,171	<b>5,294</b>	2,934	2,239	<b>5,173</b>	2,728	2,308	<b>5,036</b>

**Workforce diversity by gender**

Women in the workforce by category (%) <sup>(*)</sup>	2021	2022	2023
Management positions	31.5	32.4	32.2
Top management <sup>(**)</sup>	17.9	16.3	16.4
Junior management <sup>(***)</sup>	33.4	34.3	34.1
Revenue-generating functions <sup>(****)</sup>	31.3	29.4	28.6
STEM positions <sup>(*****)</sup>	21	20.8	20.7

<sup>(\*)</sup> The percentages regard the presence of women in formally designated organisational roles within Poste Italiane and Group Companies.

<sup>(\*\*)</sup> Includes first and second level personnel within Poste Italiane, the chief executive officers and general managers of the main Group companies and personnel reporting directly to them. The target set for 2023 is 16%.

<sup>(\*\*\*)</sup> Includes managers other than Top Management.

<sup>(\*\*\*\*)</sup> Includes organisational roles within the Post Office Network (MP) and Business and Public Administration functions (MIPA).

<sup>(\*\*\*\*\*)</sup> Science, technology, engineering and mathematics. This may include, for example, the following professions: computer programmer, web developer, statistician, logistics manager, engineer, physicist, scientist. The survey for STEM positions is carried out, in continuity with previous analyses, on the basis of the 'STEM' degree.

Workforce diversity by country of origin<sup>(\*)</sup>

Workforce diversity by country of origin	2021						2022						2023					
	Italia n	Switzer land	Ger man	Fren ch	Liby an	Venezu elan	Italia n	Switzer land	Ger man	Fren ch	Liby an	Venezu elan	Italia n	Switzer land	Ger man	Fren ch	Liby an	Venezu elan
Number of employees by country of origin	116,234	589	414	180	116	127	117,976	569	243	168	101	122	117,247	561	278	147	89	116
Percentage of employees by country of origin(%)	97.7	0.5	0.3	0.2	0.1	0.1	97.5	0.5	0.2	0.1	0.1	0.1	97.6	0.5	0.2	0.1	0.1	0.1
Number employees in management positions by country of origin <sup>(**)</sup>	1,298	5	3	2	0	0	1,248	5	1	2	0	0	1,434	4	1	2	0	0
Percentage of employees in management positions by country of origin(%)	98.26	0.38	0.23	0.15	0	0	98.5	0.39	0.08	0.16	0	0	98.5	0.27	0.07	0.14	0	0

(\*) Figures expressed in full-time equivalent (FTE). The survey mainly refers to the country of birth.

(\*\*) Includes the positions of junior, middle and senior management.

[GRI 404-3] Percentage of employees who receive regular performance appraisals, by gender and category<sup>(\*)</sup>

Category (%)	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	92	97	<b>94</b>	100	100	<b>100</b>	94	100	<b>96</b>
Middle managers	96	98	<b>97</b>	98	99	<b>98</b>	97	98	<b>98</b>
Operational staff	81	86	<b>84</b>	80	87	<b>84</b>	81	87	<b>84</b>
<b>Total</b>	<b>83</b>	<b>88</b>	<b>86</b>	<b>83</b>	<b>88</b>	<b>86</b>	<b>83</b>	<b>88</b>	<b>86</b>

(\*) Data reported refer to permanent personnel, the exclusion of flexible personnel from the performance assessment process is due to the fact that the annual life cycle of the performance assessment process cannot be reconciled with the timing of flexible contracts. The table also includes the data of Group companies with the exception of the data of Poste Air Cargo, as it is not possible to make a comparison of professional levels due to contract differences. The 2023 figures also do not include approximately 3,000 personnel who cannot be assessed due to a lengthy absence from work, for whom it is not possible to express an annual assessment. These resources are, however, included in the process of assigning annual objectives for the coming year.

## [GRI 2-21] Annual total remuneration ratio

Remuneration	2021	2022	2023
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CEO/Employee remuneration ratio <sup>(*)</sup>	75	77	80 <sup>(**)</sup>
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<sup>(\*)</sup> It is specified that: (i) The calculation was made by taking the average value of the employees' remuneration as a reference. The figure calculated using the median will be supplemented as of next year; (ii) the remuneration for the numerator and denominator includes the annual total remuneration (for the CEO-GM the fixed remuneration, the monetary portion of the up-front and deferred variable short-term incentive (MBO) scheme and the fair value of equity compensation, for employees the fixed and variable compensation). With respect to point b, the integration within the process is being consolidated, the comparison will be provided from the 2024 Integrated Financial Statements.

<sup>(\*\*)</sup> With respect to point b, the ratio of the percentage increase in the annual total remuneration of the CEO-GM to the average percentage increase in the annual total remuneration of all employees is 1.48.

#### Gender pay gap

Gender pay gap	2021	2022	2023
Gender pay gap (RAL) (%)	-0.7	-0.7	-0.8

#### Operations that have been subject to human rights assessments<sup>(\*)</sup>

	2021	2022	2023
<b>Group companies<sup>(**)</sup></b>			
Number of Group companies subject to assessment of respect of human rights	29	39	40
Total number of Group companies	29	39	40
Total percentage of Group companies subject to assessment of respect of human rights (%)	100	100	100

<sup>(\*)</sup> All Group sites have mitigation plans in place to reduce the possibility of negative impacts related to human rights risks. In this regard, it is specified that no human rights violations were detected in 2023 and therefore, no corrective action was necessary.

<sup>(\*\*)</sup> The scope of the indicator includes companies consolidated on a line-by-line basis and subsidiaries/associates consolidated at equity.

#### Discrimination and harassment

Incidents of discrimination and harassment	2021	2022	2023
Number of incidents	0	0	0



## Value to the territory

## [GRI 201-1] Economic value generated, distributed and retained

<b>Economic value generated (€m)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Economic value generated by the Group	11,619	11,985	12,334
<b>Economic value distributed (€m)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Economic value distributed to stakeholders	9,917	10,109	10,382
- Suppliers	3,117	3,024	3,315
- Personnel	5,303	5,221	5,044
- Lenders	55	102	85
- Public Administration	671	916	898
- Community	4	2	4
- Shareholders	768	844	1,036
<b>Economic value retained (€m)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Economic value retained within the Group	1,702	1,876	1,953



**[GRI 203-1] Corporate giving and/or corporate citizenship initiatives<sup>(\*)163</sup>**

Type of service (€000)	2021	%	2022	%	2023	%
Donations (**)	274	6	351	18	399	10
Investments in communities (***)	954.9	23	1,547.5	79	1,206.3	30
Commercial initiatives (****)	2,994.5	71	55.5	3	2,370.3	60
<b>Total</b>	<b>4,223.5</b>	<b>100</b>	<b>1,954</b>	<b>100</b>	<b>3,975.8</b>	<b>100</b>
<b>Breakdown by purpose (€000)</b>						
Sales initiatives	2,994.5	71	55.5	3	2,370.3	60
Social-cultural initiatives	1,229	29	1,898.5	97	1,605.5	40
of which:						
Art, culture and education	271.7	6	597.5	31	544.4	14
Well-being and social inclusion	537.9	13	818.1	42	531.3	13
Knowledge training and development	419.4	10	482.9	26	529.8	13

(\*) With reference to voluntary activities during paid working hours, the item is zero because all the initiatives organised by Poste Italiane in this sense took place outside working hours.

(\*\*) Donations: one-off disbursements made to support charitable organisations.

(\*\*\*) Community investments: spending on medium- to long-term initiatives supporting communities in collaboration with non-profit organisations and local authorities.

(\*\*\*\*) Commercial initiatives: business initiatives that benefit the community (e.g. sponsorship, occasional donations of the Company's property and other assets). The figures refer solely to spending on support for the community and do not include, for example, expenses linked to advertising and/or marketing initiatives relating to commercial initiatives).

163 Expenditure on corporate giving and corporate citizenship in 2023 amounted to €447,880.

### Contributions and other expenses to organisations/individuals able to influence political campaigns and legislative activities<sup>(\*)</sup>

Contributions by category (€)	2020	2021	2022	2023
Lobby agencies and representatives of interest	0	0	0	0
Campaigns/organisations/political applications at local, regional or national level	0	0	0	0
Trade associations or tax-free groups (e.g. Chambers of Commerce, Trade/Sector Association, etc.)	3,263,286	3,263,286	3,263,286	3,263,286
Other	0	0	0	0
<b>Total contributions and other expenses</b>	<b>3,263,286</b>	<b>3,263,286</b>	<b>3,263,286</b>	<b>3,263,286</b>

<sup>(\*)</sup> Poste Italiane is a member of Confindustria on the basis of a specific agreement that regulates membership procedures, the benefits deriving from the status of associate and the definition of the contribution regime. The current agreement envisages, among other things, strategic initiatives aimed at promoting a new corporate culture involving business models and choices geared towards innovation and economic and social sustainability. It is specified that the Confindustria membership fee, which stands at €3,263,286 for 2023, is the only contribution made by the Group in 2023.

### Settlements

Settlements	2021	2022	2023 <sup>(*)</sup>
<b>Settlements discussed regarding retail postal products</b>	<b>1,476</b>	<b>983</b>	<b>946</b>
of which settled (%)	90.11	87.18	85.10
<b>Settlements discussed regarding business postal products</b>	<b>925</b>	<b>1,148</b>	<b>1,206</b>
of which settled (%)	92.54	90.24	92.04
<b>Settlements discussed regarding BancoPosta products</b>	<b>250</b>	<b>280</b>	<b>237</b>
of which settled (%)	69.2	65.71	71.31
<b>Settlements discussed regarding PosteMobile products</b>	<b>63</b>	<b>39</b>	<b>38</b>
of which settled (%)	88.89	97.44	89.47
<b>Settlements Discussed regarding PostePay cards</b>	<b>400</b>	<b>355</b>	<b>335</b>
of which settled (%)	79	76.1	77.31
<b>Settlements discussed regarding IRS real estate fund (no. of applications)</b>	<b>0</b>	<b>0</b>	<b>0</b>
of which settled (%)	0	0	0
<b>Total settlements discussed</b>	<b>3,114</b>	<b>2,805</b>	<b>2,762</b>
of which settled (%)	87.70	85.03	86.06

<sup>(\*)</sup> In 2023, overall, there was a decrease in applications for conciliation. Compared to the 2022 figure, there was a decrease in requests in almost all procedures; only the Business procedure had an increase (+5%). The most popular procedures, in any case, remain the postal procedures for both Retail and Business, as a result of the growth in parcel volumes. For financial procedures, the payments market is constantly changing driven by new technologies and new security measures on payment services introduced with the amendment to the PSD2 regulation; there has, in fact, been a reduction in applications. The procedure that recorded the largest decrease was the Bancoposta procedure (-15%).

**[FS14] ATMs for inclusion**

<b>ATM</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
ATMs equipped with touchpads for the visually impaired and the blind	8,107	8,118	8,132
Of which:			
ATM with voice guidance	7,691	7,809	7,925
<b>Total</b>	<b>8,107</b>	<b>8,118</b>	<b>8,132</b>

**[FS14] Post offices for cultural integration**

<b>Post offices</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Mono-ethnic	2	4	4
Multi-ethnic	30	31	31
Number of customers served	2,449,059	2,379,475	2,620,461
<b>Total transactions carried out</b>	<b>4,102,071</b>	<b>4,073,335</b>	<b>4,436,489</b>

**New customers in the categories most at risk of financial exclusion as a percentage of total new acquisitions**

<b>New retail current accounts openings</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Percentage of young current account holders (under 35)	25.2	26	28.5
Percentage of senior current account holders (over 65)	23.8	23.4	24
Percentage of current account holders who are "new Italians"	12.2	15	17
<b>New standard Postepay cards (*)</b>			
Percentage of young current account holders (under 35)	27.4	26.7	36.6
Percentage of senior current account holders (over 65)	13.4	15.7	12.7
Percentage of current account holders who are "new Italians"	11.9	12.4	10.6
<b>New Postepay Evolution cards (*)</b>			
Percentage of young current account holders (under 35)	40.2	41	39.7
Percentage of senior current account holders (over 65)	10.5	11.5	10.9
Percentage of current account holders who are "new Italians"	22.2	25.3	26.9

(\*) For Postepay Standard and Evolution cards, renewals during the year are excluded.

## Contributions to philanthropic and/or corporate citizenship activities

Type of contribution (thousands €)	2021	2022	2023
Cash contributions	4,223.54	1,953.95	3,975.84
Total amount of donations of products or services, projects/partnerships	0	0	0
General operating expenses	319	376.8	447.9
<b>Total</b>	<b>4,542.54</b>	<b>2,330.75</b>	<b>4,423.74</b>



## Green transition

**[GRI 302-1] Internal Group energy consumption<sup>(\*)</sup>**

<b>Internal energy consumption</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(**)</sup></b>
<b>Consumption of fuel from non-renewable sources (GJ)</b>	<b>2,516,482</b>	<b>2,314,922</b>	<b>2,002,884</b>
Of which:			
LPG	29,264	13,692	7,275
Diesel	720,765	450,907	297,584
Natural gas	831,068	723,860	617,866
Jet fuel	664,375	682,129	546,389
Petrol (GJ)	271,011	444,335	533,770
<b>Consumption of energy from non-renewable sources (GJ)</b>	<b>53,140</b>	<b>30,037</b>	<b>46,623</b>
Of which:			
Thermal energy (district heating)	25,677	23,308	26,071
Electricity supplied by the National Grid	27,464	6,729	20,552
<b>Consumption of energy from renewable sources (GJ)</b>	<b>1,588,317</b>	<b>1,570,291</b>	<b>1,485,592</b>
Of which:			
Self-produced photovoltaic electricity	7,145	9,032	22,554
Certified guarantee of origin electricity	1,581,172	1,561,258	1,463,038
<b>Total energy consumption (GJ)</b>	<b>4,157,939</b>	<b>3,915,250</b>	<b>3,535,100</b>
Of which:			
from renewable sources	1,588,317	1,570,291	1,485,592
from non-renewable sources	2,569,623	2,344,959	2,049,507

<sup>(\*)</sup> Includes energy consumed by real estate and in road transport logistics and airmail. Source of factors used in conversion to GJ: GHG Protocol and DEFRA 2023 Guidelines.

**[GRI 302-2] External Group energy consumption<sup>(\*)</sup>**

<b>External energy consumption</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(**)</sup></b>
<b>Total external Group energy consumption (GJ)</b>	<b>2,548,699</b>	<b>3,616,077</b>	<b>3,316,286</b>
Of which:			
Diesel	2,323,096	3,347,986	3,065,778
Petrol (GJ)	0	0	31,763
Natural gas	70	718	803
LPG	127	161	166
Jet fuel	225,406	267,213	217,777

<sup>(\*)</sup> The 2023 reporting boundary includes the Parent Company and Group companies.

<sup>(\*\*)</sup> The target set for 2023 is 1,500,000 GJ (416,667 MWh) for total energy from renewable sources (internal and external) and 5,800,000 GJ (1,487,764 MWh) for total energy from non-renewable sources (internal and external).

**[GRI 302-3] Energy intensity**

<b>Energy intensity</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Consumption of fuel from non-renewable sources (GJ)	2,516,482	2,314,922	2,002,884
Consumption of energy from non-renewable sources (GJ)	53,140	30,037	46,623
Consumption of energy from renewable sources (GJ)	1,588,317	1,570,291	1,485,592
<b>Total energy consumption (GJ)</b>	<b>4,157,939</b>	<b>3,915,250</b>	<b>3,535,100</b>
Total number of employees	118,969	121,033	120,155
<b>Energy intensity (GJ/P)<sup>(*)</sup></b>	<b>34.9</b>	<b>32.3</b>	<b>29.4</b>

(\*) P = amount of personnel employed on site.

**[GRI 303-3] Water withdrawal<sup>(\*)</sup>**

<b>Water withdrawal</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(**)</sup></b>
<b>Total water withdrawals (MI)</b>	<b>1,756,076</b>	<b>1,585,905</b>	<b>1,876,399</b>
Of which:			
Surface water	0	0	0
Groundwater	3,934	3,821	3,716
Sea water	0	0	0
Produced water	0	0	0
Third-party water resources	1,752,142	1,582,084	1,872,683

(\*) The management of water discharges is entrusted to third parties who are currently unable to determine the quantity of water used by the Company for recycling.

(\*\*) The target set for 2023 is 1,900 mega litres.

<b>Water withdrawal</b>	<b>2021</b>		<b>2022</b>		<b>2023</b>	
	Freshwater (≤1,000 mg/l total dissolved solids)	Other water types (>1,000 mg/l total dissolved solids)	Freshwater (≤1,000 mg/l total dissolved solids)	Other water types (>1,000 mg/l total dissolved solids)	Freshwater (≤1,000 mg/l total dissolved solids)	Other water types (>1,000 mg/l total dissolved solids)
<b>Total water withdrawals (MI)</b>	<b>1,756,076</b>	<b>0</b>	<b>1,585,905</b>	<b>0</b>	<b>1,876,399</b>	<b>0</b>
Of which:						
Surface water	0	0	0	0		
Groundwater	3,934	0	3,821	0	3,7	0
Sea water	0	0		0	0	0
Produced water	0	0		0	0	0
Third-party water resources	1,752,142	0	1,582,084	0	1,872,683	0

## Wastewater reporting

Water discharges (m3)	2021	2022	2023
Total wastewater	1,756,076	1,585,905	1,876,399

[GRI 305-1] Total direct GHG emissions (Scope 1); [GRI 305-2] Total indirect GHG emissions (Scope 2); [GRI 305-3] Total other indirect GHG emissions (Scope 3) <sup>(\*)</sup>

GHG emissions	2021	2022	2023
<b>Direct emissions – Scope 1<sup>(**)</sup> (tCO<sub>2</sub>e)</b>	<b>165,508</b>	<b>152,703</b>	<b>130,592</b>
Of which:			
LPG	1,872	876	464
Diesel	50,384	32,102	21,006
Natural gas	46,872	40,661	34,801
Jet fuel	48,142	49,489	39,630
Petrol (GJ)	18,238	29,575	34,690
<b>Indirect emissions – Scope 2 (tCO<sub>2</sub>e) <sup>(***)</sup></b>	<b>5,709</b>	<b>2,860</b>	<b>4,972</b>
Of which:			
Thermal energy	2,211	2,007	2,362
Electricity	3,498	853	2,610
<b>Indirect emissions – Scope 2 (tCO<sub>2</sub>e) <sup>(****)</sup></b>	<b>178,737</b>	<b>257,796</b>	<b>234,326</b>
Of which:			
Diesel	162,392	238,359	216,411
Natural gas	4	40	45
Petrol (GJ)	0	0	2,064
LPG	8.1	10.3	10.6
Jet fuel	16,333	19,387	15,796

<sup>(\*)</sup> The 2023 reporting boundary includes the Parent Company and Group companies.

<sup>(\*\*)</sup> Emission factors used for conversion of fuels to CO<sub>2</sub>e: LPG for 2021 1.56 kg CO<sub>2</sub> e/l (source DEFRA 2021), for 2022 1.56 kg CO<sub>2</sub> e/l (source DEFRA 2022) and for 2023 1.56 kg CO<sub>2</sub> e/l (source DEFRA 2023). Diesel for 2021 2.51 kg CO<sub>2</sub> e/l (source DEFRA 2021), for 2022 2.56 kg CO<sub>2</sub> e/l (source DEFRA 2022) and for 2023 2.51 kg CO<sub>2</sub> e/l (source DEFRA 2023). Natural Gas for 2021 2.02 kg CO<sub>2</sub> e/m<sup>3</sup> (source DEFRA 2021), for 2022 2.02 kg CO<sub>2</sub> e/m<sup>3</sup> (source DEFRA 2022) and for 2023 2.04 kg CO<sub>2</sub> e/m<sup>3</sup> (source DEFRA 2023). Petrol for 2021 2.19 kg CO<sub>2</sub> e/l (source DEFRA 2021), for 2022 2.16 kg CO<sub>2</sub> e/l (source DEFRA 2022) and for 2023 2.1 kg CO<sub>2</sub> e/l (source DEFRA 2023). The target set for 2023 is 135,000 tCO<sub>2</sub> e.

<sup>(\*\*\*)</sup> Poste Italiane purchases certificates of renewable origin for 99% of its electricity consumption. The GRI Sustainability Reporting Standards envisage two calculation methods for Scope 2 emissions – the location-based method and the market-based method. The Market-based method (methodology used by Poste Italiane) is based on CO<sub>2</sub> emitted by the energy suppliers from whom the organisation purchases, through a contract, electricity (in this case, certificates of guarantee of origin from renewable energy sources) and for the remaining 1% emission factors from the national electricity grid (emission factor for the calculation of the Market-based method for 2023 0.457 kg CO<sub>2</sub> e/kWh, source European Residual Mixes 2022, for 2022 0.457 kg CO<sub>2</sub> e/kWh, source European Residual Mixes 2021, for 2021 0.459 kg CO<sub>2</sub> e/kWh, source European Residual Mixes 2020). Conversion factors used to convert thermal energy into CO<sub>2</sub>e: for 2021, 0.17 Kg CO<sub>2</sub>e/kWh, for 2022, 0.17 Kg CO<sub>2</sub>e/kWh and for 2023, 0.18 Kg CO<sub>2</sub>e/kWh. The target set for 2023 is 5,000 tCO<sub>2</sub> e.

The Location-based method, on the other hand, is based on average emission factors for regional, sub-national or national power generation. Applying the Location-based the total Group emissions of Scope 2 in 2021 117,630 tCO<sub>2</sub> and in 2022 109,022 tCO<sub>2</sub>e and in 2023 123,233 tCO<sub>2</sub>e. Emission factors used for Location-based method calculation: for 2021 0.258 kgCO<sub>2</sub>e/kWh (source: Emission factor of electric consumption processed by ISPRA 2021, referred to year 2020), for 2022 0.246 kgCO<sub>2</sub>e/kWh (source: Electricity consumption emission factor processed by ISPRA 2022, referred to year 2021), for 2023 0.293 kgCO<sub>2</sub>e/kWh (source: Electricity consumption emission

factor processed by ISPRA 2023, referred to year 2022). Values for 2021-2022 have been updated following a refinement of the reporting system.

(\*\*\*\*) Emission factors used for conversion of fuels to CO<sub>2</sub>e: Jet fuel for 2021 2.55 kg CO<sub>2</sub> e/l (source DEFRA 2021), for 2022 2.55 kg CO<sub>2</sub> e/l (source DEFRA 2022) and for 2023 2.54 kg CO<sub>2</sub> e/l (source DEFRA 2023). The target set for 2023 is 250,000 tCO<sub>2</sub>e. The table considers categories related to material issues relevant to the Group under the Green Transition Pillar strategy, specifically category 9 "Downstream transportation and distribution" and category 13 "Downstream leased assets." Category 6 "Business travel," category 7 "Employee commuting" and category 15 "Investments" are monitored and reported in separate tables.

[GRI 306-3] Waste generated [GRI 306-4] Waste recovered [GRI 306-5] Waste disposed of<sup>(\*)</sup>

Waste by type (t)	2021			2022 <sup>(*)</sup>			2023		
	Waste generated	Waste recovered	Waste disposed of	Waste generated	Waste recovered	Waste disposed of	Waste generated	Waste recovered <sup>(**)</sup>	Waste disposed of <sup>(****)</sup>
<b>Total waste</b>	<b>34,471.7</b>	<b>33,202.5</b>	<b>1,269.2</b>	<b>37,245.3</b>	<b>36,443.2</b>	<b>802.1</b>	<b>38,904.5</b>	<b>38,533.1</b>	<b>371.4</b>
Of which:									
Paper/cardboard	13,584.9	13,539.2	45.8	15,588.5	15,467.8	125.2	17,171.5	17,171.5	0
Plastic	1,359.3	1,359.3	0	1,282.4	1,282.4	0	1,365.5	1,365.5	0
Wood	10,481.8	10,478.2	3.6	10,097.9	10,097.9	0	10,537.3	10,537.3	0
Other	9,045.8	7,825.9	1,219.8	10,276.5	9,595.2	676.9	9,830.2	9,458.8	371.4

(\*) The figures for the quantity of waste produced are provided by the companies that provide waste management services.

(\*\*) The 2022 values have been updated following a refinement of the reporting system.

(\*\*\*) The target expected for 2023 with respect to recovered waste is 36,000 tonnes.

(\*\*\*\*) The target set for 2023 in relation to waste sent to disposal (landfill, incinerated and other types of disposal) is 500 tonnes.

Total weight of hazardous waste recovered (t)	2021		2022 <sup>(*)</sup>		2023	
	On site	Off site	On site	Off site	On site	Off site
Preparation for reuse	0	0	0	0	0	0
Recycling	0	364.4	0	247.8	0	150.5
Other operations of recovery	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>364.4</b>	<b>0</b>	<b>247.8</b>	<b>0</b>	<b>150.5</b>
<b>Total hazardous waste recovered</b>	<b>364.4</b>		<b>247.8</b>		<b>150.5</b>	

(\*) The 2022 values have been updated following a refinement of the reporting system.

Total weight of non-hazardous waste recovered (t)	2021		2022 <sup>(*)</sup>		2023	
	On site	Off site	On site	Off site	On site	Off site
Preparation for reuse	0	0	0	0	0	0



Recycling	0	32,838.2	0	36,195.35	0	38,382.61
Other operations of recovery	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>32,838.2</b>	<b>0</b>	<b>36,195.35</b>	<b>0</b>	<b>38,382.61</b>
<b>Total non-hazardous waste recovered</b>	<b>32,838.2</b>		<b>36,195.35</b>		<b>38,382.61</b>	

(<sup>1</sup>) The 2022 values have been updated following a refinement of the reporting system.

Total weight of hazardous waste recovered (t)	2021		2022 <sup>(****)</sup>		2023	
	On site	Off site	On site	Off site	On site	Off site
Disposal in landfill <sup>(<sup>1</sup>)</sup>	0	99.3	0	3.0	0	7.4
Incinerated <sup>(**)</sup>	0	0.3	0	0	0	0
Other type of disposal <sup>(***)</sup>	0	36.1	0	41.3	0	22.9
<b>Total</b>	<b>0</b>	<b>135.8</b>	<b>0</b>	<b>44.3</b>	<b>0</b>	<b>30.3</b>
<b>Total hazardous waste disposed</b>	<b>135.8</b>		<b>44.3</b>		<b>30.31</b>	

Total weight of non-hazardous waste disposed (t)	2021		2022 <sup>(****)</sup>		2023	
	On site	Off site	On site	Off site	On site	Off site
Disposal in landfill <sup>(<sup>1</sup>)</sup>	0	616.6	0	358.6	0	214.1
Incinerated <sup>(**)</sup>	0	0.01	0	0	0	0
Other type of disposal <sup>(***)</sup>	0	516.8	0	399.2	0	127
<b>Total</b>	<b>0</b>	<b>1,133.4</b>	<b>0</b>	<b>757.8</b>	<b>0</b>	<b>341</b>
<b>Total non-hazardous waste disposed</b>	<b>1,133.4</b>		<b>757.8</b>		<b>341.1</b>	

(<sup>1</sup>) The target expected for 2023 with respect to the total amount of waste for disposal (hazardous and non-hazardous) is 300 tonnes.

(<sup>2</sup>) The target expected for 2023 with respect to the total amount of waste for disposal by incineration (hazardous and non-hazardous) is 0.1 tonnes.

(<sup>3</sup>) The target expected for 2023 with respect to the total amount of waste for disposal through forms other than landfilling and incineration (hazardous and non-hazardous) is 200 tonnes.

(<sup>4</sup>) The 2022 values have been updated following a refinement of the reporting system.

#### Waste disposal

Waste disposal (t)	2021	2022	2023
Total recycled/reused waste	33,202.54	36,443.16	38,533.11
Total waste disposed	1,269.20	802.11	371.40
Of which:			

in landfill	715.94	361.65	221.49
incinerated with energy recovery	na	na	na
incinerated without energy recovery	na	na	na
otherwise disposed, please specify:	na	na	na
with unknown method of disposal	552.91	440.46	149.91

**[GRI 302-1] Internal energy consumption relating to real estate facilities by source**

<b>Internal energy consumption</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Consumption of fuel from non-renewable sources (GJ)</b>	<b>897,844</b>	<b>765,154</b>	<b>650,328</b>
Of which:			
LPG	13,234	8,482	6,580
Diesel	78,654	48,046	37,795
Natural gas	805,955	708,626	605,953
<b>Consumption of energy from non-renewable sources (GJ)</b>	<b>53,140</b>	<b>30,037</b>	<b>46,623</b>
Of which:			
Thermal energy (district heating)	25,677	23,308	26,071
Electricity supplied by the National Grid	27,464	6,729	20,552
<b>Consumption of energy from renewable sources (GJ)</b>	<b>1,586,985</b>	<b>1,563,952</b>	<b>1,468,182</b>
Of which:			
Self-produced photovoltaic electricity	7,145	9,032	22,554
Certified guarantee of origin electricity	1,579,840	1,554,920	1,445,627
<b>Total energy consumption (GJ)</b>	<b>2,537,969</b>	<b>2,359,143</b>	<b>2,165,133</b>
Of which:			
from renewable sources	1,586,985	1,563,952	1,468,182
from non-renewable sources	950,984	795,191	696,951

**[GRI 305-1; GRI 305-2] Direct and indirect CO<sub>2</sub>e emissions relating to real estate facilities**

<b>Emissions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Direct emissions – Scope 1 (tCO<sub>2</sub>e)</b>	<b>51,800</b>	<b>43,769</b>	<b>37,218</b>
of which			
LPG	847	543	420
Diesel	5,498	3,421	2,668
Natural gas	45,455	39,805	34,130
<b>Indirect emissions – Scope 2 (market-based) (tCO<sub>2</sub>e) <sup>(*)</sup></b>	<b>5,709</b>	<b>2,860</b>	<b>4,972</b>
Of which:			
Electricity	3,498	853	2,610
Thermal energy	2,211	2,007	2,362

(\*) Applying the Location-based method, the total emissions attributable to the Scope 2 in 2021 117,535 tCO<sub>2</sub>e and in 2022 108,589 tCO<sub>2</sub>e and in 2023 121,815 tCO<sub>2</sub>e. Values for 2021-2022 have been updated following a refinement of the reporting system.

**[GRI 302-2; GRI 305-3] External energy consumption and CO<sub>2</sub> emissions relating to real estate facilities**

<b>External energy consumption and emissions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total external Group energy consumption (GJ)</b>	127	161	166
<b>Indirect emissions – Scope 2 (tCO<sub>2</sub> e) <sup>(****)</sup></b>	8.1	10.3	10.6

**[GRI 305-4] Intensity of GHG emissions related to real estate facilities**

<b>Emission intensity</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total GHG emissions Scope 1 (Kg CO <sub>2</sub> e)	51,800,253	43,768,581	37,217,848
Total GHG emissions Scope 2 (Kg CO <sub>2</sub> e)	5,709,145	2,860,232	4,971,802
Total GHG emissions Scope 3 (Kg CO <sub>2</sub> e)	8,130	10,274	10,606
Square metres of the Group's properties (m <sup>2</sup> )	5,583,325	5,580,793	5,725,736
<b>Intensity of direct and indirect emissions GHG Scope 1 and Scope 2</b>	<b>10.300</b>	<b>8.355</b>	<b>7.368</b>
<b>Intensity of other indirect GHG emissions (Scope 3)</b>	<b>0.001</b>	<b>0.002</b>	<b>0.002</b>

**GRI [GRI 302-4; GRI 305-5] Reduction in energy consumption and CO<sub>2</sub> emissions relating to real estate facilities**

<b>Initiatives implemented</b>	<b>2023</b>				
	Initiative 1 <sup>(*)</sup>	Initiative 2 <sup>(**)</sup>	Initiative 3 <sup>(***)</sup>	Initiative 4 <sup>(****)</sup>	Initiative 5 <sup>(*****)</sup>
<b>tCO<sub>2</sub> equivalent saved</b>	891	3,566	1,065	813	376
<b>Reducing the consumption of energy (GJ)</b>	7,017	28,082	8,387	6,402	2,958

(\*) LED project.

(\*\*) Decarbonisation project.

(\*\*\*) Carbon Neutral Project on the CS in Padua

(\*\*\*\*) Photovoltaic project.

(\*\*\*\*\*) Smart Building Project.

**Weight of electricity consumption relating to real estate facilities by type of business**

<b>Electricity consumption</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Post offices (%)	47	55	55
Head offices (%)	16	15	15
Operational sites (sorting centres) (%)	14	14	14
Delivery logistics centres (%)	12	7	7
Data Centres (%)	11	9	9

**Total cost of energy purchased for real estate facilities**

<b>Total costs of purchased energy</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(1)</sup></b>
Total expenditure on energy (€)	83,196,736	62,155,518	97,692,824

<sup>(1)</sup> The target set for 2023 is 100,000,000 mega litres.

**Total savings or overall profits from energy saving programmes**

<b>Programmes that generated savings (€)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
LED project	1,739,793	640,000	840,000
Decarbonisation project	-	-	1,734,447
Carbon Neutral Project on the CS in Padua	-	-	600,000
Energy efficiency programme	735,273	600,000	-
Smart Building Project	124,547	340,000	242,057
<b>Programmes that generated a profit (€)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Photovoltaic plants	170,000	1,200,000	522,982

**[GRI 302-2; GRI 305-3; GRI 305-5] External energy consumption and CO<sub>2</sub> emissions relating to the energy sector**

<b>External energy consumption and emissions</b>	<b>2023</b>
<b>Total external Group energy consumption (GJ)</b>	1,856,635
<b>Indirect emissions – Scope 3 (tCO<sub>2</sub> e)</b>	56,189.9
<b>Offset indirect emissions – Scope 3 (tCO<sub>2</sub>e) <sup>(1)</sup></b>	56,189.9

<sup>(1)</sup> Carbon dioxide emissions of gas released for consumption are fully offset through the purchase of carbon credits that attest to the Group's support for international projects aimed at reducing greenhouse gases and improving people's lives.

**Corporate fleet data**

<b>Corporate fleet data</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total km travelled</b>	<b>321,599,897</b>	<b>320,472,162</b>	<b>1,177,526,577</b>
Total vehicles (no.)	31,645	30,850	31,963
Of which:			
traditional vehicles	26,747	19,441	17,774
alternative vehicles	4,898	11,409	14,189
Of which:			
bicycles	324	333	333
electric vehicles	1,805	3,654	5,822
hybrid motor vehicles	79	5,782	6,546

petrol-natural gas fuelled vehicles	1,615	1,410	1,363
petrol-LPG fuelled vehicles	1,075	230	125
diesel-natural gas fuelled vehicles	0	0	0
LPG fuelled vehicles	0	0	0
Percentage of alternative vehicles (%)	15.5	37	44.4

**[GRI 302-1; GRI 305-1; GRI 305-2] Energy consumption and CO<sub>2</sub>e emissions to the company road fleet**

<b>Energy consumption and emissions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total energy consumed (GJ)</b>	<b>955,596</b>	<b>873,978</b>	<b>823,578</b>
Of which:			
Diesel	642,111	402,861	259,789
Natural gas	25,112	15,234	11,913
LPG	16,029	5,210	695
Petrol (GJ)	271,011	444,335	533,770
Certified guarantee of origin electricity	1,332	6,338	17,411
<b>Direct emissions – Scope 1 (tCO<sub>2</sub>e)</b>	<b>65,566</b>	<b>59,445</b>	<b>53,744</b>
<b>Indirect emissions – Scope 2 (tCO<sub>2</sub>e)<sup>(*)</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>(\*)</sup> Applying the Location-based method, the total emissions attributable to the corporate road fleet of Scope 2 in 2021 96 tCO<sub>2</sub>e and in 2022 433 tCO<sub>2</sub>e and in 2023 it is 1,419 tCO<sub>2</sub>e. Values for 2021-2022 have been updated following a refinement of the reporting system.

**[GRI 302-2; GRI 305-3] Energy consumption and emissions by mail and charter transport<sup>(\*)</sup>**

<b>Energy consumption and emissions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total external Group energy consumption (GJ)</b>	<b>2,323,166</b>	<b>3,348,703</b>	<b>3,284,357</b>
<b>Indirect emissions – Scope 3 (tCO<sub>2</sub>e)</b>	<b>162,396</b>	<b>238,399</b>	<b>218,520</b>

<sup>(\*)</sup> The 2023 reporting boundary includes the Parent Company and Group companies.

**Air transport fleet data**

<b>Air transport data</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Number of aircraft	16	16	16
AirMail (hours)	8,386	8,635	5,774
Charter (hours)	87	193	129

**[GRI 302-1; GRI 305-1] Energy consumption and emissions by the mail and charter fleet**

<b>Energy consumption and emissions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total internal Group energy consumption (GJ)</b>	<b>664,375</b>	<b>682,129</b>	<b>546,389</b>
<b>Direct emissions – Scope 1 (tCO<sub>2</sub>e)</b>	<b>48,142</b>	<b>49,489</b>	<b>39,630</b>

**[GRI 302-2; GRI 305-3] Energy consumption and emissions by mail and charter transport**

<b>Energy consumption and emissions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total external Group energy consumption (GJ)</b>	<b>225,406</b>	<b>267,213</b>	<b>217,777</b>

<b>Indirect emissions – Scope 3 (tCO<sub>2</sub> e)</b>	16,333	19,387	15,796
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**Other direct emissions from logistics activities**

<b>Direct emissions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total Fuel emissions from non-renewable sources – Scope 1 (tNO<sub>x</sub>)<sup>(*)</sup></b>	<b>175.33</b>	<b>120.55</b>	<b>87.66</b>
Natural gas	0.66	0.24	0.19
LPG	0.44	0.14	0.02
Diesel	157.27	93.79	60.61
Petrol (GJ)	16.96	26.38	26.85

<sup>(\*)</sup> The emission factors used to convert fuels into NO<sub>x</sub> are as follows: natural gas 0.0155 tNO<sub>x</sub>/TJ. LPG 0.0254 tNO<sub>x</sub>/TJ. Diesel for cars 0.2099 tNO<sub>x</sub>/TJ, for light commercial vehicles 0.28 tNO<sub>x</sub>/TJ, for heavy trucks 0.2721 tNO<sub>x</sub>/TJ. Petrol for cars 0.0487 tNO<sub>x</sub>/TJ, for light commercial vehicles 0.04 tNO<sub>x</sub>/TJ, for motorcycles 0.0628 tNO<sub>x</sub>/TJ. Source: ISPRA, database of average emission factors of road transport in Italy.

<b>Direct emissions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total Fuel emissions from non-renewable sources – Scope 1 (tSO<sub>2</sub>)<sup>(*)</sup></b>	<b>0.25</b>	<b>0.23</b>	<b>0.20</b>
Diesel	0.18	0.13	0.08
Petrol (GJ)	0.07	0.10	0.12

<sup>(\*)</sup> The emission factors used to convert fuels into SO<sub>2</sub> are as follows: diesel 0.0003 tSO<sub>2</sub>/TJ. Petrol 0.0002 tSO<sub>2</sub>/TJ. Source: ISPRA, database of average emission factors of road transport in Italy.

<b>Direct emissions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total Fuel emissions from non-renewable sources – Scope 1 (VOC)<sup>(*)</sup></b>	<b>100.70</b>	<b>147.85</b>	<b>132.44</b>
Natural gas	1.44	0.37	0.27
LPG	0.64	0.19	0.02
Diesel	3.61	1.96	0.93
Petrol (GJ)	95.01	145.33	131.22

<sup>(\*)</sup> The emission factors used to convert fuels into VOC are as follows: natural gas 0.0225 tVOC/TJ. LPG 0.0288 tVOC/TJ. Diesel for cars 0.0030 tVOC/TJ, for light commercial vehicles 0.0047 tVOC/TJ, for heavy trucks 0.0099 tVOC/TJ. Petrol for cars 0.1998 tVOC/TJ, for light commercial vehicles 0.1071 tVOC/TJ, for motorcycles 0.6083 tVOC/TJ. Source: ISPRA, database of average emission factors of road transport in Italy.

<b>Direct emissions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total Fuel emissions from non-renewable sources – Scope 1 (PM10)<sup>(*)</sup></b>	<b>18.46</b>	<b>14.40</b>	<b>11.23</b>
Natural gas	0.24	0.16	0.12
LPG	0.24	2.95	0.01

Diesel	7.40	6.07	4.22
Petrol (GJ)	10.58	5.21	6.88

(<sup>1</sup>) The emission factors used to convert fuels into PM10 are as follows: natural gas 0.0103 tPM10/TJ. LPG 0.0115 tPM10/TJ. Diesel for cars 0.0164 tPM10/TJ, for light commercial vehicles 0.0159 tPM10/TJ, for heavy trucks 0.0150 tPM10/TJ. Petrol for cars 0.0123 tPM10/TJ, for light commercial vehicles 0.0110 tPM10/TJ, for motorcycles 0.0171 tPM10/TJ. Source: ISPRA, database of average emission factors of road transport in Italy.

#### Other indirect emissions from logistics activities

Indirect emissions	2021	2022	2023
<b>Total Fuel emissions from non-renewable sources – Scope 3 (tNO<sub>x</sub>)</b>	<b>708.75</b>	<b>949.12</b>	<b>831.14</b>
Diesel	708.75	949.12	829.62
Natural gas	≈0( <sup>1</sup> )	0.01	0.01
LPG	0	0	0
Petrol (GJ)	0	0	1.51

(<sup>1</sup>) The figure is close to 0, but still contributes to the total.

Indirect emissions	2021	2022	2023
<b>Total Fuel emissions from non-renewable sources – Scope 3 (tSO<sub>2</sub>)</b>	<b>0.66</b>	<b>1.12</b>	<b>1.00</b>
Diesel	0.66	1.12	1.00
Petrol (GJ)	0	0	≈0( <sup>1</sup> )

(<sup>1</sup>) The figure is close to 0, but still contributes to the total.

Indirect emissions	2021	2022	2023
<b>Total Fuel emissions from non-renewable sources – Scope 3 (VOC)</b>	<b>21.55</b>	<b>29.25</b>	<b>31.09</b>
Diesel	21.55	29.24	25.61
Natural gas	≈0( <sup>1</sup> )	0.02	0.02
LPG	0	0	0
Petrol (GJ)	0	0	5.46

(<sup>1</sup>) The figure is close to 0, but still contributes to the total.

Indirect emissions	2021	2022	2023
<b>Total Fuel emissions from non-renewable sources – Scope 3 (PM10)</b>	<b>26.52</b>	<b>51.16</b>	<b>47.12</b>
Diesel	0.07	51.15	46.73
Natural gas	0	0.01	0.01

LPG	26.45	0	0
Petrol (GJ)	0	0	0.38

**Business Travel**

<b>Business Travel</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(*)</sup></b>
<b>Total emissions tCO<sub>2</sub>e</b>	<b>8,700</b>	<b>10,446</b>	<b>10,484</b>
Automotive	8,036	9,205	8,466
Petrol (GJ)	3,350	5,998	6,428
Diesel	4,686	3,207	2,038
Train	96	157	262
Plane	568	1,084	1,756
International - short haul	79	124	211
international - long haul	27	91	208
National (domestic)	462	869	1,337

<sup>(\*)</sup>The target set for 2023 is 11,500 tCO<sub>2</sub>e. In this regard, in 2023, in line with previous years, the Group's priority was to contain the natural increase in emissions due to business travel, dictated by the regular resumption of activities following the lifting of restrictions related to the pandemic from Covid-19, which in previous years had limited travel related to business trips.

**Employee commuting**

<b>Employee commuting</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total emissions tCO<sub>2</sub>e</b>	<b>32,940<sup>(*)</sup></b>	<b>28,370<sup>(**)</sup></b>	<b>29,329<sup>(***)</sup></b>

<sup>(\*)</sup> The value of the polluting emissions generated by the home-work commutes indicated (2021 - 32,940 tCO<sub>2</sub>e) refers to the estimate of the polluting emissions generated by the home-to-work commutes of Poste Italiane employees applied in offices with over 100 resources located in municipalities with population over 50,000 inhabitants which, at present, amount to 146 located in 73 cities of the national territory, for a sample of about 39,348 total resources. As a result of Law No. 77 of 17/07/2020, the scope of the analysis has changed compared to 2020 when, instead, the observation was intended for the 38 offices with more than 300 employees located in 18 cities for a sample of 24,316 resources. The 2021 analysis also took into account the Company's adoption of the agile working mode on the reduction of home-work kilometres travelled, applied to help contain the spread of the Covid-19 virus and taking into account the guidelines of the competent authorities, adopted by 80% of staff (12.5% of the company population) from January to September 2021 and by 50% in October-December 2021; the calculation was carried out excluding 17 cities for which the redemption rate of the questionnaire was not sufficient to allow an estimate of the pollutants emitted in the home-work commute. It should be noted that, in implementation of the provisions of the aforementioned Act, the methodology applied is that proposed by the new MITE-MIMS Guidelines introduced in August 2021, which therefore differs from the methodology used for the 2020 analysis.

<sup>(\*\*)</sup> The value indicated refers to the estimate of the polluting emissions generated by the home-work commute of employees of Poste Italiane and all Group offices subject to the home-work commute analysis in 2022 (offices > 100 employees located in municipalities with a population over 50,000 inhabitants) which, at present, amount to 140 located in 77 municipalities of the national territory, for a sample of about 40,363 total resources. This is due to the provisions of Law No. 77 of 17/07/2020. The calculation also takes into account the impact of smart working on the reduction of home-work kilometres travelled (adopted for 50% of staff with 2 returns per week). Consistent with the provisions of Articles 18 et seq. of Law no. 81/2017 and the trade union agreements signed, this modality will continue, as of 01/04/2022, on the basis of individual agreements between the Company and the worker with 3 returns per week of the entire company staff population, (13% of the company population, 123,000 employees - Source RUO as of 01/02/2022). It should be noted that the methodology applied is that proposed by the new MITE-MIMS Guidelines.

<sup>(\*\*\*)</sup> The value indicated refers to the estimate of the polluting emissions generated by the home-work commute of Poste Italiane employees and refers to all Poste offices subject to the home-work commute analysis in 2023 (offices > 100 employees located in municipalities with



a population over 50,000 inhabitants) which, at present, amount to 135 located in 75 municipalities of the national territory, for a sample of 39,097 total resources. This is due to the provisions of Law No. 77 of 17/07/2020. The calculation also takes into account the impact of smart working on the reduction of home-work kilometres travelled. The Poste Italiane Group regulates the performance of services in agile mode in accordance with the provisions of Articles 18 et seq. of Law no. 81/2017, the National Collective Labour Agreement and the trade union agreements signed on the matter, which currently provide that this mode will remain in place until 31/12/2024. According to the current individual agreements between the company and the employee, Smart Working can be carried out up to a maximum of 2 days/week and 9 days/month (14% of the company population: approx. 121,000 employees (Source: RUO as of 01/03/2023) (excluding employees working in the Customer Service and Back Office of DTO). It should be noted that the methodology applied is the one indicated by the MITE-MIMS Guidelines.

**Emissions financed Scope 3<sup>(\*)</sup>**

<b>Emissions financed Scope 3</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total absolute issues financed</b>	6,641,823.42	8,541,519.64	9,489,429.95
<b>Scope 3 (tCO<sub>2</sub>e) <sup>(**)</sup></b>			
<b>Weighted Average Carbon Intensity (WACI) (tCO<sub>2</sub>e/€ million in revenues) <sup>(***)</sup></b>	153.41	155.53	119.58

<sup>(\*)</sup> The Group's Scope 3 financed emissions input data (absolute emissions, WACI and relative breakdowns by industry and region) are produced and verified by Moody's rating agency. The analysis in 2023 considered an amount of Assets under Management (AuM - corporate issuers) amounting to €69,898,814,477.30 corresponding to 89.87% of the Group's total AuM (corporate issuers).

<sup>(\*\*)</sup> Financed emissions: category of emissions associated with the Company's investments in the reporting year, currently not included in Scope 1 and Scope 2 emissions. These emissions are categorised as a downstream Scope 3 category (Scope 3 Category 15, GHG Protocol). Absolute emissions: absolute greenhouse gas emissions associated with the company's portfolio, expressed in tonnes.

<sup>(\*\*\*)</sup> Weighted average carbon intensity of a portfolio (WACI) obtained by calculating the carbon intensity (Scope 1 + 2 emissions / mln € revenue) for each company in the portfolio and calculating the weighted average for the weight of the company in the portfolio.

**Scope 3 financed emissions by country/geographical area**

	<b>2021</b>		<b>2022</b>		<b>2023</b>	
	<b>Absolute emissions financed Scope 3 (tCO<sub>2</sub>e)</b>	<b>WACI (tCO<sub>2</sub>e/ mln € revenues)</b>	<b>Absolute emissions financed Scope 3 (tCO<sub>2</sub>e)</b>	<b>WACI (tCO<sub>2</sub>e/ mln € revenues)</b>	<b>Absolute emissions financed Scope 3 (tCO<sub>2</sub>e)</b>	<b>WACI (tCO<sub>2</sub>e/ mln € revenues)</b>
Asia Pacific	252,081.79	12.97	60,643.85	5.21	194,184.63	4.82
Europe	4,671,440.57	81.99	6,045,701.57	95.81	6,379,366.06	58.75
Middle East Africa	111.58	0.10	37,248.02	0.38	12,409.58	0.10
North America	1,025,890.23	30.46	1,243,038.83	31.10	1,411,819.95	34.85
Rest of the world	692,299.25	27.89	1,154,887.37	23.02	1,491,649.72	21.07
<b>Total</b>	<b>6,641,823.42</b>	<b>153.41</b>	<b>8,541,519.64</b>	<b>155.53</b>	<b>9,489,429.95</b>	<b>119.58</b>

**Scope 3 financed issues by asset class**

Emissions Scope 3	financed	2021		2022		2023	
		Absolute emissions financed Scope 3 (tCO <sub>2</sub> e)	WACI (tCO <sub>2</sub> e/ mln € revenues)	Absolute emissions financed Scope 3 (tCO <sub>2</sub> e)	WACI (tCO <sub>2</sub> e/ mln € revenues)	Absolute emissions financed Scope 3 (tCO <sub>2</sub> e)	WACI (tCO <sub>2</sub> e/ mln € revenues)
Corporate bonds		5,645,549.91	130.40	7,260,291.70	132.20	8,160,909.76	102.84
Equity		996,273.51	23.01	1,281,277.95	23.33	1,328,520.19	16.74
<b>Total</b>		<b>6,641,823.42</b>	<b>153.41</b>	<b>8,541,519.64</b>	<b>155.53</b>	<b>9,489,429.95</b>	<b>119.58</b>

**Scope 3 financed emissions by sector/industry**

Emissions Scope 3	financed	2021		2022		2023	
		Absolute emissions financed Scope 3 (tCO <sub>2</sub> e)	WACI (tCO <sub>2</sub> e/ mln € revenues)	Absolute emissions financed Scope 3 (tCO <sub>2</sub> e)	WACI (tCO <sub>2</sub> e/ mln € revenues)	Absolute emissions financed Scope 3 (tCO <sub>2</sub> e)	WACI (tCO <sub>2</sub> e/ mln € revenues)
Aerospace		3,154.77	0.04	2,374.31	0.04	3,828.96	0.05
Vehicles		149,376.92	1.36	148,764.63	1.26	318,438.41	1.30
Drinks		18,442.14	1.00	30,608.39	1.07	27,846.37	0.82
Broadcasting and advertising		7,783.35	0.08	6,624.62	0.26	1,757.74	0.05
Building materials		382,375.95	9.63	1,402,793.80	20.46	1,274,645.35	17.42
Business support services		13,252.31	0.24	10,888.61	0.42	19,602.86	0.43
Chemicals		153,463.03	7.22	308,910.19	7.64	477,957.50	7.89
Banks for development		0 <sup>(*)</sup>	0.03	0 <sup>(*)</sup>	0.07	0 <sup>(*)</sup>	0.10
Diversified banks		65,109.01	3.15	40,505.42	2.51	41,483.04	1.36
Electricity and gas companies		2,748,944.62	59.37	3,208,045.28	58.42	3,484,026.56	39.20
Components and electrical equipment		3,905.16	0.16	2,488.58	0.15	4,461.10	0.18
Energy		1,729,556.19	27.84	1,672,150.10	22.45	1,675,507.67	14.30
Financial Services - General		63,989.05	0.46	12,389.75	0.64	56,313.74	1.57
Financial Services - Real Estate		17,057.29	3.67	21,899.28	3.55	29,108.96	2.60
Food products		25,405.53	0.56	27,654.61	1.26	37,395.57	0.86
Forest products and paper		55,153.93	1.25	48,998.53	1.09	39,239.30	0.85
Sanitary equipment and services		7,453.21	0.32	9,099.46	0.31	11,785.83	0.33
Heavy construction		12,989.40	0.18	16,049.10	0.19	36,979.33	0.21
Home construction		476.76	0.01	33.72	0.00	424.62	0.01
Hotels, goods and services for leisure time		19,183.07	1.76	64,624.04	3.34	118,762.24	2.86
Industrial goods and services		48,126.29	0.58	41,952.74	0.70	35,048.44	0.49
Insurance		23,818.20	0.06	24,565.34	0.97	7,274.05	0.14
Local authorities		0 <sup>(*)</sup>	3.97	0 <sup>(*)</sup>	4.26	0 <sup>(*)</sup>	2.28
Luxury goods and cosmetics		3,808.25	0.17	3,081.19	0.24	5,269.08	0.21

Components and mechanical equipment	3,363.71	0.48	95,378.57	0.68	55,683.50	0.54
Mining and metals	362,885.73	13.58	326,478.03	7.23	509,181.26	5.28
Oil equipment and services	64,448.87	2.23	110,190.18	2.73	101,296.08	3.42
Pharmaceuticals and biotechnology	13,045.37	0.75	21,179.70	0.74	19,825.46	0.61
Publishing	84.72	0.01	84.59	0.00	159.20	0.01
Retail and specialised banks	2,946.01	0.55	9,140.55	0.62	15,513.01	0.39
Software and IT services	5,659.01	0.55	1,946.88	0.49	8,432.62	0.79
Specialised retail trade	9,610.11	0.23	3,759.29	0.20	18,152.76	0.27
Banks and agencies for specific purposes	0.04	0.07	0.60	0.07	92.64	0.02
Supermarkets	28,856.52	0.13	4,335.08	0.14	23,801.07	2.23
Technology-Hardware	26,502.77	1.58	10,218.49	1.06	27,984.25	1.12
Telecommunications	99,666.46	1.48	116,766.88	1.94	149,060.76	2.03
Tobacco	6,138.19	0.21	6,339.14	0.30	4,962.21	0.23
Transport and logistics	48,245.96	3.35	17,278.18	2.52	59,103.96	2.17
Travel and tourism	175,989.23	2.64	543,356.50	3.12	515,991.19	2.72
Waste and water	241,556.26	2.43	170,565.29	2.38	273,033.23	2.26
<b>Total</b>	<b>6,641,823.42</b>	<b>153.41</b>	<b>8,541,519.64</b>	<b>155.53</b>	<b>9,489,429.95</b>	<b>119.58</b>

(\*) The value is 0 because the companies included in the industry reference industries do not have a market capitalisation and, consequently, the figure cannot be recorded.



## Customer experience

## Customer experience in Post Offices

<b>Customer experience in Post Offices</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Average waiting time in Post Offices (minutes)	9.20	10.20	9.80
Customer served within 15 minutes (%)	81.27	78.30	79.10
Customer satisfaction with waiting times (1-10)	7.7	7.8	8.0
Customer satisfaction with overall post office experience	8	8.2	8.3

Customer complaints by type<sup>(\*)</sup>

<b>Post Offices</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Complaints received	6,476	10,336	9,103
Average response time (days)	16	40	26
<b>Mail</b>			
Complaints received	46,054	36,042	28,708
Average response time (days)	17	29	15
<b>Parcels</b>			
Complaints received	102,630	64,217	58,570
Average response time (days)	16	15	14
<b>Financial Services</b>			
Complaints received	198,878	154,310	166,718
Average response time (days)	8	11	3
<b>Insurance Services</b>			
Complaints received	5,102	5,065	9,097
Average response time (days)	30	23	28
Investigations initiated by the Insurance Regulator	307	293	532
<b>PosteMobile</b>			
Mobile telephone complaints received	5,922	1,934	851
Average response time (days)	2	3	2
Fixed line complaints received	1,767	515	425
Average response time (days)	4	5	2

<sup>(\*)</sup> The figures on complaints relate to open cases requiring back-office intervention.

Number of contacts handled<sup>(\*)</sup>

<b>Contact Centre</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Number of contacts handled (mln)	37	41	54

<sup>(\*)</sup> The increase compared to the previous year is due to the AI component, which has an impact of 44% of the total managed (vs 39% in 2022). In 2023, the AI component includes calls handled through the IVR self-service system for SPID credential retrieval (9 mln).

**Customer satisfaction <sup>(\*)</sup>**

<b>Satisfied customers (%)</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(**)</sup></b>
Satisfied customers following Customer Experience surveys <sup>(***)</sup>	82.2	83	83.8
Data coverage	100	100	100

<sup>(\*)</sup> The customer experience of the business units is measured twice a year (May and October) through Net Promoter Score surveys, which measure the recommendability of Poste Italiane's products and services. These are surveys using CATI (Computer-Assisted Telephone Interviewing) and CAWI (Computer-Assisted Web Interviewing) methods that an external research institute carries out on samples of customers representative of the reference universe;

In terms of channels, the indicator used is the Customer Effort Score (CES), which records the ease of access. These are CATI (Computer-Assisted Telephone Interviewing) measurements for customer service and CAPI (Computer-Assisted Personal Interviewing) for post offices; The samples of customers that the external institute contacts are representative of the reference universe.

<sup>(\*\*)</sup> The target set for 2023 is 83.5%.

<sup>(\*\*\*)</sup> Percentage of Group customers who returned a vote greater than/equal to 7.

**Monthly complaints**

<b>Complaints</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Monthly complaints received	30,568	23,035	23,268

**Business continuity plan resources<sup>(\*)</sup>**

<b>Business continuity plan resources</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Investments (€mln)	1.3	1.6	4.3
Drills	4	4	8
People involved	240	269	318
Mainframe services (open services being processed) covered by plans of disaster recovery (%)	100	100	100

<sup>(\*)</sup> The figures refer to Poste Italiane SpA, PostePay SpA and BancoPosta Fondi SpA SGR, Poste Vita SpA, Postel SpA.

**[GRI 418-1] Privacy violations and data leaks**

<b>Violations and data leaks</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(*)</sup></b>
Complaints received regarding violations of privacy	41	29	46
Of which:			
complaints received from third parties and recognised by the organisation	41	29	46
complaints received from regulatory bodies	0	0	0
Breaches, data theft and leaks of customer data identified	304	371	294

<sup>(\*)</sup> In 2023, with respect to detected incidents of violation of privacy, in 29 cases, the competent internal function that investigated the breaches forwarded the files to the Human Resources function for appropriate action against the employees involved. In the remaining cases, no sanctions were imposed on Poste Italiane staff because the violations occurred due to external attacks and/or human error.

**IT security and cyber security breaches**

<b>IT incidents and breaches</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(*)</sup></b>
Total number of IT security breaches/cyber security incidents	195	83	48
Total number of IT security breaches involving the security of consumers	3	1	2
Total amount of fines /penalties paid in relation to IT security breaches and other IT security incidents (€)	0	0	0

<sup>(\*)</sup> The number of incidents is lower than in the previous year. The causes of IT security incidents are mainly related to the increase in external attacks, in particular aimed at company employees with the aim of carrying out identity theft and consequently accessing company systems. An increase in stolen laptops, with company data, was also revealed, probably attributable to increased mobility. There was an increase in DDOS-type attacks by pro-Russian groups, which did not lead to significant customer disruptions. This was made possible by strengthening the perimeter posture through the activation of the Microsoft Front Door service for the publication of certain services on the Internet. However, the Group launched a number of initiatives during the year aimed at reducing IT security incidents related to credential compromise, such as the large-scale implementation of user identity verification systems using 2-factor authentication systems.

**Number of customers whose data were used for secondary purposes**

<b>Customers whose data were used for secondary purposes (%)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Percentage of customers whose data were used for secondary purposes (%)	0	0	0

**Number of customers involved in IT security breaches**

<b>Customers involved in IT security breaches</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Number of customers involved in IT security breaches	175	17	94,726 <sup>(*)</sup>

<sup>(\*)</sup> With regard to the number of incidents, although these are lower in 2023 than in previous years, the number of customers involved in IT security breaches is higher. This followed two specific incidents that occurred in 2023 in two Group companies. For each breach, the Personal Data Protection Authority was notified in accordance with current legislation, and the most appropriate security measures were identified and put in place to prevent similar incidents from reoccurring.



## Innovation

## Number of digital services offered (figures in millions)

Digital offer	2021	2022	2023
Customers registered on Poste Italiane's digital channels (websites and apps)	33.8	36.8	39.0
Digital identities issued	21.2	23.8	24.0
Postepay apps downloaded	18.4	21.7	25.1
BancoPosta apps downloaded	10.8	13.2	15.6
Post Office apps downloaded	12.2	14.7	16.7
PosteID apps downloaded	24.1	30.2	34.7
Transactions carried out via consumer digital channels (websites and apps)	124.7	152.6	183.7

## Dematerialisation of procedures and corresponding transactions

Type of procedures <sup>(*)</sup>	2021		2022		2023	
	No. Procedures	% dematerialisation	No. Procedures	% dematerialisation	No. Procedures	% dematerialisation
Certificates	1,584	94	1,811	97	2,456	100
Current accounts	586	96	535	96	424	96
Savings Books	746	92	687	96	1,902	98
Postepay Evolution	2,137	98	1,749	99	1,265	98
Full Acquiring	11	9	14	100	11	91
Life insurance policies	520	97	726	67	756	97
Non-life policies	250	93	256	96	238	100
MiFID	2,175	94	1,803	96	1,587	95
PosteMobile	832	87	764	95	583	89
Guided consultation	1,512	94	1,388	89	1,585	97
Loans	417	91	460	96	512	99
Provisions	262	94	144	96	350	98
<b>Total procedures</b>	<b>11,030</b>	<b>94</b>	<b>10,336</b>	<b>96</b>	<b>11,670</b>	<b>97</b>

<sup>(\*)</sup> Figures in thousands.

Corresponding transactions	2021	2022	2023
Total transactions (€m)	27.7	26.9	30.4
Total electronic transactions (€m)	26.9	25.8	29.3
Dematerialised transactions (%)	96.9	95.9	96.3



## Sustainable finance

ESG products and services related to Asset Management <sup>(\*)</sup>

Categories of environmental, social and governance investment products and services offered (€)	2022	2023
Investment products/options include the integration of ESG criteria <sup>(**)</sup>	244,029,168.87	3,473,925,974.74
Investment products/options applying best-in-class criteria <sup>(***)</sup>	6,704,015,404.05	9,811,967,295.69
Products/Investment options with thematic investments <sup>(****)</sup>	118,464,735.57	118,465,514.19
Investment products/options linked to impact investing activities <sup>(*****)</sup>	0	0
Other <sup>(*****)</sup>	0	1,002,485,000.48
<b>Total AuM of environmental, social and governance investment products</b>	<b>7,066,509,308.49</b>	<b>14,406,843,785.10</b>
Total AuM in the asset management segment <sup>(*****)</sup>	100,621,409,143.26	117,381,041,341.00
<b>Percentage of environmental, social and governance investment products out of total AuM in the asset management segment (%)</b>	<b>7.0</b>	<b>12.3</b>

<sup>(\*)</sup> It is specified that with regard to the custody of sustainable investment products and services BancoPosta Fondi SGR does not offer its clients products not owned by the organisation and managed by third-party managers. In this regard, the breakdown and classification of these in terms of Assets under Custody (AuC) is not reported.

<sup>(\*\*)</sup> The category includes products for which ESG factors are systematically included in analyses and investment decisions. In 2023, the category included the products "BP UNIVERSO 60", "BP UNIVERSO 40", "BP Universo Tematico", "PV Valore Sostenibilità Equilibrato", "PV Valore Sostenibilità Dinamico", "PV Valore Sostenibilità Sviluppo" and "PV Obiettivo Sostenibilità". With reference to 2023, the investment options referred to Poste Vita and belonging to this category amount to €3,344,193,236.48.

<sup>(\*\*\*)</sup> The category includes products invested in sectors, companies or specific projects, selected for their positive ESG performance within their respective sectors of operation (so-called positive screening). In 2023, the following products were included in the category: "BP Orizzonte Reddito", "BP Azionario Flessibile", "BP Azionario Internazionale", "BP Azionario Euro", "BP Selezione Attiva", "BP Mix 1", "BP Mix 2", "BP Mix 3", "GS Poste Vita Valore Solidità" and "Riserva Attivi Specifici". With reference to 2023, the investment options referred to Poste Vita and belonging to this category amount to €3,472,510,110.

<sup>(\*\*\*\*)</sup> The category includes products whose investments are focused on issues or economic activities that contribute positively to certain environmental or social outcomes (e.g. clean energy, energy efficiency, etc.). In 2023, the following products were included in the category: "BP Focus Ambiente 2027" and "BP Focus Ambiente Marzo 2028".

<sup>(\*\*\*\*\*)</sup> The category includes products whose investments are made with the intention of generating a positive social and environmental impact, as well as a quantifiable financial return, in both emerging and developed markets.

<sup>(\*\*\*\*\*)</sup> The "Other" category includes products classified as Articles 8 and 9 in line with the requirements of EU Regulation 2019/2088 (so-called EU SFDR Regulation). In 2023, the following product was included in the category: "Poste Investo Sostenibile".

<sup>(\*\*\*\*\*)</sup> The value reported is the sum of the NAVs of the managed funds.



## 8. PROPOSED SHAREHOLDER RESOLUTIONS AND OTHER INFORMATION

### 8.1 PROPOSED RESOLUTIONS

The Board of Directors proposes that the Shareholders' Meeting approve the 2023 draft financial statements of Poste Italiane SpA (including BancoPosta RFC's Separate Report), accompanied by the Directors' Report on Operations.

In view of the current dividend distribution policy and as announced to the public in the press release of 29.02.2024, it is proposed to the Board of Directors to propose to the Ordinary Shareholders' Meeting:

- to appropriate BancoPosta RFC's profit for the year of €600,344,459 as follows:
  - to "Profit reserve" for €60,000,000;
  - available to Poste Italiane for possible distribution for €540,344,459.
- to appropriate Poste Italiane SpA's profit for 2023, amounting to €1,389,505,408, as follows:
  - to "Profit reserves" of BancoPosta RFC for €60,000,000;
  - to reserve called "Retained earnings", share not available for distribution for €5,610,306<sup>164</sup>;
  - to the distribution to the Shareholders, as a dividend, the amount of €0.800 for each ordinary shares in circulation on the ex-dividend date indicated above, excluding portfolio treasury shares on that date;
  - the remaining amount after the distribution to the Shareholders, to the available reserve named "Retained Earnings";
- to distribute the above dividend of €0.800 per share as follows:
  - the amount of €0.237 for each of the ordinary shares outstanding on the ex-dividend date, excluding treasury shares in portfolio, as interim dividend, already paid from 22 November 2023 for a total amount of €307,017,906;
  - the amount of €0.563 for each of the ordinary shares outstanding on 24 June 2024, the day scheduled as the ex-dividend date, excluding treasury shares in the portfolio on that date as balance of the dividend.

### 8.2 OTHER INFORMATION

#### SIGNIFICANT EVENTS AFTER 31 DECEMBER 2023

Events after the end of the reporting period to which the 2023 Annual Report refers are described in other sections of this document. Further information is provided in Poste Italiane Financial Statements for the year ended 31 December 2023.

#### RELATED PARTY TRANSACTIONS

Details of the impact of related party transactions on the financial position and profit or loss are provided in Poste Italiane Financial Statements for the year ended 31 December 2023.

#### SIGNIFICANT TRANSACTIONS

At its meeting of 14 December 2022, Poste Italiane SpA's Board of Directors, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 13 December 2022, passed the Framework Resolution authorising financial transactions with the counterparty Cassa Depositi e Prestiti SpA up to a maximum total amount of €2 billion and for a duration of one year starting from 1 January 2023. In particular, financial transactions relate to the spot purchase and sale of Euro-government and/or Italian government-guaranteed securities and repurchase agreements for lending and funding to be carried out within the limits of the "Poste Italiane Financial Management" Guidelines, the BancoPosta Risk Appetite Framework and/or the resolutions of the Board of Directors. Financial operations take the form

<sup>164</sup> The amount of €5,610,306 refers to the income not available for distribution recognised in profit or loss for the fair value measurement of Visa Preferred Stock shares which - in application of Legislative Decree no. 38/2005 - cannot be the subject of distribution until actually realised.

of support activities for BancoPosta ordinary operations and are therefore of an ordinary nature within the meaning of Consob regulations. No transactions were carried out in 2023 to implement the Framework Resolution.

At its meeting of 14 December 2022, Poste Italiane SpA's Board of Directors, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 13 December 2022, passed the Framework Resolution authorising financial transactions with the counterparty MPS Capital Services Banca per le Imprese SpA (now Banca Monte dei Paschi di Siena SpA) up to a maximum total amount of €4 billion and for the duration of one year starting from 1 January 2023. In particular, financial transactions relate to the spot and forward purchase and sale of government and/or Italian government-guaranteed securities, repurchase agreements for lending and funding, and hedging financial derivatives to be carried out within the limits of the Poste Italiane Financial Management Guidelines, BancoPosta's Risk Appetite Framework and/or the resolutions of the Board of Directors. Financial operations take the form of support activities for BancoPosta ordinary operations and are therefore of an ordinary nature within the meaning of Consob regulations. In 2023, three interest rate swap transactions were carried out to hedge interest rate risk, and two transactions to buy and sell government bonds for a total amount of €327.3 million in implementation of the Framework Resolution. The transactions were concluded at market conditions.

At its meeting of 14 December 2022, Poste Italiane SpA's Board of Directors approved the signing of a framework agreement with the subsidiary, SDA Express Courier SpA, for the management of domestic and international parcels, with an estimated maximum value of approximately €1,704 billion for the two-year term of the agreement from 1 January 2023 to 31 December 2024, net of VAT and eventual fifth obligation. In the absence of significant interests of other parties included in the Combined Perimeter of related parties and connected parties of Poste Italiane SpA, the transaction benefited from the exclusion from the application of the decision-making procedures of the Related and Connected Parties Committee. The Agreement was signed on 10 January 2023.

Poste Italiane SpA's Board of Directors, in its meeting of 29 March 2023, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 28 March 2023, approved the proposed Agreement between Poste Italiane SpA - BancoPosta RFC and the Ministry of Economy and Finance, which regulates the remuneration of the use by the MEF of deposits on postal current accounts in the name of persons other than private customers. The Agreement, the value of which was estimated at €990 million over the reference time horizon (2 years), was finalised on 25 May 2023. On 1 June 2023, the relevant Information Document was made available to the public at the Company's registered office, at Borsa Italiana SpA, on the Company's website, as well as on the website of the authorised storage mechanism "eMarket Storage".

The Board of Directors of Poste Italiane SpA, in the meeting of 3 May 2023, having acquired the favourable opinion of the Related Parties and Connected Persons Committee issued on 2 May 2023, approved the operation concerning the amendment, for the years 2023 and 2024, of the Agreement between Poste Italiane SpA - BancoPosta RFC and Cassa Depositi e Prestiti SpA governing the postal savings collection service. The parties subsequently consolidated the terms of the amendment to the Agreement with reference to the terms applicable to the year 2023 only, and the Amendment Deed was finalised on 30 January 2024. The value of the Amended Agreement for the year 2023 is between €1.55 billion and €1.85 billion in total, while the total value of the Agreement for the period 2021 - 2024, as amended, is between €6.50 billion and €7.05 billion. On 6 February 2024, the Information Document relative to the transaction was made available to the public at the Company's registered office, at Borsa Italiana SpA, on the Company's website, as well as on the website of the authorised storage mechanism "eMarket Storage".

At its meeting of 28 June 2023, Poste Italiane SpA's Board of Directors, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 27 June 2023, approved the Renewal of the Ancillary Own Fund transaction in favour of Poste Vita SpA for a maximum amount of €1,750 million. On 5 July 2023, the relevant Information Document was made available to the public at the Company's registered office, at Borsa Italiana SpA, on the Company's website, as well as on the website of the authorised storage mechanism "eMarket Storage". The contract was signed on 9 November 2023 with effect from 15 November 2023.

On 19 June 2023, the subsidiary SDA Express Courier SpA signed a new Master Commercial Agreement - a framework agreement for the provision of Full Truck Load (FTL) transport services - with sender Italia Srl, with a duration of 5 years starting from 1 July 2023 and an estimated value of €1.053 billion. In the absence of significant interests of other parties included in the Combined Perimeter of related parties and connected parties of Poste Italiane SpA, the transaction benefited from the exclusion from the application of the decision-making procedures of the Related and Connected Parties Committee. On 1 July 2023, as a result of the overall renegotiation of the partnership with sender Tech, approved by Poste Italiane SpA's Board of Directors on 30 May 2023, Poste Italiane SpA's stake in sender Italia Srl decreased from 60% to 25%.

At its meeting of 13 December 2023, Poste Italiane SpA's Board of Directors, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 12 December 2023, passed the Framework Resolution authorising financial transactions with the counterparty Cassa Depositi e Prestiti SpA up to a maximum total amount of €2 billion and for a duration of one year starting from 1 January 2024. In particular, financial transactions relate to the spot purchase and sale of Euro-government and/or Italian government-guaranteed securities and repurchase agreements for lending and funding to be carried out within the limits of the "Poste Italiane Financial Management" Guidelines, the BancoPosta Risk Appetite Framework and/or the resolutions of the Board of Directors. Financial operations take the form of support activities for BancoPosta ordinary operations and are therefore of an ordinary nature within the meaning of Consob regulations.

At its meeting of 13 December 2023, the Board of Directors of Poste Italiane SpA, having obtained the favourable opinion of the Related Parties and Connected Persons Committee issued on 12 December 2023, passed the Framework Resolution authorising financial transactions with the counterparty Banca Monte dei Paschi di Siena SpA up to a maximum total amount of €4 billion and for a duration of one year starting from 1 January 2024. In particular, financial transactions relate to the spot and forward purchase and sale of government and/or Italian government-guaranteed securities, repurchase agreements for lending and funding, and hedging financial derivatives to be carried out within the limits of the Poste Italiane Financial Management Guidelines, BancoPosta's Risk Appetite Framework and/or the resolutions of the Board of Directors. Financial operations take the form of support activities for BancoPosta ordinary operations and are therefore of an ordinary nature within the meaning of Consob regulations.

The Board of Directors of Poste Italiane SpA, in the meeting of 13 December 2023, having acquired the favourable opinion of the Related Parties and Connected Parties Committee issued on 12 December 2023, authorised the stipulation of the distribution agreement, for a three-year duration, between Poste Italiane SpA - BancoPosta RFC and Poste Vita SpA for the placement of insurance products. The Distribution Agreement, which qualifies as a Transaction of Greater Importance in the ordinary course of business and on market- or standard-equivalent terms, has an estimated value of approximately €2,277 million for the total term of the agreement (1 January 2024 - 31 December 2026). The agreement was finalised on 30 January 2024.

## STATEMENT OF RECONCILIATION OF PROFIT AND EQUITY

The statement of reconciliation of the Parent Company's profit/(loss) for the period and Equity with the consolidated amounts at 31 December 2023, compared with the statement at 31 December 2022, is included in Poste Italiane Financial Statements for the year ended 31 December 2023 (Notes to the Poste Italiane Group's financial statements – Equity).

## EXCEPTIONAL AND/OR UNUSUAL TRANSACTIONS

Under the definition provided by the CONSOB ruling of 28 July 2006, the Poste Italiane Group did not conduct any exceptional and/or unusual transactions<sup>165</sup> in 2023.

## ALTERNATIVE PERFORMANCE INDICATORS

In keeping with the guidelines published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415), in addition to the financial disclosures required by the International Financial Reporting Standards (IFRS), Poste Italiane has included a number of indicators in this Report that have been derived from them. These provide management with a further tool for measuring the Group's performance.

The following alternative performance indicators are used:

**NET WORKING CAPITAL:** this indicator represents the sum of inventories, trade receivables and other receivables and assets, current tax assets, trade payables and other liabilities, and current tax liabilities.

This indicator is also shown separately for each Strategic Business Unit.

**NON-CURRENT ASSETS:** this indicator represents the sum of property, plant and equipment, intangible assets and investments measured using the equity method.

This indicator is also shown separately for each Strategic Business Unit.

**NET INVESTED CAPITAL:** this indicator represents the sum of non-current assets and net working capital, deferred tax assets, deferred tax liabilities, provisions for risks and charges and severance pay.

This indicator is also shown separately for each Strategic Business Unit.

**CET 1 CAPITAL:** consists of Primary Tier 1 capital, as defined in Regulation (EU) no. 575/2013, and includes the Capitalised Earnings Reserve created upon appropriation of assets and the Retained Earnings Reserves, taking into account the transitional regime.

**CET 1 RATIO:** coefficient that expresses the adequacy of the primary tier 1 capital with respect to the weighted exposure to Pillar 1 risks (operational, credit, counterparty, exchange rate). It is the ratio of CET1 Capital to total Risk Weighted Assets (RWA).

**COMBINED RATIO PROTECTION (net reinsurance):** technical indicator of the Non-Life business, determined as the ratio between the overall amount of costs incurred (claims and settlement expenses, net reinsurance expenses, attributable/non-attributable management expenses and other technical expenses and income) and gross insurance revenues.

**UNIT DIVIDEND (DPS):** represents the amount of dividends paid by the company for each outstanding share. It is calculated as Dividends paid/Number of shares outstanding.

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<sup>165</sup>Such transactions are defined as transactions that due to their significance/materiality, the nature of the counterparties, the purpose of the transaction, the manner of determining the transfer price and timing of the transaction may give rise to doubts over the correctness and/or completeness of the disclosures in the Financial Statements, over a conflict of interest, safeguards for the Company's financial position and protections for non-controlling shareholders.

**EBIT (Earnings Before Interest and Taxes):** this is an indicator of operating profit before financial expenses and taxation.

**EBIT margin:** this is an indicator of the operating performance and is calculated as the ratio of operating profit (EBIT) to total revenue. This indicator is also shown separately for each Strategic Business Unit.

**EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation):** this is an indicator of operating profit before financial expenses and taxation, and depreciation, amortisation and impairments of non-current assets.

**FUND FROM OPERATIONS (FFO):** financial indicator represented by the Group's net result, adjusted for non-monetary costs and revenue (depreciation and amortisation, Expected Credit Loss - ECL of receivables, financial expenses from discounting) and the net change in provisions for risks and severance pay. In the Mail, Parcels and Distribution SBU, the indicator is also neutralised by the IFRS 16 effect (amortisation and financial expenses) and includes financial outlays for rents.

**LAPSE RATE:** this is an indirect measure of customer loyalty. It is based on redemptions during the period as a percentage of average mathematical provisions of the period.

It is calculated as a percentage of redemptions/Average mathematical provisions (linearised over 12 months in the intermediate periodic situations).

**LEVERAGE RATIO:** this is the ratio between Total Capital (Own Funds) and total assets, the latter including adjustments for derivatives and off-balance sheet exposures.

**TOTAL FINANCIAL ASSETS:** they represent the amount of assets/liabilities managed or administered by the Group and are obtained from the sum of Postal Savings collected by the Parent Company in the name and on behalf of Cassa Depositi e Prestiti, deposits on postal current accounts, and assets managed by the subsidiary BancoPosta Fondi SpA SGR, as well as the investments made on behalf of customers in investment products other than the above (equities, bonds, Moneyfarm products, etc.) and the Insurance Technical Provisions of the Life insurance business, which represent the obligations taken on vis-à-vis policyholders and tariff premiums net of loadings. The presence within this indicator of Insurance Technical Provisions, calculated analytically contract by contract, in accordance with the application rules set out in Annex 14 of ISVAP Regulation no. 22 of 4 April 2008 (Mathematical Provisions), i.e., in accordance with the principles for preparing the statutory financial statements of Poste Vita SpA, does not make it possible to perform a reconciliation with the insurance obligations presented in the financial information for the period.

**GROUP NET DEBT/(FUNDS):** the sum of financial assets, tax credits under Law no. 77/2020, cash and deposits attributable to BancoPosta, cash and cash equivalents, liabilities under insurance contracts, assets for outward reinsurance and financial liabilities.

This indicator is also shown separately for each Strategic Business Unit.

**NET DEBT/(FUNDS) OF THE MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT:** this is the financial debt calculated according to the scheme recommended by ESMA European Securities and Markets Authority (ESMA32-382-1138 of 4 March 2021) net of trade payables and other non-current payables with a significant implicit or explicit financing component and including the following items: non-current financial assets, tax credits under Law no. 77/2020, current hedging derivatives assets, inter-segment financial receivables and payables.

**NET DEBT/(FUNDS) OF THE MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT AS PER IFRS 16:** calculated as the net financial position of the Mail, Parcels and Distribution Services Strategic Business Unit excluding the financial liabilities for leasing (IFRS 16) and the fair value and cash flow hedge reserves.

**AVERAGE PORTFOLIO RETURN EXCLUDING PRO-ACTIVE PORTFOLIO MANAGEMENT (%)**: Yield portfolio average calculated as the ratio between interest income and average current account balances (excluding the value of pro-active portfolio management).

**PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT REVENUE NET OF ENERGY COSTS**: this is an indicator of the operating performance of the Payments and Mobile Strategic Business Unit, within which the new business involving the sale of electricity and natural gas is represented. This indicator is calculated by subtracting the costs associated with the purchase of raw materials and the transport of electricity and gas from the revenue of the entire SBU.

**ROE (Return On Equity)**: calculated as the ratio between the Net result and the average value of the Group's "Shareholders' equity" (net of fair value and cash flow hedge valuation reserves) at the beginning and at the end of the reporting period.

**RWA (Risk Weighted Assets)**: this indicator measures the risk exposure of assets in accordance with Basel III regulations. Risk-Weighted Assets, or RWA, are calculated by applying a weighting to assets that takes into account the level of exposure to credit, counterparty, market and operational risks.

**TOTAL ASSETS**: Total assets in the Statement of Financial Position of BancoPosta Ring-Fenced Capital - RFC.

**TOTAL CAPITAL (OWN FUNDS)**: consists, as defined by Regulation (EU) no. 575/2013, of the sum of Tier 1 capital, consisting of CET 1 Capital and Additional Tier 1 capital (AT1, which for BancoPosta includes the hybrid instrument contributed by Poste Italiane), and Tier 2 capital (not relevant for BancoPosta).

**TOTAL CAPITAL RATIO**: is the coefficient that expresses the adequacy of Total Capital (Own Funds) with respect to the weighted exposure to Pillar 1 risks (operating, credit, counterparty, exchange rate). Ratio of Total Capital (Own Funds) to Total Risk Weighted Assets (RWA).

**TSR (Total Shareholder Return)**: it measures the total annual return for an investor and is calculated by adding the increase in the share price over a determinate period of time to the impact of dividends per share paid in the same period.

**EARNINGS PER SHARE**: calculated by dividing the Group's profit for the year by the weighted average number of Poste Italiane SpA's ordinary shares in issue during the period.

## APPENDIX

### RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€m)	2023	2022	Changes		4Q 2023	4Q 2022	Changes	
<b>Revenues</b>	<b>11,989</b>	<b>11,374</b>	<b>+615</b>	<b>+5.4%</b>	<b>3,186</b>	<b>3,060</b>	<b>+126</b>	<b>+4.1%</b>
<i>of which:</i>								
Mail, Parcels and Distribution Services	3,746	3,651	+95	+2.6%	991	1,003	(12)	-1.2%
Financial Services	5,229	4,939	+290	+5.9%	1,371	1,194	+178	+14.9%
<i>of which pro-active management of the securities portfolio</i>	158	335	(177)	-52.9%	(10)	(0)	(10)	n/s
Insurance Services	1,567	1,650	(83)	-5.0%	425	506	(82)	-16.1%
Payments and Mobile Services	1,447	1,134	+312	+27.5%	399	357	+42	+11.6%
<b>Costs</b>	<b>8,558</b>	<b>8,209</b>	<b>+349</b>	<b>+4.2%</b>	<b>2,478</b>	<b>2,538</b>	<b>(60)</b>	<b>-2.4%</b>
<i>of which:</i>								
Total personnel expenses	5,170	4,823	+347	+7.2%	1,476	1,281	+195	+15.2%
<i>of which ordinary personnel expenses</i>	4,859	4,754	+105	+2.2%	1,262	1,222	+40	+3.3%
<i>of which early retirement incentives</i>	171	77	+94	+123.0%	165	60	105	n/s
<i>of which disputes and other extraordinary items</i>	140	(7)	+147	n/s	48	(1)	+49	n/s
Other operating expenses	3,388	3,386	+2	+0.1%	1,002	1,257	(255)	-20.3%
<b>EBITDA</b>	<b>3,431</b>	<b>3,164</b>	<b>+266</b>	<b>+8.4%</b>	<b>708</b>	<b>522</b>	<b>+186</b>	<b>+35.7%</b>
Depreciation, amortisation and impairments	811	769	+42	+5.4%	193	200	(7)	-3.4%
<b>EBIT</b>	<b>2,620</b>	<b>2,396</b>	<b>+225</b>	<b>+9.4%</b>	<b>515</b>	<b>322</b>	<b>+193</b>	<b>+59.9%</b>
<b>EBIT margin %</b>	<b>21.9%</b>	<b>21.1%</b>			<b>16.2%</b>	<b>10.5%</b>		
Finance income/(costs)	107	37	+70	n/s	31	26	+5	19.9%
<b>Gross profit</b>	<b>2,727</b>	<b>2,433</b>	<b>+295</b>	<b>+12.1%</b>	<b>546</b>	<b>348</b>	<b>+198</b>	<b>+57.0%</b>
Taxes	794	850	(56)	-6.5%	135	204	(69)	-33.7%
<b>Net profit</b>	<b>1,933</b>	<b>1,583</b>	<b>+350</b>	<b>+22.1%</b>	<b>411</b>	<b>144</b>	<b>+267</b>	<b>n/s</b>
<b>Net earnings per share (€)</b>	<b>1.48</b>	<b>1.21</b>	<b>+0.27</b>	<b>+22.2%</b>	<b>0.31</b>	<b>0.11</b>	<b>+0.21</b>	<b>188.1%</b>
n/s: not significant								

## Reconciliation of Management Revenues with Financial Revenues

(€m)	2023	2022	Changes		4Q 2023	4Q 2022	Changes	
<b>Group operating revenues</b>	<b>11,989</b>	<b>11,374</b>	<b>+615</b>	<b>+5.4%</b>	<b>3,186</b>	<b>3,060</b>	<b>+126</b>	<b>+4.1%</b>
Costs for raw materials, system charges and electricity and gas transport of the energy business for third-party customers	140	12	+127	n/s	65	11	+54	n/s
<b>Group Accounting Revenues</b>	<b>12,128</b>	<b>11,386</b>	<b>+742</b>	<b>+6.5%</b>	<b>3,251</b>	<b>3,071</b>	<b>+180</b>	<b>+5.9%</b>
n/s: not significant								

## Reconciliation of Management Operating Costs with Financial Operating Costs

(€m)	2023	2022	Changes		4Q 2023	4Q 2022	Changes	
<b>Group operating expenses</b>	<b>9,369</b>	<b>8,978</b>	<b>+390</b>	<b>+4.3%</b>	<b>2,671</b>	<b>+2,738</b>	<b>(67)</b>	<b>-2.5%</b>
Costs for raw materials, system charges and electricity and gas transport of the energy business for third-party customers	140	12	+127	n/s	65	11	+54	n/s
<b>Group accounting operating expenses</b>	<b>9,508</b>	<b>8,991</b>	<b>+518</b>	<b>+5.8%</b>	<b>2,736</b>	<b>2,749</b>	<b>(13)</b>	<b>-0.5%</b>
n/s: not significant								

## CONTRIBUTION OF STRATEGIC BUSINESS UNITS TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

31 december 2023	Mail, Parcels & Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
(€m)						
<b>Total revenue</b>	<b>8,991</b>	<b>6,095</b>	<b>1,419</b>	<b>1,710</b>	<b>(6,227)</b>	<b>11,989</b>
Revenue from third parties	3,746	5,229	1,567	1,447	-	11,989
Intersegment revenue	5,244	866	(148)	264	(6,227)	(0)
<b>Total costs</b>	<b>9,033</b>	<b>5,232</b>	<b>59</b>	<b>1,271</b>	<b>(6,227)</b>	<b>9,369</b>
Total personnel expenses	5,494	45	9	53	(431)	5,170
<i>of which ordinary personnel expenses</i>	5,184	45	9	53	(431)	4,859
<i>of which early retirement incentives</i>	171	0	0	0	-	171
<i>of which disputes and other extraordinary item</i>	139	0	0	0	-	140
Other operating expenses	2,649	106	20	663	(51)	3,388
Depreciation, amortisation and impairments	844	0	2	36	(71)	811
Intersegment costs	46	5,081	28	518	(5,674)	(0)
<b>EBIT</b>	<b>(43)</b>	<b>863</b>	<b>1,360</b>	<b>440</b>	<b>-</b>	<b>2,620</b>
<b>EBIT MARGIN %</b>	<b>-0.5%</b>	<b>14.2%</b>	<b>96%</b>	<b>25.7%</b>	<b>-</b>	<b>21.9%</b>
Finance income/(costs)	(5)	30	50	32	0	107
<b>Gross profit</b>	<b>(48)</b>	<b>893</b>	<b>1,410</b>	<b>471</b>	<b>0.4</b>	<b>2,727</b>
Taxes	(2)	246	417	134	-	794
<b>Net profit</b>	<b>(46)</b>	<b>647</b>	<b>994</b>	<b>338</b>	<b>0</b>	<b>1,933</b>

## STATEMENTS OF PROFIT OR LOSS BY STRATEGIC BUSINESS UNIT

## MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

(€m)	2023	2022	Changes		4Q 2023	4Q 2022	Changes	
<b>Revenue</b>	<b>8,991</b>	<b>8,512</b>	<b>+478</b>	<b>+5.6%</b>	<b>2,365</b>	<b>2,189</b>	<b>+176</b>	<b>+8.0%</b>
Mail	2,070	2,066	+4	+0.2%	551	556	(6)	-1.0%
Parcels	1,395	1,395	+0	+0.0%	403	404	(1)	-0.3%
Other revenue	281	190	+91	+47.9%	38	43	(5)	-11.6%
Intersegment revenue	5,244	4,862	+383	+7.9%	1,374	1,187	+188	+15.8%
<b>Costs</b>	<b>8,190</b>	<b>8,033</b>	<b>+157</b>	<b>+2.0%</b>	<b>2,360</b>	<b>2,464</b>	<b>(104)</b>	<b>-4.2%</b>
<i>of which:</i>								
Total personnel expenses	5,494	5,114	+380	+7.4%	1,545	1,351	+194	+14.4%
<i>of which ordinary personnel expenses</i>	5,184	5,046	+139	+2.7%	1,332	1,292	+40	+3.1%
<i>of which early retirement incentives</i>	171	76	+95	+125.1%	165	59	+106	n/s
<i>of which disputes and other extraordinary items</i>	139	(7)	+147	n/s	48	(0)	+48	n/s
Other operating expenses	2,649	2,880	(231)	-8.0%	795	1,104	(309)	-28.0%
Intersegment costs	46	39	+8	+19.8%	20	9	+11	+115.1%
<b>EBITDA</b>	<b>801</b>	<b>480</b>	<b>+321</b>	<b>+67.0%</b>	<b>5</b>	<b>(275)</b>	<b>+280</b>	<b>+101.8%</b>
Depreciation, amortisation and impairments	844	805	+38	+4.8%	202	206	(4)	-2.0%
<b>EBIT</b>	<b>(43)</b>	<b>(326)</b>	<b>+283</b>	<b>+86.9%</b>	<b>(197)</b>	<b>(481)</b>	<b>+284</b>	<b>+59.1%</b>
<b>EBIT margin %</b>	<b>-0.5%</b>	<b>-3.8%</b>			<b>-8.3%</b>	<b>-22.0%</b>		
Finance income/(costs)	(5)	17	(22)	-131.1%	(10)	19	(29)	n/s
<b>Gross profit</b>	<b>(48)</b>	<b>(309)</b>	<b>+261</b>	<b>+84.5%</b>	<b>(207)</b>	<b>(462)</b>	<b>+255</b>	<b>+55.3%</b>
Taxes	(2)	52	(53)	-103.7%	(38)	(17)	(21)	-123.8%
<b>Net profit</b>	<b>(46)</b>	<b>(361)</b>	<b>+315</b>	<b>+87.3%</b>	<b>(169)</b>	<b>(445)</b>	<b>+276</b>	<b>+62.1%</b>

n/s: not significant

**FINANCIAL SERVICES STRATEGIC BUSINESS UNIT**

(€m)	2023	2022	Changes		4Q 2023	4Q 2022	Changes	
<b>Revenue</b>	<b>6,095</b>	<b>5,759</b>	<b>+336</b>	<b>+5.8%</b>	<b>1,576</b>	<b>1,411</b>	<b>+165</b>	<b>+11.7%</b>
Pro-active management of the securities portfolio	158	335	(177)	-52.9%	(10)	(0)	(10)	n/s
Net interest income	2,244	1,910	+334	+17.5%	569	528	+40	+7.7%
Postal savings deposits	1,740	1,600	+140	+8.7%	538	400	+138	+34.5%
Collection and payment services	764	763	+1	+0.1%	190	209	(18)	-8.8%
Distribution of loans and other third-party products	180	213	(33)	-15.4%	47	27	+20	+72.8%
Asset management	144	119	+25	+21.2%	37	29	+8	+26.6%
Intersegment revenue	866	820	+46	+5.6%	205	218	(13)	-5.9%
<b>Costs</b>	<b>5,232</b>	<b>4,872</b>	<b>+361</b>	<b>+7.4%</b>	<b>1,362</b>	<b>1,173</b>	<b>+189</b>	<b>+16.1%</b>
<i>of which:</i>								
Total personnel expenses	45	41	+4	+10.6%	10	10	+0	+0.6%
<i>of which ordinary personnel expenses</i>	45	40	+4	+10.1%	10	10	+0	+0.6%
Other operating expenses	106	73	+33	+45.5%	23	7	+16	n/s
Intersegment costs	5,081	4,757	+323	+6.8%	1,329	1,156	+173	+15.0%
<b>EBITDA</b>	<b>863</b>	<b>887</b>	<b>(25)</b>	<b>-2.8%</b>	<b>214</b>	<b>239</b>	<b>(24)</b>	<b>-10.1%</b>
Depreciation, amortisation and impairments	0.4	0.4	-0.1	-12.8%	0.1	(0)	0.2	n.s.
<b>EBIT</b>	<b>863</b>	<b>887</b>	<b>(25)</b>	<b>-2.8%</b>	<b>214</b>	<b>239</b>	<b>(24)</b>	<b>-10.2%</b>
<b>EBIT margin %</b>	<b>14.2%</b>	<b>15.4%</b>			<b>13.6%</b>	<b>16.9%</b>		
Finance income/(costs)	30	(22)	+52	n/s	13	0	+12	n/s
<b>Gross profit</b>	<b>893</b>	<b>865</b>	<b>+27</b>	<b>+3.2%</b>	<b>227</b>	<b>239</b>	<b>(12)</b>	<b>-5.1%</b>
Taxes	246	243	+3	+1.1%	62	63	(1)	-1.5%
<b>Net profit</b>	<b>647</b>	<b>622</b>	<b>+25</b>	<b>+4.0%</b>	<b>165</b>	<b>176</b>	<b>(11)</b>	<b>-6.4%</b>

n/s: not significant

**INSURANCE SERVICES STRATEGIC BUSINESS UNIT**

(€m)	2023	2022	Changes		4Q 2023	4Q 2022	Changes	
<b>Revenue</b>	<b>1,419</b>	<b>1,502</b>	<b>(83)</b>	<b>-5.5%</b>	<b>393</b>	<b>468</b>	<b>(75)</b>	<b>-16.0%</b>
Insurance revenues from insurance contracts issued	2,040	2,116	(76)	-3.6%	537	622	(86)	-13.8%
Costs for insurance services arising from insurance contracts issued	(632)	(528)	(103)	-19.6%	(175)	(149)	(26)	-17.4%
Insurance revenues/costs from reinsurance transfers	(5)	1	(6)	n/s	(2)	2	(3)	n/s
Income and expenses from financial and other operations	6,436	(1,545)	+7,981	n/s	3,022	1,580	+1,442	n/s
Net financial expenses/income related to insurance contracts issued	(6,367)	1,538	(7,905)	n/s	(2,990)	(1,560)	(1,430)	n/s
Net financial income/expenses related to reinsurance transferred	2	-	+2	-	1	-	+1	-
<b>Net Life revenue</b>	<b>1,475</b>	<b>1,582</b>	<b>(106)</b>	<b>-6.7%</b>	<b>391</b>	<b>494</b>	<b>(103)</b>	<b>-20.8%</b>
Insurance revenues from insurance contracts issued	510	340	+170	+50.0%	142	90	+51	+56.6%
Costs for insurance services arising from insurance contracts issued	(426)	(277)	(149)	-54.0%	142	90	+51	+56.6%
Insurance revenues/costs from reinsurance transfers	(10)	(9)	(1)	-15.9%	(112)	(82)	(30)	-36.9%
Income and expenses from financial and other operations	20	12	+8	+68.4%	(2)	(1)	(2)	n/s
Net financial expenses/income related to insurance contracts issued	(6)	1	(7)	n/s	7	4	+3	+85.3%
Net financial income/expenses related to reinsurance transferred	3	-	+3	-	(2)	0	(2)	n/s
<b>Non-Life net revenue</b>	<b>90</b>	<b>67</b>	<b>+23</b>	<b>+34.1%</b>	<b>33</b>	<b>12</b>	<b>+21</b>	<b>n/s</b>
Other operating income	2	1	+1	+81.3%	0	0	+0	+77.6%
Intersegment revenue	(148)	(148)	(0)	-0.1%	(32)	(39)	+7	+17.6%
<b>Costs</b>	<b>59</b>	<b>48</b>	<b>+11</b>	<b>+23.9%</b>	<b>18</b>	<b>13</b>	<b>+6</b>	<b>+43.4%</b>
<i>of which:</i>								
Total personnel expenses	9	9	+0	+4.5%	1	3	(2)	-61.6%
<i>of which ordinary personnel expenses</i>	9	9	+0	+5.1%	1	3	(2)	-61.0%
<i>of which early retirement incentives</i>	-	0	(0)	-100.0%	0	0	(0)	-100.0%
Other operating expenses	20	7	+13	n/s	11	2	+9	n/s
Intersegment costs	28	29	(0)	-1.5%	6	7	(1)	-15.8%
<b>EBITDA</b>	<b>1,362</b>	<b>1,458</b>	<b>(96)</b>	<b>-6.6%</b>	<b>375</b>	<b>455</b>	<b>(80)</b>	<b>-17.6%</b>
Depreciation, amortisation and impairments	2	3	(2)	-45.9%	0	0	+0	+20.9%
<b>EBIT</b>	<b>1,360</b>	<b>1,455</b>	<b>(94)</b>	<b>-6.5%</b>	<b>375</b>	<b>455</b>	<b>(80)</b>	<b>-17.7%</b>
<b>EBIT margin %</b>	<b>95.8%</b>	<b>96.8%</b>			<b>95.3%</b>	<b>97.3%</b>		
Finance income/(costs)	50	41	+9	+21.4%	18	5	+13	n/s
<b>Gross profit</b>	<b>1,410</b>	<b>1,496</b>	<b>(86)</b>	<b>-5.7%</b>	<b>393</b>	<b>460</b>	<b>(67)</b>	<b>-14.7%</b>
Taxes	417	445	(28)	-6.3%	84	124	(40)	-32.6%
<b>Net profit</b>	<b>994</b>	<b>1,051</b>	<b>(57)</b>	<b>-5.5%</b>	<b>309</b>	<b>336</b>	<b>(27)</b>	<b>-8.0%</b>

n/s: not significant



## PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT

(€m)	2023	2022	Changes		4Q 2023	4Q 2022	Changes	
<b>Revenue</b>	<b>1,710</b>	<b>1,398</b>	<b>+313</b>	<b>+22.4%</b>	<b>467</b>	<b>420</b>	<b>+47</b>	<b>+11.2%</b>
Electronic money	717	582	+135	+23.2%	198	178	+20	+11.3%
Other payments	381	233	+147	+63.2%	107	99	+8	+8.2%
TLC	331	319	+12	+3.8%	84	82	+1	+1.8%
Energy	17	(0)	+18	n/s	10	(2)	+12	n/s
Intersegment revenue	264	264	+0	+0.1%	68	62	+6	+8.9%
<b>Costs</b>	<b>1,235</b>	<b>996</b>	<b>+239</b>	<b>+24.0%</b>	<b>336</b>	<b>300</b>	<b>+36</b>	<b>+12.0%</b>
<i>of which:</i>								
Total personnel expenses	53	35	+19	+53.7%	15	12	+3	+21.4%
<i>of which ordinary personnel expenses</i>	53	34	+18	+53.7%	14	12	+3	+22.4%
Other operating expenses	663	479	+184	+38.4%	179	158	+21	+13.2%
Intersegment costs	518	482	+36	+7.5%	142	129	+13	+9.7%
<b>EBITDA</b>	<b>476</b>	<b>402</b>	<b>+74</b>	<b>+18.3%</b>	<b>131</b>	<b>120</b>	<b>+11</b>	<b>+9.2%</b>
Depreciation, amortisation and impairments	36	23	+13	+58.8%	9	10	(2)	-17.9%
<b>EBIT</b>	<b>440</b>	<b>379</b>	<b>+60</b>	<b>+15.9%</b>	<b>122</b>	<b>109</b>	<b>+13</b>	<b>+11.8%</b>
<b>EBIT margin %</b>	<b>25.7%</b>	<b>27.1%</b>			<b>26.2%</b>	<b>26.1%</b>		
Finance income/(costs)	32	1	+31	n/s	10	1	+9	n/s
<b>Gross profit</b>	<b>471</b>	<b>380</b>	<b>+91</b>	<b>+23.9%</b>	<b>132</b>	<b>111</b>	<b>+22</b>	<b>+19.5%</b>
Taxes	134	110	+23	+21.1%	27	33	(6)	-18.9%
<b>Net profit</b>	<b>338</b>	<b>270</b>	<b>+68</b>	<b>+25.1%</b>	<b>105</b>	<b>77</b>	<b>+28</b>	<b>+36.1%</b>

n/s: not significant

## Reconciliation of Management Revenues with Financial Revenues

(€m)	2023	2022	Changes		4Q 2023	4Q 2022	Changes	
<b>Operating revenues from third parties Payments and Mobile</b>	<b>1,447</b>	<b>1,134</b>	<b>+312</b>	<b>+27.5%</b>	<b>399</b>	<b>357</b>	<b>+42</b>	<b>+11.6%</b>
Costs for raw materials, system charges and electricity and gas transport of the energy business for third-party customers	140	12	+127	n/s	65	11	+54	n/s
<b>Accounting revenues from third parties Payments and Mobile</b>	<b>1,586</b>	<b>1,147</b>	<b>+440</b>	<b>+38.4%</b>	<b>464</b>	<b>368</b>	<b>+96</b>	<b>+26.1%</b>
<b>Operating revenues from other Payments and Mobile sectors</b>	<b>264</b>	<b>264</b>	<b>+0</b>	<b>+0.1%</b>	<b>68</b>	<b>62</b>	<b>+6</b>	<b>+8.9%</b>
Costs for raw materials, system charges and electricity and gas transport of the energy business for Group consumption	11	0	+11	n/s	10	0	+10	n/s
<b>Accounting revenues from other Payments and Mobile sectors</b>	<b>275</b>	<b>264</b>	<b>+11</b>	<b>+4.2%</b>	<b>78</b>	<b>62</b>	<b>+16</b>	<b>+25.1%</b>
<b>Total Management Revenues Payments and Mobile*</b>	<b>1,710</b>	<b>1,398</b>	<b>+313</b>	<b>+22.4%</b>	<b>467</b>	<b>420</b>	<b>+47</b>	<b>+11.2%</b>
Costs for raw materials, system charges and electricity and gas transport of the energy business (for third-party customers and Group consumption)	150	12	+138	n/s	75	11	+64	n/s
<b>Total Accounting revenues Payments and Mobile</b>	<b>1,861</b>	<b>1,410</b>	<b>+451</b>	<b>+32.0%</b>	<b>542</b>	<b>430</b>	<b>+112</b>	<b>+25.9%</b>

n/s: not significant

\* This item represents the alternative performance indicator "SBU Revenues Payments and Mobile net of energy costs" mentioned in section 8.2 Other Information

## Reconciliation of Management Costs with Financial Costs

(€m)	2023	2022	Changes		4Q 2023	4Q 2022	Changes	
<b>Total Operating Expenses Payments and Mobile</b>	<b>1,271</b>	<b>1,019</b>	<b>+252</b>	<b>+24.8%</b>	<b>344</b>	<b>310</b>	<b>+34</b>	<b>+11.0%</b>
Costs for raw materials, system charges and electricity and gas transport of the energy business (for third-party customers and Group consumption)	150	12	+138	n/s	75	11	+64	n/s
<b>Total Accounting Operating Expenses in Payments and Mobile</b>	<b>1,421</b>	<b>1,031</b>	<b>+390</b>	<b>+37.9%</b>	<b>419</b>	<b>321</b>	<b>+99</b>	<b>+30.7%</b>

n/s: not significant

## FINANCIAL POSITION

## NET INVESTED CAPITAL AND RELATED FUNDING

(€m)	31 dicembre 2023	31 dicembre 2022	Changes	
Tangible fixed assets	2,574	2,434	140	5.7%
Intangible fixed assets	2,062	1,817	245	13.5%
Right-of-use assets	1,265	1,334	(69)	-5.2%
Investments	294	267	27	10.2%
<b>Non-current assets</b>	<b>6,195</b>	<b>5,852</b>	<b>343</b>	<b>5.9%</b>
Trade receivables, Other receivables and assets and Inventories	7,714	7,444	270	3.6%
Trade payables and Other liabilities	(6,595)	(6,236)	(359)	-5.8%
Current tax assets/(liabilities)	(23)	80	(103)	n/s
<b>Net working capital</b>	<b>1,096</b>	<b>1,288</b>	<b>(192)</b>	<b>-14.9%</b>
<b>Gross invested capital</b>	<b>7,291</b>	<b>7,140</b>	<b>152</b>	<b>2.1%</b>
Provisions for risks and charges	(1,336)	(1,355)	19	1.4%
Employee termination benefits	(637)	(705)	68	9.7%
Prepaid/deferred tax assets/(liabilities)	1,208	1,787	(579)	-32.4%
<b>Capitale investito netto</b>	<b>6,578</b>	<b>6,866</b>	<b>(288)</b>	<b>-4.2%</b>
<b>Equity</b>	<b>10,439</b>	<b>7,878</b>	<b>2,560</b>	<b>32.5%</b>
<i>of which profit for the period</i>	1,933	1,583	350	22.1%
<i>of which fair value reserve*</i>	(960)	(2,716)	1,756	64.6%
Financial liabilities	95,393	103,644	(8,251)	-8.0%
Insurance contracts payable net of reinsurance	155,105	141,336	13,769	9.7%
Financial assets	(237,159)	(226,141)	(11,019)	-4.9%
Tax credits Law no. 77/2020	(8,318)	(9,021)	703	7.8%
Cash and deposits attributable to BancoPosta	(4,671)	(5,848)	1,177	20.1%
Cash and cash equivalents	(4,211)	(4,983)	772	15.5%
<b>Net debt/(funds)</b>	<b>(3,861)</b>	<b>(1,012)</b>	<b>(2,849)</b>	<b>n/s</b>

n/s: not significant

\*Including the reserve for insurance contracts issued and reinsurance ceded

31 December 2023 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations and adjustments	Consolidated
Tangible fixed assets	2,515	1	16	42	0	2,574
Intangible fixed assets	1,268	-	145	649	(0)	2,062
Right-of-use assets	1,257	2	10	13	(17)	1,265
Investments	3,009	267	157	-	(3,138)	294
<b>Non-current assets</b>	<b>8,049</b>	<b>269</b>	<b>328</b>	<b>704</b>	<b>(3,155)</b>	<b>6,195</b>
Trade receivables, Other receivables and assets and Inventories	2,483	3,380	2,421	322	(892)	7,714
Trade payables and Other liabilities	(3,327)	(2,131)	(1,321)	(703)	887	(6,595)
Current tax assets/(liabilities)	(77)	(0)	(33)	87	-	(23)
<b>Net working capital</b>	<b>(922)</b>	<b>1,249</b>	<b>1,067</b>	<b>(293)</b>	<b>(5)</b>	<b>1,096</b>
<b>Gross invested capital</b>	<b>7,127</b>	<b>1,518</b>	<b>1,396</b>	<b>412</b>	<b>(3,160)</b>	<b>7,291</b>
Provisions for risks and charges	(1,130)	(164)	(17)	(25)	(0)	(1,336)
Employee termination benefits	(629)	(2)	(1)	(4)	-	(637)
Prepaid/deferred tax assets/(liabilities)	272	377	593	(33)	-	1,208
Non-current assets and disposal groups held for sale and liabilities related to assets held for sale	-	-	50	-	-	50
<b>Net invested capital</b>	<b>5,639</b>	<b>1,728</b>	<b>2,020</b>	<b>350</b>	<b>(3,158)</b>	<b>6,578</b>
<b>Equity</b>	<b>2,883</b>	<b>2,811</b>	<b>6,439</b>	<b>1,443</b>	<b>(3,138)</b>	<b>10,439</b>
<i>of which profit for the period</i>	(46)	647	994	338	0	1,933
<i>of which fair value reserve*</i>	(281)	(544)	(136)	2	-	(960)
<b>Financial liabilities</b>	<b>5,017</b>	<b>93,076</b>	<b>429</b>	<b>10,478</b>	<b>(13,606)</b>	<b>95,393</b>
Insurance contracts payable net of reinsurance	-	-	155,106	-	(1)	155,105
Financial assets	(1,205)	(80,636)	(156,394)	(11,507)	12,582	(237,159)
Tax credits Law no. 77/2020	(407)	(7,912)	-	-	-	(8,318)
Cash and deposits attributable to BancoPosta	-	(4,671)	-	-	-	(4,671)
Cash and cash equivalents	(650)	(940)	(3,561)	(65)	1,004	(4,211)
<b>Net debt/(funds)</b>	<b>2,755</b>	<b>(1,082)</b>	<b>(4,420)</b>	<b>(1,093)</b>	<b>(21)</b>	<b>(3,861)</b>

\*Including the reserve for insurance contracts issued and reinsurance ceded

31 December 2022 (€m)	Mail, Parcels & Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations and adjustments	Consolidated
<b>Non-current assets</b>						
Tangible fixed assets	2,392	1	0	41	-	2,434
Intangible fixed assets	1,157	-	-	659	-	1,817
Right-of-use assets	1,326	2	11	14	(18)	1,334
Investments	2,986	262	157	-	(3,138)	267
<b>Non-current assets</b>	<b>7,861</b>	<b>265</b>	<b>168</b>	<b>715</b>	<b>(3,156)</b>	<b>5,852</b>
Trade receivables, Other receivables and assets and Inventories	2,486	3,154	2,561	291	(1,048)	7,444
Trade payables and Other liabilities	(3,513)	(2,048)	(1,033)	(686)	1,045	(6,236)
Current tax assets/(liabilities)	58	0	30	(9)	-	80
<b>Net working capital</b>	<b>(969)</b>	<b>1,105</b>	<b>1,558</b>	<b>(404)</b>	<b>(3)</b>	<b>1,288</b>
<b>Gross invested capital</b>	<b>6,893</b>	<b>1,370</b>	<b>1,726</b>	<b>311</b>	<b>(3,159)</b>	<b>7,140</b>
Provisions for risks and charges	(1,131)	(189)	(21)	(15)	-	(1,355)
Employee termination benefits	(699)	(2)	(1)	(3)	-	(705)
Prepaid/deferred tax assets/(liabilities)	285	933	610	(41)	-	1,787
<b>Net invested capital</b>	<b>5,349</b>	<b>2,112</b>	<b>2,315</b>	<b>251</b>	<b>(3,159)</b>	<b>6,866</b>
<b>Equity</b>	<b>2,510</b>	<b>1,338</b>	<b>5,757</b>	<b>1,412</b>	<b>(3,138)</b>	<b>7,878</b>
<i>of which profit for the period</i>	(361)	622	1,051,370	270	-	1,583
<i>of which fair value reserve*</i>	(282)	(2,094)	(343)	3	-	(2,716)
<b>Financial liabilities</b>	<b>4,918</b>	<b>100,941</b>	<b>303</b>	<b>9,557</b>	<b>(12,074)</b>	<b>103,644</b>
Insurance contracts payable net of reinsurance	-	-	141,337	-	(1)	141,336
Financial assets	(1,083)	(83,701)	(142,351)	(10,545)	11,539	(226,141)
Credit d'imposta Legge n.77/2020	(420)	(8,601)	-	-	-	(9,021)
Cash and deposits attributable to BancoPosta	-	(5,848)	-	-	-	(5,848)
Cash and cash equivalents	(575)	(2,018)	(2,732)	(172)	515	(4,983)
<b>Net debt/(funds)</b>	<b>2,839</b>	<b>773</b>	<b>(3,442)</b>	<b>(1,161)</b>	<b>(22)</b>	<b>(1,012)</b>

\*Including the reserve for insurance contracts issued and reinsurance ceded

Changes 31.12.2023 vs 31.12.2022 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations and adjustments	Consolidated
<b>Non-current assets</b>						
Tangible fixed assets	123	(0)	16	1	0	140
Intangible fixed assets	111	-	145	(10)	(0)	245
Right-of-use assets	(69)	0	(1)	(1)	2	(69)
Investments	23	5	-	-	(0)	27
<b>Non-current assets</b>	<b>187</b>	<b>5</b>	<b>160</b>	<b>(10)</b>	<b>1</b>	<b>343</b>
Trade receivables, Other receivables and assets and Inventories	(4)	226	(139)	31	156	270
Trade payables and Other liabilities	186	(83)	(288)	(16)	(158)	(359)
Current tax assets/(liabilities)	(136)	(0)	(63)	96	-	(103)
<b>Net working capital</b>	<b>47</b>	<b>144</b>	<b>(491)</b>	<b>111</b>	<b>(2)</b>	<b>(192)</b>
<b>Gross invested capital</b>	<b>234</b>	<b>148</b>	<b>(330)</b>	<b>101</b>	<b>(1)</b>	<b>152</b>
Provisions for risks and charges	0	25	4	(10)	(0)	19
Employee termination benefits	69	(0)	(1)	(0)	-	68
Prepaid/deferred tax assets/(liabilities)	(13)	(556)	(18)	8	-	(579)
Attività non correnti e gruppo di attività in dismissione e Passività associate ad attività in dismissione	-	-	50	-	-	50
<b>Net invested capital</b>	<b>290</b>	<b>(383)</b>	<b>(295)</b>	<b>99</b>	<b>1</b>	<b>(288)</b>
<b>Equity</b>	<b>374</b>	<b>1,472</b>	<b>683</b>	<b>31</b>	<b>0</b>	<b>2,560</b>
of which profit for the period	<b>315</b>	<b>25</b>	<b>(57)</b>	<b>68</b>	<b>0</b>	<b>350</b>
of which fair value reserve*	1	1,550	207	(1)	-	1,756
<b>Financial liabilities</b>	<b>99</b>	<b>(7,865)</b>	<b>125</b>	<b>922</b>	<b>(1,532)</b>	<b>(8,251)</b>
Insurance contracts payable net of reinsurance	-	-	13,769	-	0	13,769
Financial assets	(122)	3,064	(14,043)	(962)	1,044	(11,019)
Tax credits Law no. 77/2020	14	689	-	-	-	703
Cash and deposits attributable to BancoPosta	-	1,177	-	-	-	1,177
Cash and cash equivalents	(74)	1,078	(829)	108	489	772
<b>Net debt/(funds)</b>	<b>(84)</b>	<b>(1,856)</b>	<b>(978)</b>	<b>68</b>	<b>1</b>	<b>(2,849)</b>

\*Including the reserve for insurance contracts issued and reinsurance ceded

## KEY PERFORMANCE INDICATORS FOR PRINCIPAL POSTE ITALIANE GROUP COMPANIES

Poste Italiane SpA (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	11,154,721	10,052,886	1,101,835	+11.0
Operating profit	1,528,465	1,076,180	452,285	+42.0
Net result	1,389,507	847,113	542,394	+64.0
Capital expenditure	780,444	750,722	29,722	+4.0
Equity	5,652,905	3,807,509	1,845,396	+48.5
Permanent workforce - average	108,135	108,405	(270)	-0.2
Flexible workforce - average	6,478	7,403	(925)	-12.5

Postel SpA (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	200,719	186,299	14,420	+7.7
Operating profit	(2,508)	(4,389)	1,881	+42.9
Net result	(3,270)	(3,810)	540	+14.2
Capital expenditure	3,273	2,181	1,092	+50.1
Equity	78,286	81,640	(3,354)	-4.1
Permanent workforce - average	664	721	(57)	-7.9
Flexible workforce - average	42	64	(22)	-34.4

SDA Express Courier SpA (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	1,107,221	1,072,384	34,837	+3.2
Operating profit	34,672	52,285	(17,613)	-33.7
Net result	18,701	34,963	(16,262)	-46.5
Capital expenditure	23,047	30,262	(7,215)	-23.8
Equity	42,614	59,556	(16,942)	-28.4
Permanent workforce - average	1,148	1,113	35	+3.1
Flexible workforce - average	39	63	(24)	-38.1

At 31 December 2023, the company declared dividends totalling €35 million.

Europa Gestioni Immobiliari SpA (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	14,468	33,228	(18,760)	-56.5
Operating profit	2,347	7,244	(4,897)	-67.6
Net result	1,097	4,315	(3,218)	-74.6
Capital expenditure	342	882	(540)	-61.2
Equity	239,800	243,014	(3,214)	-1.3
Permanent workforce - average	23	24	(1)	-4.2
Flexible workforce - average	1	-	1	n/s

n/s: not significant.

At 31 December 2023, the company declared dividends totalling €4 million.

Poste Air Cargo Srl (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	69,760	80,867	(11,107)	-13.7
Operating profit	1,791	4,671	(2,880)	-61.7
Net result	554	2,244	(1,690)	-75.3
Capital expenditure	-	-	-	-
Equity	6,527	7,040	(513)	-7.3
Permanent workforce - average	89	93	(4)	-4.3
Flexible workforce - average	1	4	(3)	-75.0

n/s: not significant

At 31 December 2023, the company declared dividends totalling €1 million.

BancoPosta Fondi SpA SGR (€k)	FY 2023	FY 2022	Changes	
			Values	%
Fee and commission income	173,427	144,415	29,012	+20.1
Net fee and commission income	68,021	64,102	3,919	+6.1
Net result	28,650	26,884	1,766	+6.6
Financial investments	73,700	68,949	4,751	+6.9
Equity	58,721	55,816	2,905	+5.2
Permanent workforce - average	85	77	8	+10.9
Flexible workforce - average	-	-	-	-

At 31 December 2023, the company declared dividends totalling €27 million.

Poste Vita SpA (*) (€k)	FY 2023	FY 2022	Changes	
			Values	%
Insurance premium revenue	17,889,174	17,179,478	709,696	+4.8%
Net result	942,592	1,022,341	(79,749)	-7.8
Financial assets	155,366,569	141,776,300	13,590,269	+9.6
Liabilities under insurance contracts	154,156,806	140,712,594	13,444,212	+9.6
Equity	6,413,350	5,762,676	650,674	+11.3
Permanent workforce - average	369	350	19	+5.4
Flexible workforce - average	-	3	(3)	n/s

n/s: not significant.

(\*) The figures shown have been prepared in accordance with IFRS and therefore may not coincide with those in the Annual Report prepared in accordance with the Italian Civil Code and under Italian GAAP.

At 31 December 2023, the company declared dividends totalling €450 million.

Poste Assicura SpA (*) (€k)	FY 2023	FY 2022	Changes	
			Values	%
Insurance premium revenue	496,034	392,125	103,908	+48.2
Net result	54,178	41,745	12,433	+29.8
Financial assets	741,838	572,627	169,211	+29.5
Liabilities under insurance contracts	353,891	265,083	88,808	+33.5
Equity	341,313	282,609	58,704	+20.8
Permanent workforce - average	108	91	17	+18.7
Flexible workforce - average	1	-	1	n/s

n/s: not significant.

(\*) The figures shown have been prepared in accordance with IFRS and therefore may not coincide with those in the Annual Report prepared in accordance with the Italian Civil Code and under Italian GAAP.

PostePay SpA (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	1,601,982	1,315,962	286,020	+21.7
Operating profit	418,670	366,502	52,168	+14.2
Net result	328,796	261,220	67,576	+25.9
Capital expenditure	15,284	20,181	(4,897)	-24.3
Equity	1,426,293	1,403,594	22,699	+1.6
Permanent workforce - average	358	315	43	+13.7
Flexible workforce - average	-	2	(2)	n/s

n/s: not significant.

At 31 December 2023, the company declared dividends totalling €305 million.

MLK Deliveries SpA (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	41,159	43,771	(2,612)	-6.0
Operating profit	1,320	975	345	+35.4
Net result	894	663	231	+34.8
Capital expenditure	63	334	(271)	-81.1
Equity	14,456	13,308	1,148	+8.6
Permanent workforce - average	31	34	(3)	-8.8
Flexible workforce - average	-	-	-	-

Plurima SpA (*) (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	55,048	40,598	14,450	+35.6
Operating profit	2,742	4,086	(1,344)	(32.9)
Net result	(1,302)	1,735	(3,037)	n/s
Capital expenditure	2,897	1,728	1,169	+67.7
Equity	87,734	19,664	68,070	n/s
Permanent workforce - average	583	425	158	+37.2
Flexible workforce - average	222	153	69	+45.1

n/s: not significant.

(\*) The figures shown for 2022 refer to the period of consolidation of the company within the Poste Italiane Group (01/04/2022 - 31/12/2022)

At 31 December 2023, the company declared dividends totalling €3 million.

Net Insurance SpA (*) (€k)	FY 2023	FY 2022	Changes	
			Values	%
Insurance premium revenue	85,032	-	n/s	n/s
Operating profit	6,483	-	n/s	n/s
Net result	13,286	-	n/s	n/s
Liabilities under insurance contracts	132,544	-	n/s	n/s
Equity	58,908	-	n/s	n/s
Permanent workforce - average	75	-	n/s	n/s
Flexible workforce - average	3	-	n/s	n/s

n/s: not significant.

(\*) The figures indicated refer to the period of consolidation of the company within the Poste Italiane Group (01/04/2023 - 31/12/2023) and are prepared in accordance with IFRS international accounting standards. Therefore, they may not coincide with those contained in the Annual Report prepared in accordance with the Italian Civil Code and Italian accounting standards.

Nexive Network Srl (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	124,703	80,016	44,687	+55.8
Operating profit	5,237	1,134	4,103	n/s
Net result	2,965	225	2,740	n/s
Capital expenditure	-	-	-	-
Equity	10,994	8,242	2,752	+33.4
Permanent workforce - average	84	84	0	n/s
Flexible workforce - average	2	-	2	n/s

n/s: not significant.

Net Insurance Life SpA (*) (€k)	FY 2023	FY 2022	Changes	
			Values	%
Insurance premium revenue	106,409	-	n/s	n/s
Operating profit	12,744	-	n/s	n/s
Net result	9,111	-	n/s	n/s
Liabilities under insurance contracts	278,982	-	n/s	n/s
Equity	9,343	-	n/s	n/s
Permanent workforce - average	22	-	n/s	n/s
Flexible workforce - average	-	-	n/s	n/s

n/s: not significant.

(\*) The figures indicated refer to the period of consolidation of the company within the Poste Italiane Group (01/04/2023 - 31/12/2023) and are prepared in accordance with IFRS international accounting standards. Therefore, they may not coincide with those contained in the Annual Report prepared in accordance with the Italian Civil Code and Italian accounting standards.

LIS Holding SpA(*) (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	67,965	21,852	46,113	+2.1
Operating profit	17,827	4,229	13,598	+3.2
Net result	14,540	15,600	(1,060)	-0.1
Capital expenditure	9,762	4,936	4,826	+1.0
Equity	66,550	163,388	(96,838)	-0.6
Permanent workforce - average	142	47	95	+2.0
Flexible workforce - average	5	2	3	+1.5

n/s: not significant

(\*) The figures shown for 2022 refer to the period of consolidation of the company within the Poste Italiane Group (01/09/2022 - 31/12/2022)  
At 31 December 2023, the company declared dividends totalling €27 million.

LIS Pay SpA (*) (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	231,591	76,205	155,386	+2.0
Operating profit	38,340	12,453	25,887	+2.1
Net result	26,710	7,791	18,919	+2.4
Capital expenditure	1,770	345	1,425	+4.1
Equity	111,233	104,695	6,538	+0.1
Permanent workforce - average	77	27	50	+1.9
Flexible workforce - average	6	2	4	+2.0

n/s: not significant

(\*) The figures shown for 2022 refer to the period of consolidation of the company within the Poste Italiane Group (01/09/2022 - 31/12/2022)  
At 31 December 2023, the company declared dividends totalling €20 million.

Sourcesense SpA (*) (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	23,118	6,347	16,771	+2.6
Operating profit	528	297	231	+0.8
Net result	316	112	204	+1.8
Capital expenditure	1,700	244	1,456	+6.0
Equity	7,310	7,010	300	+0.0
Permanent workforce - average	55	14	42	+3.1
Flexible workforce - average	-	-	-	-

(\*) The figures shown for 2022 refer to the period of consolidation of the company within the Poste Italiane Group (01/10/2022 - 31/12/2022)

Sengi Express Limited (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	144,500	115,175	29,325	+25.5
Operating profit	9,556	6,933	2,623	+37.8
Net result	7,923	6,987	936	+13.4
Capital expenditure	-	-	0	-
Equity	8,863	6,256	2,607	+41.7
Permanent workforce - average	-	-	-	-
Flexible workforce - average	1	-	1	n/s

n/s: not significant.

At 31 December 2023, the company declared dividends totalling €5 million.

Agile LAB Srl (*) (€k)	FY 2023	FY 2022	Changes	
			Values	%
Revenue from sales and services	13,774	1,613	12,161	+7.5
Operating profit	116	(1,589)	1,705	+1.1
Net result	73	(1,189)	1,262	+1.1
Capital expenditure	1,560	700	860	+1.2
Equity	4,496	4,355	141	+0.0
Permanent workforce - average	111	18	93	+5.2
Flexible workforce - average	-	-	-	-

n/s: not significant

(\*) The figures shown for 2022 refer to the period of consolidation of the company within the Poste Italiane Group (01/10/2022 - 31/12/2022)



## 9. CONSOLIDATED NON-FINANCIAL STATEMENT

**NFS**

[9.1 REPORTING STANDARDS AND POLICIES](#)  
[9.2 THE EUROPEAN TAXONOMY REGULATION](#)

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MAIN RELATED TYPES OF CAPITAL



### INTRODUCTION

Poste Italiane's Consolidated Non-Financial Statement (NFS or "Statement") for 2023 has been drafted in line with the Group's ESG Strategic Plan which is based on 8 fundamental sustainability pillars attributable to environment, social and governance issues (ESG) and has been designed with the aim of generating long-term value for stakeholders.

In addition to ensuring compliance with the provisions of the Italian Legislative Decree no. 254/2016 ("Decree") through the information contained in this Chapter, conformity with the law requirements is also ensured by providing references to other sections of the Annual Report and to other company documents, when the information is already contained therein or to which reference is made for additional clarifications. In particular:

- the corporate management and organisation model is illustrated in chapter 4 "Poste Italiane Group and its Business Model" and in the paragraphs "Integrating Sustainability into Poste Italiane's Strategy" and "Poste Italiane's Integrated Internal Control and Risk Management System", which describes the way in which the organisation, thanks to business activities, generates results aimed at achieving strategic objectives and creating value in the short, medium and long term;
- risk management, implemented through the Group Risk Management (RMG) model based on the Enterprise Risk Management (ERM) framework, is described in the paragraphs "Relevant Sustainability Topics for Poste Italiane" and "The Internal Control and Integrated Risks of Poste Italiane", which describes in-depth and in greater detail the main non-financial risks associated with the material topics, the possible impacts and the related management methods;
- company policies are described in the paragraph "The Group's sustainability policies" and set out the general principles and rules of conduct on which all of Poste Italiane's activities must be based. In addition, the chapter 7 "Value Creation" provides information, with regard to each material topics, on the related strategic objectives and the operating processes used to deliver on them;
- performances are illustrated in the paragraphs of the chapter 7 "Value Creation", which describes the main initiatives for the year, and in the paragraph "Indicators tables", which shows the results achieved in the last three years.

MAIN RELATED TYPES OF CAPITAL



### 9.1 REPORTING STANDARDS AND POLICIES

Poste Italiane's Consolidated Non-financial Statement (NFS) has been prepared in compliance with Italian Legislative Decree 254/2016 and in accordance with the most widely used international standards: the Global Reporting Initiative's GRI Standards in accordance with the 2021 update of the Universal Standards published by the Global Reporting Initiative (GRI). Furthermore, within the 2023 NFS, for purposes other than that of complying with the requirements of Legislative Decree 254/2016, additional KPIs were integrated specific to the sector in which the Group operates, taking into consideration the indicators published by GRI - Financial Services and the Sustainability Accounting Standards Board (SASB). These indicators are clearly identified in the table on pages

476-477 and are to be considered additional to the disclosure prepared in accordance with the GRI Standards to meet the requirements of Legislative Decree 254/16 is not established.

The Statement is included in the Report on Operations, which in turn is contained in the 2023 Annual Report and constitutes Poste Italiane's Integrated Report, prepared in accordance with the principles included in the "International Framework", published by the International Integrated Reporting Council (IIRC).

The NFS was approved by Poste Italiane SpA's Board of Directors on 19 March 2024, pursuant to art. 3, paragraph 10 of the Decree. The NFS, with the exception of disclosures relating to SASB, WEF, TCFD and SDGs requirements, as well as disclosures relating to the process of determining "financial materiality" and related outputs, carried out in anticipation of the requirements of the Corporate Sustainability Reporting Directive (CSRD), with the aim of carrying out an exercise to apply the concept of dual materiality (as defined in Chapter 5 "Strategy"), was subjected to a "limited assurance engagement" conformity assessment according to the criteria indicated in the "International Standard on Assurance Engagements ISAE 3000 Revised-Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) by Deloitte & Touche SpA, which expresses its opinion by means of the "Report of the Independent Auditors" reproduced below in the document.

In order to define the contents of the NFS and thus identify the material issues to be included in the Group's Sustainability Strategy, Poste Italiane continued with the approach started in 2021 and subsequently refined in 2022, aimed at anticipating the exercise of the principle of double relevance envisaged by the Corporate Sustainability Reporting Directive (CSRD) before its entry into force, set for FY 2024. The degree of detail with which material topics are treated in the reporting was determined on the basis of the significance of the related impacts, determined through the aforementioned materiality analysis process, which involved top management and the Group's stakeholders through specific engagement activities (for more information, please refer to the section 'Priority Sustainability Issues for Poste Italiane').

For each material topic, the company's management and organisational model, policies including due diligence policies, the results achieved through them and some non-financial performance indicators, as well as the related impacts on the economy, environment and people, including human rights impacts and how these impacts are managed, were reported.

Key Performance Indicators are collected on an annual basis; indicators reported refer to 2023, and where available to the 2021-2023 period as well. The qualitative and quantitative information comes from the Group's corporate information systems and from a non-financial reporting system specifically implemented to meet the requirements of the Decree. The data is based on punctual calculations and, where specifically indicated, on estimates. In particular, the estimated data regard certain items relating to energy consumption inside and outside the organisation - data regarding electricity consumption (for security purposes and relating to outsourced Data Centres), natural gas, diesel, LPG and district heating for the Group's real estate facilities - and water consumption, which was calculated on the basis of the costs incurred and the average tariff payable. Consumption linked to logistics is estimated in terms of distance travelled and/or average consumption of the means and the transported load, except for motor vehicles used in last mile logistics. Moreover, it should be pointed out that in this document the figures in millions of Euro have been rounded up or down, so the sum of the rounded amounts may not add up to the rounded total. During the period, following the update of the Poste Italiane Business Plan, the Group's targets and objectives were updated.

In addition, it should be noted that Poste Italiane will have to apply the new Corporate Sustainability Reporting Directive (CSRD) from the financial year beginning on January 1<sup>st</sup>, 2024. In this regard, in 2023 the Group launched a mapping of the information requirements provided by the CSRD and the European Sustainability Reporting Standard (ESRS) in order to identify the information to be supplemented by the Group with regard to the financial year 2024 and to define an action plan to ensure compliance with the new legislation.

All GRI Standards indicators reported are shown in the GRI Content Index of this section starting on page 522.



All the data refer only to the companies consolidated using the line-by-line method for financial reporting, as indicated in the table "Consolidation scope and key data of equity investments" (Note 13 - pages 866-867). Exceptions to this scope are explicitly indicated within the document. In addition, each reported indicator always has a coverage equal to the total of the information request, net of explicit specification. The terms Poste Italiane, Group or Company are used in the NFS to refer to the "Poste Italiane Group".

In addition, content related to the NFS, as previously mentioned, is also indicated to make it easily identifiable, by this infographic:

**NFS**



## 9.2 THE EUROPEAN TAXONOMY REGULATION

With the aim of consolidating the European Union's commitment to the issues of environmental and social sustainability, in June 2020, in the Official Journal of the European Union the EU Regulation no. 2020/852 (so-called Taxonomy Regulation) was published, which establishes the criteria through which it is possible to determine whether an economic activity can be considered environmentally sustainable. The Taxonomy Regulation was introduced with the aim of establishing a unified classification system for sustainable activities and to establish through a common language a clear definition of what can be considered 'green'. In this sense, the European Commission reinforces its commitment to a rapid transition to a modern and competitive economy that is resilient to climate change, resource efficient and in line with the UN Sustainable Development Goals (SDGs) and the European Green Deal. Therefore, the identification of a unified classification system based on harmonised criteria at EU level is the most significant action taken by the Commission in the context of the sustainable growth strategy and aimed, among other objectives, at boosting the contribution of the financial sector in supporting the EU's climate and sustainable development agenda.

The EU Regulation no. 2020/852, therefore, establishes the basis of the Taxonomy, the environmental objectives and the ways in which an economic activity can be defined as eco-sustainable, and identifies itself at a European level as a tool able to support, on the one hand, companies in the assessment of their activities, in the adoption of environmental sustainability policies and more complete and comparable reporting methods, and on the other, investors in the integration of sustainability issues within investment policies and public institutions in the definition and improvement of their own policies of ecological transition.

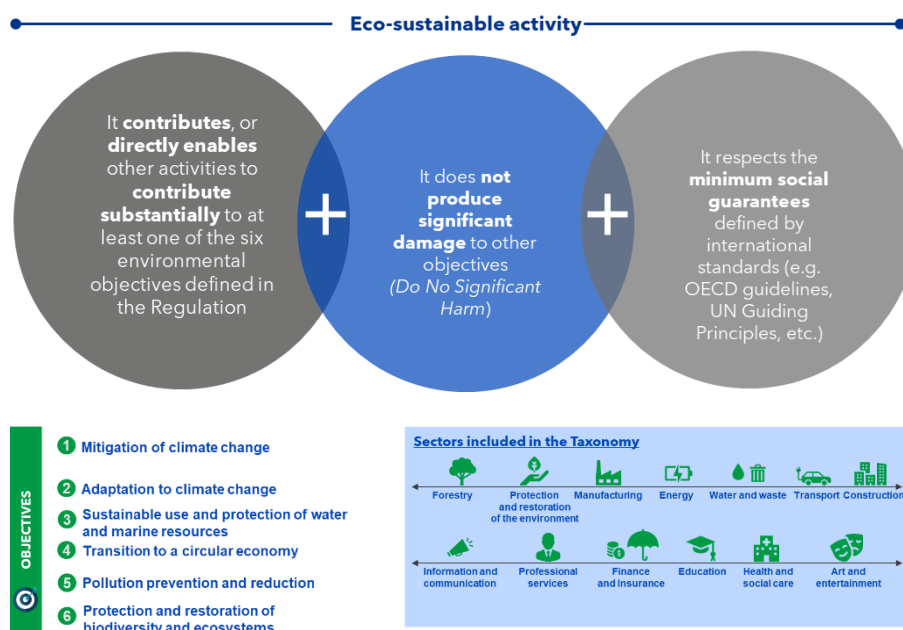
Furthermore, the Taxonomy Regulation provides market participants with an unambiguous definition of sustainable assets to use in their decision-making processes favouring at the same time the transparency of financial markets with respect to sustainability issues in terms of investment choices and providing investors with adequate information to steer capital flows towards sustainable choices.

In compliance with the requirements of the Taxonomy Regulation, companies subject to the obligation to publish a non-financial statement must provide information on how and to what extent their business activities are 'eco-sustainable'.

Pursuant to art.3 of EU Regulation no. 2020/852, an economic activity is defined as eco-sustainable, and therefore aligned with the EU Taxonomy, if it complies with the following criteria:

- contributes substantially to the achievement of one or more of the six environmental objectives defined in the regulation;
- does not cause significant harm to other environmental objectives (Do Not Significant Harm - DNSH);
- is carried out in compliance with minimum safeguards;
- complies with the technical screening criteria set by the European Commission in relation to the defined environmental objectives.

In this regard, the European Commission has defined a set of requirements (so-called technical screening criteria) that must be met by operators carrying out economic activities impacting on the Taxonomy objectives. Indeed, with reference to each of the following environmental objectives, the Commission has issued a technical annex to identify the economic activities that are potentially able to contribute to the reference objective, as well as to determine the conditions for substantial contribution and compliance with the DNSH principle.



In the course of 2023, the European Commission published the EU Delegated Regulation No. 2023/2486 (Taxonomy Environmental Delegated Act), which complements the Taxonomy Regulation by setting technical screening criteria to determine under which conditions an economic activity can be considered to contribute substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and reduction of pollution, or to the protection and restoration of biodiversity and ecosystems, and if it does not cause significant harm to any other environmental objective. This delegated act also amends the EU Delegated Regulation No. 2021/2178 (Taxonomy Disclosure Delegated Act), in particular with respect to the correction of certain inaccuracies in the text, as well as the updating of the templates provided for the reporting of financial and non-financial companies.

Furthermore, in the same year, as part of the climate change mitigation and adaptation objectives, the European Commission published EU Delegated Regulation No. 2023/2485, supplementing EU Delegated Regulation No. 2021/2139 (Taxonomy Climate Delegated Act), which identifies the technical screening criteria in relation to the first two climate objectives. In particular, Annex I (climate change mitigation objective) was supplemented with new economic activities related to the manufacturing and aviation sectors, while Annex II (climate change adaptation objective) was supplemented with new economic activities within the civil engineering and disaster risk management sectors. Also, changes and additions were made to the criteria for technical screening and DNSH of certain economic activities already present in both Annexes.

Pursuant to the amendments introduced to Section 10 of the Taxonomy Disclosure Delegated Act, for the current financial year, in relation to both the economic activities associated with the last four environmental objectives and the new economic activities introduced in Annexes I and II by the amendment to the Taxonomy Climate Delegated Act, companies are only required to perform the eligibility analysis.

Therefore, in compliance with the provisions of the aforementioned Delegated Regulation, which describes the content, methodology and manner of presentation of the so-called 'key performance indicators' or 'KPIs' to be reported and the qualitative information that must accompany them:

- for the current reporting year, Non Financial Undertakings are required to report the percentage of their Turnover, Capital Expenditure (CapEx) and Operating Expenditure (OpEx) associated with economic activities eligible for the six targets, as well as aligned for the first two climate targets - excluding only for this year, the new economic activities introduced in 2023 - and as of Fiscal Year 2024 also for the remaining environmental targets;
- for the current reporting year, Financial Undertakings are required to report the share of investments/financing associated with economic activities eligible for the six targets, as well as aligned for the first two climate targets - excluding only for this year, new economic activities introduced in 2023 - and as of Fiscal Year 2025, also for the remaining environmental targets.

## EUROPEAN TAXONOMY: METHODOLOGICAL APPROACH TO THE REPORTING PROCESS

In order to provide a clear and representative disclosure of the Group's business profile, actively contributing to the achievement of the European Union's sustainable development objectives, Poste Italiane has adopted a transparent methodological approach, which includes a careful analysis of the Group's economic activities, as well as the regulatory framework of reference.

For this reason, Poste Italiane has provided for a reporting method that allows providing evidence of both industrial operations (Non Financial Undertakings) and financial operations (Financial Undertakings). In particular, pursuant to the regulations in force on the reporting methods of mixed groups, Poste Italiane has deemed it appropriate to pursue a dual reporting method: within this document, in fact, disclosure is provided on a consolidated basis of the KPIs envisaged for the Non Financial Undertakings, and of the KPIs envisaged by the regulations, and deemed to be more representative of the financial and insurance business of the Poste Italiane Group, for the Financial Undertakings. This reporting method allows the Group to contribute to completing the information framework both for investors and, more generally, for Poste Italiane's stakeholders, allowing them to have disclosures consistent with the regulatory provisions in force.

Following the analysis of the regulations and related developments, the process of reporting on the disclosure requirements of the Taxonomy Regulation involved the identification, assessment and consolidation of the qualitative and management and/or accounting information necessary for the related calculation of the indicators representing alignment and eligibility.

In particular, with reference to industrial operations and in compliance with the reporting obligations arising from the most recent regulatory developments, a primary qualitative analysis was conducted with reference to the eligibility of potential economic activities associated with the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, prevention and reduction of pollution, and protection and restoration of biodiversity and ecosystems, as well as new economic activities associated with the objectives of mitigation and adaptation to climate change, introduced in 2023. Following this, it was possible to identify the set of economic activities eligible for the Taxonomy and, on the basis of the analyses of their substantial contribution to the respective objective and the reference DNSH, the activities contributing to the definition of the aligned KPIs were identified.

This process involved numerous functions of the Group that owns the data, requiring the participation of the main corporate business structures for the identification of the eligible activities aligned with the Taxonomy, in compliance with the eco-sustainability criteria associated with the individual economic activities being evaluated, as well as the connected management of the data collection process.

With regard to the performance indicators representative of the Group's financial and insurance operations, it was deemed appropriate to request the support of an external provider for the purpose of obtaining certain data necessary for the

calculation of the KPIs of the Financial Undertakings. In this regard, with the aim of guaranteeing a correct reconciliation between the results obtained and the economic and financial figures described within the financial reporting and in order to carry out the due admissibility and alignment analyses following the receipt of the data instrumental to the calculation of the performance indicators by the external provider, the analysis and data collection process was accompanied by the constant supervision of the Administration, Finance and Control function.

Furthermore, in relation to the Taxonomy alignment analyses carried out for this financial year, pursuant to art. 3 letter c) of EU Regulation no. 2020/852, the Group carried out its economic activities in compliance with the minimum safeguard guarantees (so-called social minimum safeguards) outlined by the Art. 18 paragraph 1 of the Regulation itself, thus adopting procedures compliant with the guidelines of the Organisation for Economic Co-operation and Development (OECD) intended for multinational companies and with the United Nations guiding principles on business and human rights, with reference to the principles and rights set out in eight of the ten fundamental conventions identified in the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and in the International Bill of Human Rights.

In particular, for the verification of compliance with the minimum safeguards, the Poste Italiane Group took into consideration the four areas of application identified by the Platform on Sustainable Finance<sup>166</sup>, namely: Human Rights; Corruption; Taxation; Competition. In this regard, for more information with respect to the due diligence and remedial procedures implemented by the Group in the performance of its business activities with reference to Human Rights, please refer to the following in-depth sections of this document:

- "Strategy - The Group's sustainability policies";
- "Poste Italiane's commitment to managing human rights risks";
- "Integrity and transparency - Legality and incorporation of ESG criteria within the procurement process";
- "Diversity and inclusion - Protection of human rights at the Company".

With regard to the other three areas of application - Corruption, Taxation and Competition - please refer to the following in-depth sections: "Strategy - The Group's Sustainability Policies"; "Integrity and Transparency - Working with Transparency and Integrity".

Furthermore, with reference to Art. 18 para. 2, the Regulation stipulates that, in addition to disclosing whether the sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles, account must be taken of the indicators of the main negative effects set out in the SFDR (so-called Principle Adverse Impact - PAI) related to social and personnel issues, respect for human rights and issues related to the fight against active and passive corruption. In this regard, also in line with regulatory developments, Poste Italiane considers these indicators as part of its investments at the overall portfolio level, as reported in the PAI Statement, to which reference should be made for further details.

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<sup>166</sup> "Final Report on Minimum Safeguards", published by the Platform on Sustainable Finance in October 2022.

## ECO-SUSTAINABLE BUSINESS ACTIVITIES OF POSTE ITALIANE

The indicators required by the regulations for Non-Financial Undertakings are shown below, which, in order to avoid any potential risk of double counting, have been calculated on a consolidated basis, net of intra-group items, thus considering the same scope of consolidation as the consolidated financial statements.

In line with the regulatory requirements concerning the manner in which the key performance indicators for Non-Financial Undertakings, presented in table form are respectively the share of turnover, of capital expenditure (Capex) and operating expenditure (Opex) arising from products or services associated with aligned, eligible but not aligned and non-taxonomy eligible economic activities.

Furthermore, it is specified that, with reference to the information pursuant to art. 8, paragraphs 6 and 7 of the EU Delegated Regulation no. 2022/1214, which provides for the use of the templates provided in Annex XII for the communication of activities related to nuclear power and fossil gases (connected to activities from 4.26 to 4.31), the template is shown below<sup>167</sup> referred to in Model 1.

### Model 1 - Nuclear and Fossil Gas Activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

<sup>167</sup> It should be noted that, with regard to the Financial Undertakings indicators, for this financial year, as no precise information was available on exposures related to the nuclear and fossil gas sectors, it was not possible to compile the templates provided in Annex XII.

## TURNOVER KPIs

With reference to the present year, the share of Turnover derived from economic activities that are aligned, eligible but not aligned, and ineligible for the Taxonomy was identified, as shown in Table 1: *Share of turnover derived from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2023.*

The share of turnover associated with economic activities aligned with the taxonomy is 1.1%, while the share of eligible but non-aligned economic activities is 9.9%; thus, the share of non-eligible turnover is equivalent to 89%.

The KPIs reported here refer to the revenues associated with the Strategic Business Units 'Mail, Parcels and Distribution' and 'Insurance Services', of which delivery and transport by vehicles, air transport of goods, and premiums on non-life policies for the underwriting of climate-related perils were taken into account, respectively.

In particular, in light of regulatory developments and the inclusion among the economic activities envisaged by the Taxonomy of those relating to the air transport of passengers and goods, with particular reference to the activities "6.18 Leasing of aircraft", "6.19 Passenger and freight air transport" and "6.20 Air transport ground handling operations", these economic activities have been analysed in order to trace back to them the revenues generated by Poste Air Cargo's air transport service, which fall within the scope of the Group's overall turnover. On the basis of the specific characteristics of the revenues associated with Poste Air Cargo, it was therefore possible to attribute them exclusively to the economic activity "6.18 Leasing of aircraft". Therefore, only with reference to the calculation of the share of Eligible Turnover, as provided for in the Regulation for this reporting year, were the revenues determined as generated by the transport of goods by aircraft operated through leasing and chartering contracts.

In this regard, the numerator value of this KPI mainly refers to:

- revenues associated with "6.6 Freight transport services by road" that contribute to the environmental objective of climate change mitigation;
- revenues associated with "6.18 Leasing of aircraft", which contribute to the environmental objective of climate change mitigation;
- revenues associated with "10.1 Non-life insurance: underwriting of climate-related perils", which contribute to the environmental objective of adapting to climate change.

The economic activities assessed against the eco-sustainability criteria of the Taxonomy Regulation and the associated technical screening criteria were found compliant with the alignment analyses. In particular, with reference to the revenues associated with "6.6 Freight transport services by road", the Turnover was assessed as generated by the Group's fleet<sup>168</sup>, whose conformity assessment found a substantial contribution to the climate change mitigation objective compared to N1 category vehicles, which have zero direct (tailpipe) CO<sub>2</sub> emissions. In this regard, in line with previous years, in order to relate the Group's revenues to the Turnover category subject to the eligibility and alignment analyses of road haulage services, a weighting driver was adopted based on the number of green vehicles compared to the Group's total fleet, taking into account the industrial cost associated with them. Therefore, on the basis of these variables, which contribute, therefore, to the formation of the revenues of the 'Mail, Parcels and Distribution' SBU, it was possible to determine the portion of Turnover attributable to the admissible revenues and aligned to the Taxonomy. In the course of 2023, the number of such vehicles within the eligible and non environmentally sustainable, as well as aligned<sup>169</sup>, increased significantly, leading to a corresponding increase in the eligible and aligned Turnover. Specifically, in 2023, the eligible but not environmentally

<sup>168</sup> See Note C1 'Revenue from mail, parcels and other' in the Consolidated Financial Statements.

<sup>169</sup> In particular, with reference to vehicles in the N1 category that have zero direct (tailpipe) CO<sub>2</sub> emissions, the increase recorded made it possible to consider around 2,800 vehicles belonging to the Group's fleet.

sustainable share increased to €1,179 million, while the aligned share increased to €136 million. In addition, the assessment of compliance with Art. 3 of the Taxonomy Regulation and the technical screening criteria verified that these activities do not significantly harm the objectives of climate change adaptation, transition to a circular economy and pollution prevention and reduction.

With regard to Turnover associated with "10.1 Non-life insurance: underwriting of climate-related perils", the compliance analysis looked at revenues related to insurance business, considering premiums related to fire and other property damage policies. The conformity assessment failed to verify compliance with the substantial contribution to the climate change adaptation objective, a condition that confirms, in line with the evidence from the previous year, that the Turnover associated with this economic activity is only eligible for non environmentally sustainable eligibility. In particular, during the year, these revenues generated by the insurance business saw a negative change; in fact, as a result of the major catastrophic events recorded during the year, revenues from underwriting climate-related perils through non-life and other property policies amounted to €0 in 2023.

With reference to the valuations carried out under "6.18 Leasing of aircraft", the revenues<sup>170</sup> strictly related to the transport of goods by aircraft were considered, which contribute through Poste Air Cargo to the formation of the revenues belonging to the "Mail, Parcels and Distribution" SBU, whose eligible but non environmentally sustainable share in 2023 is around €5 million.

Instead, with reference to the total Turnover at the consolidated level, the total "Net revenues from ordinary operations" for the year 2023 (€11,989 million) was determined, as reported in the "Consolidated Statement of Profit/(Loss) for the Year" in the Consolidated Financial Statements, in accordance with IAS 1.82(a).

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<sup>170</sup> See Note C1 'Revenue from mail, parcels and other' in the Consolidated Financial Statements.

**Table 1: Share of Turnover derived from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2023<sup>171</sup>**

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Economic Activities (1)	€	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Freight transport services by road	CCM 6.6	136	1.1%	Y	N					Y		Y	Y			Y	0.7%		
Leasing of aircraft	CCM 6.18	0	0.0%	Y	N											Y	0.0%		
Non-life insurance: underwriting of climate-related perils	CCA 10.1	0	0.0%	N	Y														
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		136	1.1%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%								0.7%		
Of which enabling		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
Of which transitional		-	0.0%	0.0%													0.0%		
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Freight transport services by road	CCM 6.6	1.179	9.8%	EL													8.8%		
Leasing of aircraft	CCM 6.18	5	0.1%	EL													0.0%		
Non-life insurance: underwriting of climate-related perils	CCA 10.1	0	0.0%		EL												0.1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1.184	9.9%	9.9%	0.0%	0.0%	0.0%	0.0%	0.0%								8.9%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		1,320	11.0%	11.0%	0.0%	0.0%	0.0%	0.0%	0.0%								9.6%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Turnover of Taxonomy-non-eligible activities		10,669	89.0%																
<b>Total</b>		<b>11,989</b>	<b>100.0%</b>																

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1.1%	11.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

<sup>171</sup> The figures shown have been rounded for ease of reference. For this reason, the sums may differ slightly from the reported figures.



## KPIs OF CAPITAL EXPENDITURE

The share of capital expenditure from taxonomy-aligned economic activities is 5.1%, as reported in the template (Table 2: *Share of capital expenditure (CapEx) from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2023*). With regard, on the other hand, to the share of CapEx associated with eligible but non-aligned economic activities, 1.3% was achieved in this year, thus, the share of non-eligible capital expenditure is 93.6%.

The indicators reported refer to the capital expenditure associated with the investments made in the Group's corporate fleet, directly related to the revenues of the "Mail, Parcels and Distribution" Strategic Business Unit, and to the investments made on the Group's properties in terms of energy efficiency, which refer respectively to the installation of energy efficiency devices, charging stations for electric vehicles, intelligent tools for measuring, regulating and controlling the energy performance of buildings and renewable energy technologies.

Therefore, the findings at the numerator of this KPI mainly refer to:

- investments associated with "6.6 Freight transport services by road" that contribute to the environmental objective of climate change mitigation;
- investments associated with sector "7. Construction and real estate" - climate change mitigation objective, with a focus on enabling activities under "7.3 Installation, maintenance and repair of energy efficiency equipment", "7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)", "7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings" and "7.6 Installation, maintenance and repair of renewable energy technologies".

The alignment analyses underlined the conformity of the assessed economic activities to the eco-sustainability criteria of the Taxonomy Regulation and the associated technical screening criteria, as described below.

With respect to the investments associated with "6.6 Freight transport services by road", activities were assessed as part of the investments related to the Group's fleet, whose conformity assessment recorded the substantial contribution to the climate change mitigation objective with reference to N1 category vehicles, which have zero direct (tailpipe) CO<sub>2</sub> emissions. In particular, the expenses for the purchase of these vehicles, aimed at achieving the objective of replacing the company fleet with vehicles with a reduced environmental impact by 2024, were incurred mainly during 2022. Therefore, during the year there was a significant decrease in the portion of CapEx eligible but not aligned (€14 million in 2023) referring to investments in road haulage services, against a slight reduction in the aligned portion (€25 million in 2023).

On the other hand, with reference to the Group's real estate investments, associated with "7.3 Installation, maintenance and repair of energy efficiency equipment", during 2023, energy efficiency works were carried out on owned buildings that involved the replacement of LED lighting fixtures and heating systems. In addition, these investments also include expenses incurred for the carbon neutrality efficiency of the Padua sorting centre. With reference to the investments associated with "7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)", expenses incurred for the implementation of eco-sustainable mobility solutions and charging stations for electric vehicles were taken into account. For investments associated, on the other hand, with '7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings', activities related to environmental monitoring and the implementation of Smart Building solutions were assessed. Finally, with regard to investments associated with "7.6 Installation, maintenance and repair of renewable energy technologies", the conformity assessment covered investments in photovoltaic systems. Notwithstanding the fact

that, with reference to the Group's real estate investments just described, the portion of CapEx eligible but not aligned remained unchanged compared to 2022, there was a slight increase in the aligned portion associated with the assets of:

- energy efficiency in owned buildings (€14 million in 2023), due to higher investments in heating systems and planned activities in the Padua sorting centre;
- regulation and control of the energy performance of buildings (€3 million in 2023), due to the higher investments made during the year for environmental monitoring, which also include the buildings included in the Polis Project;
- renewable energies (€12 million in 2023), due to increased investments in photovoltaic solar systems, which also include the buildings included in the Polis Project.

There was also a slight decrease in the CapEx aligned share associated with the installation, maintenance and repair of charging stations for electric vehicles in buildings (€3 million in 2023), due to the fact that the investment in charging stations in 2023 was less significant than in the previous reporting year.

The changes described are therefore reflected in the total amounts of the numerator of the KPIs of the CapEx eligible (€70 million in 2023) and aligned (€56 million in 2023) to the Taxonomy, referred to the current financial year, whose eligibility and alignment percentages are shown in Table 2.

The assessments, in addition to verifying conformity with Art. 3 of the Taxonomy Regulation and the substantial contribution to the climate change mitigation objective with reference to activities 6.6, 7.3, 7.4, 7.5 and 7.6, also verified that the Group's activities within the perimeter of the numerator of the KPI do not significantly harm the other environmental objectives.

With reference, instead, to the denominator of the Capex KPI (€1,093 million in 2023), the latter was reconciled on the basis of the sum of the gross additions to property, plant and equipment and intangible assets recognised in this year in application of IAS 16, 38, 40 and IFRS 16, as reported in Notes A1 "Property, Plant and Equipment", A2 "Investment Property", A3 "Intangible Assets" and A4 "Rights-of-Use Assets" to the Consolidated Financial Statements, to which reference should be made.

**Table 2: Share of capital expenditure (CapEx) from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2023<sup>172</sup>**

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")					Minimum Standards (17)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)				
Economic Activities (1)		€mln	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																		
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																		
Freight transport services by road	CCM 6.6	25	2.3%	Y	N					Y			Y	Y		Y	2.3%	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	14	1.3%	Y	N					Y		Y				Y	0.8%	E
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	3	0.2%	Y	N					Y						Y	0.9%	E
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	3	0.3%	Y	N					Y						Y	0.2%	E
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	12	1.1%	Y	N					Y						Y	0.9%	E
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		56	5.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								5.1%	
Of which enabling		31	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								2.8%	
Of which transitional		-	0.0%	0.0%													0.0%	
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																		
Freight transport services by road	CCM 6.6	14	1.3%	EL													17.8%	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0.0%	EL													0.0%	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0.0%	EL													0.0%	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.0%	EL													0.0%	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0.0%	EL													0.0%	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		14	1.3%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%								17.8%	
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		70	6.4%	6.4%	0.0%	0.0%	0.0%	0.0%	0.0%								22.9%	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
CapEx of Taxonomy-non-eligible activities		1,023	93.6%															
Total		1,093	100.0%															

Proportion of CapEx / Total CapEx		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	5.1%	6.4%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

<sup>172</sup> The figures shown have been rounded for ease of reference. For this reason, the sums may differ slightly from the reported figures.

## KPIs OF OPERATIONAL EXPENDITURE

In accordance with EU Delegated Regulation No. 2178/2021, the Group has identified, with reference to this financial year, the share of operating expenses associated with aligned, eligible but non-aligned and non-taxonomy eligible economic activities, shown in Table 3: *Share of operating expenses arising from products or services associated with economic activities aligned with the taxonomy - Year 2023 disclosure*.

The share of OpEx derived from economic activities aligned to the Taxonomy is 0.1%; the share of OpEx associated with eligible but non-eco-sustainable economic activities is 4.1%, while the non-eligible share is equivalent to 95.8%.

These KPIs refer to direct costs associated with delivery and transport activities using vehicles belonging to the Group's corporate fleet and air freight, which fall under the Strategic Business Unit 'Mail, Parcels and Distribution'. In particular, in line with what has been described in relation to the calculation of the KPI Turnover, by virtue of regulatory developments and the inclusion among the economic activities envisaged by the Taxonomy of those relating to the air transport of passengers and goods, downstream of the analysis of these economic activities, the eligible operating expenses related to Poste Air Cargo's air transport service were also considered.

Therefore, with reference to the present financial year, the eligibility and alignment analyses were conducted in relation to the economic activity "6.6 Freight transport services by road", as well as the due eligibility analyses in relation to the activity "6.18 Leasing of aircraft", which correspond to the climate change mitigation objective.

With regard to the alignment analyses, these revealed the compliance of the economic activities related to "6.6 Freight transport services by road". In this respect, as explained in the section on the Turnover KPI, a weighting driver was adopted to identify the share of aligned operating expenses. Therefore, operational expenditure related to vehicles of category N1 with zero direct (tailpipe) CO<sub>2</sub> emissions, which, at the same time, consistent with the DNSH criteria, do not significantly harm the other environmental objectives of adaptation, transition to a circular economy, and pollution prevention and reduction, count towards the OpEx aligned quota.

Compared to the previous year, there is a positive change in the total operating expenses eligible for the Taxonomy; this increase is due to the effect of both the increase in maintenance expenses associated with vehicles falling within the scope of eligibility ("6.6 Freight transport services by road"), whose operating expenses amount to approximately €11 million in 2023, and the inclusion of expenses associated with "6.18 Leasing of aircraft", which amount to approximately €6 million in 2023. On the other hand, with regard to the share of aligned operating expenses, this value increased slightly to €0.4 million in 2023, although it did not have a significant impact in percentage terms.

Regarding the denominator of the KPI (€411 million) of operating expenses, pursuant to Annex I of Delegated Regulation no. 2178/2021, this was defined on the basis of non-capitalised direct costs relating to research and development, building renovation, rent, maintenance, repairs and other direct expenses related to the day-to-day operation of the assets incurred in this financial year.

**Table 3: Share of operating expenses (OpEx) arising from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2023<sup>173</sup>**

Financial year 2023	2023		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")					Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)	
	Code (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)					Biodiversity (16)
Economic Activities (1)		€	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Freight transport services by road	CCM 6.6	0.4	0.1%	Y	N						Y		Y	Y		Y	0.1%		
Leasing of aircraft	CCM 6.18	0	0.0%	Y	N											Y			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.4	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%							0.1%		
Of which enabling		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%									
Of which transitional		-	0.0%	0.0%															
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL									
Freight transport services by road	CCM 6.6	11	2.6%	EL															2.3%
Leasing of aircraft	CCM 6.18	6	1.4%	EL															
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		17	4.1%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%									2.3%
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		17	4.2%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%									2.4%
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
OpEx of Taxonomy-non-eligible activities		394	95.8%																
Total		411	100.0%																

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.1%	4.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

<sup>173</sup> The figures shown have been rounded for ease of reference. For this reason, the sums may differ slightly from the reported figures.

## ECO-SUSTAINABLE INVESTMENTS BY THE POSTE ITALIANE GROUP

To ensure full transparency towards the market, the Group has also disclosed the KPIs envisaged by the Taxonomy Regulation for Financial Undertakings. For this purpose, therefore, the performance indicators relating to the financial Asset Management and Insurance operations carried out by BancoPosta Fondi SGR and Poste Vita, respectively, are set out below.

As of this financial year, financial firms, in addition to disclosing their share of eligible (relative to the six regulated objectives) and non-taxonomy-eligible exposures, must also report aligned exposures that contribute substantially to the first two objectives: climate change mitigation and adaptation.

In this regard, for the current year, it was possible to provide disclosure of KPIs on the share of aligned, eligible and non-eligible exposures performed on the basis of actual/reported percentages in terms of Turnover and CapEx, thus providing point data instead of estimates or proxies.

Indeed, to ensure greater data reliability and a robust methodology, the Group engaged an external provider. The provider's use of the consolidated database allowed the data owner functions of BancoPosta Fondi SGR and Poste Vita to analyse their assets that contribute to determining the share of eligibility for the six objectives and alignment to the first two, as well as to use timely data to calculate the Turnover and CapEx-based KPIs<sup>174</sup>. In this regard, it should be noted that the methodology used provided for a look-through approach with respect to the funds in the portfolios under management, which therefore ensured a greater level of detail in the analyses performed by BancoPosta Fondi SGR and Poste Vita regarding eligibility and alignment.

In line with the relevant regulations, the numerator of the KPIs was defined according to the exposures held in the portfolio in terms of economic assets to:

- financial entities subject to non-financial reporting requirements, whether operating in EU or non-EU countries;
- financial entities not subject to non-financial reporting requirements, whether operating in EU or non-EU countries;
- non-financial entities subject to non-financial reporting requirements, whether operating in EU or non-EU countries;
- non-financial entities not subject to non-financial reporting requirements, whether operating in EU or non-EU countries;
- derivatives<sup>175</sup> and other exposures.

In this regard, it should be noted that, due to the limited availability of useful information and precise data referring to the specific exposures held towards companies operating in the gas and nuclear sectors, it was not possible to consider, within the scope of the calculations performed, the economic activities governed by EU Delegated Regulation no. 2022/1214 and the relative disclosure models provided for by the regulations.

With reference to the denominator, the latter was determined on the basis of the assets under management for BancoPosta Fondi SGR and Poste Vita, whose monetary values were reduced by the portion in exposures to central governments, central banks and supranational issuers.

<sup>174</sup> In accordance with regulatory guidelines, BancoPosta Fondi SGR has only taken into consideration the assets referring to the portfolios set up by the same; therefore, with reference to the Poste Vita portfolios delegated to the AMC, it should be noted that the latter have not been included in the calculation of the KPIs governed for financial managers, but rather those referring to PosteVita (Investment KPI), in order to avoid double counting.

<sup>175</sup> In continuity with what was reported in the previous year, the absolute values of derivatives at mark-to-market as at 31.12.23 were considered for BancoPosta Fondi SGR.

Therefore, with respect to this denominator, the data coverage guaranteed by the provider in processing the data, and finalised to the analyses carried out by BancoPosta Fondi SGR and Poste Vita for the definition of the indicators, recorded a coverage percentage of 82.2% and 82.8% respectively.

Accordingly, pursuant to the regulatory requirements of Article 10.5 of EU Delegated Regulation 2021/2178, the performance indicators of BancoPosta Fondi SGR and Poste Vita and their respective templates are presented below.

### ASSET MANAGEMENT KPIs

As shown in Table 4, the share of investments aligned to the Turnover-based and CapEx-based taxonomy accounts for 2.16% and 5.23% respectively. With regard, on the other hand, to the share of eligible and non-eligible exposures, during the year, these accounted for 3.94% in terms of Turnover and 4.09% in terms of CapEx; thus, the share of non-eligible exposures was 93.9% (Turnover-based) and 90.68% (CapEx-based).

Furthermore, in line with the disclosure provided within the template, it appears that exposures to companies not subject to non-financial reporting requirements amount to 42.07%, while the share in exposures to central governments, central banks and supranational issuers accounts for 43.40%.

It should be noted that these calculated alignment percentages are closely related to the exposures contributing to climate change mitigation and adaptation targets, which are respectively 2.15% and 0.002% (Turnover-based) and 4.69% and 0.54% (CapEx-based).

**Table 4: Standard reporting template pursuant to Article 8 of Regulation (EU) 2020/852 (financial asset managers)<sup>176</sup>**

TEMPLATES FOR KEY PERFORMANCE INDICATORS (KPIs) OF FINANCIAL ASSET MANAGERS		
Template - Standard template for the disclosure required under Article 8 of Regulation (EU) 2020/852 (asset managers)		
€ mln		
The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities <b>relative to the value of total assets covered by the KPI</b> , with following weights for investments in undertakings per below: Turnover-based: <b>2.16%</b> CapEx-based: <b>5.23%</b>	The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: <b>190.7</b> CapEx-based: <b>462.3</b>	
The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities. Coverage ratio: <b>56.60%</b>	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: <b>8,843.2</b>	
Additional, complementary disclosures: breakdown of <b>denominator</b> of the KPI		
The percentage of derivatives relative to total assets covered by the KPI: <b>14.95%</b>	The value in monetary amounts of derivatives: <b>1,322.5</b>	
The proportion of <b>exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU</b> over total assets covered by the KPI: For non-financial undertakings: <b>1.23%</b> For financial undertakings: <b>0.31%</b>	Value of <b>exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU</b> : For non-financial undertakings: <b>108.9</b> For financial undertakings: <b>27.4</b>	
The proportion of <b>exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU</b> over total assets covered by the KPI: For non-financial undertakings: <b>33.18%</b> For financial undertakings: <b>7.35%</b>	Value of <b>exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU</b> : For non-financial undertakings: <b>2,934.5</b> For financial undertakings: <b>649.6</b>	
The proportion of <b>exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU</b> over total assets covered by the KPI: For non-financial undertakings: <b>20.21%</b> For financial undertakings: <b>19.08%</b>	Value of <b>exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU</b> : For non-financial undertakings: <b>1,786.9</b> For financial undertakings: <b>1,687.7</b>	
The proportion of <b>exposures to other counterparties and assets</b> over total assets covered by the KPI: <b>1.55%</b>	Value of <b>exposures to other counterparties and assets</b> : <b>137.5</b>	
The value of all the investments that are funding <b>economic activities that are not taxonomy-eligible</b> relative to the value of total assets covered by the KPI: Turnover-based: <b>93.90%</b> CapEx-based: <b>90.68%</b>	Value of all the investments that are funding <b>economic activities that are not taxonomy-eligible</b> : Turnover-based: <b>8,303.7</b> CapEx-based: <b>8,018.8</b>	
The value of all the investments that are funding taxonomy-eligible economic activities, <b>but not taxonomy-aligned</b> relative to the value of total assets covered by the KPI: Turnover-based: <b>3.94%</b> CapEx-based: <b>4.09%</b>	Value of all the investments that are funding Taxonomy eligible economic activities, <b>but not taxonomy aligned</b> : Turnover-based: <b>348.8</b> CapEx-based: <b>362.0</b>	
Additional, complementary disclosures: breakdown of <b>numerator</b> of the KPI		
The proportion of <b>Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU</b> over total assets covered by the KPI: For non-financial undertakings: Turnover-based: <b>2.16%</b> CapEx-based: <b>5.22%</b> For financial undertakings: Turnover-based: <b>0.001%</b> CapEx-based: <b>0.005%</b>	Value of <b>Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU</b> : For non-financial undertakings: Turnover-based: <b>190.7</b> CapEx-based: <b>461.9</b> For financial undertakings: Turnover-based: <b>0.1</b> CapEx-based: <b>0.4</b>	
The proportion of <b>Taxonomy-aligned exposures to other counterparties and assets</b> over total assets covered by the KPI: Turnover-based: <b>0.00%</b> CapEx-based: <b>0.00%</b>	Value of <b>Taxonomy-aligned exposures to other counterparties and assets</b> : Turnover-based: <b>0.0</b> CapEx-based: <b>0.0</b>	
<b>Breakdown of the numerator of the KPI per environmental objective</b>		
Taxonomy-aligned activities:		
1) Climate change mitigation	Turnover: <b>2.15%</b> CapEx: <b>4.69%</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)
2) Climate change adaptation	Turnover: <b>0.002%</b> CapEx: <b>0.54%</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)
(3) The sustainable use and protection of water and marine resources	Turnover: <b>NA</b> CapEx: <b>NA</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)
(4) The transition to a circular economy	Turnover: <b>NA</b> CapEx: <b>NA</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)
(5) Pollution prevention and control	Turnover: <b>NA</b> CapEx: <b>NA</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)
(6) The protection and restoration of biodiversity and ecosystems	Turnover: <b>NA</b> CapEx: <b>NA</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)

<sup>176</sup> The figures shown have been rounded for ease of reference. For this reason, the sums may differ slightly from the reported figures. Furthermore, it should be noted that the summation of the denominator components shows a value of less than 100% due to limitations in the coverage of the data provided by the info-provider.



## INSURANCE KPIs

With regard to the insurance business carried out by Poste Vita, in continuity with previous years, disclosure is provided on the Investment KPI and the Underwriting KPI.

In line with what was previously reported for the KPI referring to the Asset Management operations of BancoPosta Fondi SGR, also with regard to the share of investments - Investment KPI - of the Poste Vita Group in aligned economic activities, eligible and non-eligible, used as the basis of the data instrumental to the calculation of the performance indicators was the information obtained from the external provider. In this regard, it was possible to determine the share of aligned and eligible exposures based on Turnover and CapEx; these, for the current financial year, represent 2.22% and 4.83% of alignment and 6.24% and 5.15% of eligibility respectively.

With regard to the share of exposures to non-financial reporting companies, as shown in Table 5, the KPI is 43.85%, while the share in exposures to central administrations, central banks and supranational issuers is 67.7%.

Finally, in accordance with recent regulatory developments, the analyses conducted by Poste Vita distinguished the percentages of alignment to the Taxonomy referring to climate change mitigation and adaptation objectives, respectively 2.22% and 0.01% (Turnover-based) and 4.83% and 0.01% (CapEx-based).

**Table 5: Share of the insurance or reinsurance undertaking's investments directed to finance or associated with activities aligned with the taxonomy in relation to total investments<sup>177</sup>**

TEMPLATES FOR KEY PERFORMANCE INDICATORS (KPIs) OF INSURANCE AND REINSURANCE COMPANIES		
Template - The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments		
Emln		
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below: Turnover-based: <b>2.22%</b> Capital expenditures-based: <b>4.83%</b>	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: <b>1,071.0</b> Capital expenditures-based: <b>2,328.4</b>	
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities. Coverage ratio: <b>32.3%</b>	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: <b>48,189.9</b>	
<b>Additional, complementary disclosures: breakdown of denominator of the KPI</b>		
The percentage of derivatives relative to total assets covered by the KPI: <b>0.00%</b>	The value in monetary amounts of derivatives: <b>0.0</b>	
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: <b>29.70%</b> For financial undertakings: <b>14.15%</b>	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: <b>14,310.7</b> For financial undertakings: <b>6,819.3</b>	
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: <b>27.81%</b> For financial undertakings: <b>12.97%</b>	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: <b>13,403.7</b> For financial undertakings: <b>6,249.2</b>	
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: <b>20.99%</b> For financial undertakings: <b>17.32%</b>	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: <b>10,112.7</b> For financial undertakings: <b>8,345.6</b>	
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: <b>7.25%</b>	Value of exposures to other counterparties and assets: <b>3,492.0</b>	
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: <b>82.07%</b>	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: <b>39,548.4</b>	
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI: Turnover-based: <b>91.54%</b> Capital expenditures-based: <b>90.01%</b>	Value of all the investments that are funding economic activities that are not Taxonomy-eligible: Turnover-based: <b>44,111.2</b> Capital expenditures-based: <b>43,377.3</b>	
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI: Turnover-based: <b>6.24%</b> Capital expenditures-based: <b>5.15%</b>	Value of Taxonomy-aligned exposures to other counterparties and assets, but not Taxonomy-aligned: Turnover-based: <b>3,007.7</b> Capital expenditures-based: <b>2,484.1</b>	
<b>Additional, complementary disclosures: breakdown of numerator of the KPI</b>		
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: Turnover-based: <b>2.22%</b> Capital expenditures-based: <b>4.82%</b> For financial undertakings: Turnover-based: <b>0.01%</b> Capital expenditures-based: <b>0.02%</b>	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: Turnover-based: <b>1,070.5</b> Capital expenditures-based: <b>2,320.7</b> For financial undertakings: Turnover-based: <b>0.4</b> Capital expenditures-based: <b>7.8</b>	
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based: <b>2.01%</b> Capital expenditures-based: <b>4.40%</b>	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based: <b>966.4</b> Capital expenditures-based: <b>2,121.7</b>	
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI: Turnover-based: <b>0.00%</b> Capital expenditures-based: <b>0.00%</b>	Value of Taxonomy-aligned exposures to other counterparties and assets, but not Taxonomy aligned: Turnover-based: <b>0.0</b> Capital expenditures-based: <b>0.0</b>	
<b>Breakdown of the numerator of the KPI per environmental objective</b>		
Taxonomy-aligned activities:		
1) Climate change mitigation	Turnover: <b>2.22%</b> CapEx: <b>4.83%</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)
2) Climate change adaptation	Turnover: <b>0.01%</b> CapEx: <b>0.01%</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)
(3) The sustainable use and protection of water and marine resources	Turnover: <b>NA</b> Capital expenditure: <b>NA</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)
(4) The transition to a circular economy	Turnover: <b>NA</b> Capital expenditure: <b>NA</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)
(5) Pollution prevention and control	Turnover: <b>NA</b> Capital expenditure: <b>NA</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)
(6) The protection and restoration of biodiversity and ecosystems	Turnover: <b>NA</b> Capital expenditure: <b>NA</b>	Enabling activities: <b>NA</b> (Turnover; CapEx)

<sup>177</sup> The figures shown have been rounded for ease of reference. For this reason, the sums may differ slightly from the reported figures. Furthermore, it should be noted that the summation of the denominator components shows a value of less than 100% due to limitations in the coverage of the data provided by the info-provider.

In the context of Poste Vita's insurance business, the Underwriting indicator, which reflects the underwriting of climate-related perils through non-life and other property policies, was assessed. The contextual analyses allowed to identify the economic activity "10.1 Non-life insurance: underwriting of climate-related perils", which is compliant with Annex II of the Climate Act, and to assess its respective share of eligible and taxonomy-aligned revenues.

Thus, the share of non-life revenues associated with underwriting climate-related hazards through non-life and other property policies was taken into account in the numerator, and total non-life insurance revenues in the denominator. Following the eligibility and alignment analyses, as also reported in the section on Turnover KPIs, both the eligibility and alignment rate for this year was 0%. In particular, with reference to taxonomy-eligible revenues, no eligible revenues were generated in 2023 as a result of major catastrophic events during the financial year. On the contrary, for the aligned share, the contextual analyses conducted did not allow verification of compliance with the substantial contribution to the respective climate change adaptation target.

The above findings are presented below in tabular format, in line with the provisions of Annex X of EU Delegated Regulation No. 2021/2178

**Table 6: Underwriting KPI for non-life insurance and reinsurance companies**

Economic activities (1)	Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					Minimum safeguards (10)
	Absolute premiums, year 2023 (2)	Proportion of premiums, year 2023 (3)	Proportion of premiums, year 2022 (4)	Climate Change Mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	
	€ mln	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	0	0.0%		N					Y
A.1.1 Of which reinsured	0	0.0%		N					Y
A.1.2 Of which stemming from reinsurance activity	0	0.0%		N					Y
A.1.2.1 Of which reinsured (retrocession)	0	0.0%		N					Y
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	0	0.0%							
Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	90	100.0%							
Total (A.1 + A.2 + 8)	90	100.0%							

Table linking the areas of Legislative Decree 245/2016 and its positioning in the NFS

SCOPES OF LEGISLATIVE DECREE NO. 254/2016	CHAPTERS/PARAGRAPHS INCLUDED IN THE NFS	TOPICS AND ADDITIONAL INFORMATION INCLUDED IN OTHER 2023 DOCUMENTS
Company management and organisational model [Art. 3, paragraph 1, letter a]	<ul style="list-style-type: none"> <li>Sustainability themes relevant to Poste Italiane</li> <li>Incorporating sustainability within the Poste Italiane's strategy</li> <li>Business Model</li> <li>Poste Italiane's integrated internal control and risk management system</li> </ul>	<ul style="list-style-type: none"> <li>3. Corporate governance model Organisation of the Company</li> <li>6. Board of Directors; 6.1 Current composition and term of office</li> <li>7. Committees</li> <li>8. Board of Statutory Auditors</li> <li>9. Internal control and risk management system; 9.2 Organisational, management and the control model pursuant to Legislative Decree 231/2001</li> </ul> <p><b>Report on Corporate Governance</b></p>
Policies [Art. 3, paragraph 1, letter b]	<ul style="list-style-type: none"> <li>The Group's sustainability policies</li> <li>2023 outcomes of the value creation process at Poste Italiane</li> <li>Value Creation</li> </ul>	
Main risks and related management systems [Art. 3, paragraph 1, letter c]	<ul style="list-style-type: none"> <li>Sustainability themes relevant to Poste Italiane</li> <li>Poste Italiane's integrated internal control and risk management system</li> </ul>	<p><b>Report on Corporate Governance</b></p> <ul style="list-style-type: none"> <li>9. Internal control and risk management system</li> </ul>
Efforts to combat active and passive corruption [Art. 3, paragraph 1]	<ul style="list-style-type: none"> <li>Work with transparency and integrity</li> <li>Legality and incorporation of ESG criteria within the procurement processes</li> </ul>	<p><b>Report on Corporate Governance</b></p> <ul style="list-style-type: none"> <li>9. Internal control and risk management system</li> </ul>

	<ul style="list-style-type: none"> <li>• Integration of ESG factors into investment policies</li> <li>• Integration of ESG factors into insurance policies</li> </ul>
Personnel <i>[Art. 3, paragraph 1]</i>	<ul style="list-style-type: none"> <li>• Protection of human rights at the Company</li> <li>• Equal career development opportunities</li> <li>• Personnel training and development</li> <li>• Staff welfare and well-being</li> <li>• Relations with social partners</li> <li>• Occupational health and safety</li> </ul>
Respect for human rights <i>[Art. 3, paragraph 1]</i>	<ul style="list-style-type: none"> <li>• Legality and incorporation of ESG criteria within the procurement process</li> <li>• Protection of human rights at the Company</li> <li>• Equal career development opportunities</li> <li>• Integration of ESG factors into investment policies</li> <li>• Integration of ESG factors into insurance policies</li> </ul>
Environment <i>[Art. 3, paragraph 1]</i>	<ul style="list-style-type: none"> <li>• Legality and incorporation of ESG criteria within the procurement process</li> <li>• Environmental impacts of real estate facilities</li> <li>• Environmental impacts of logistics</li> <li>• Integration of ESG factors into investment policies</li> <li>• Integration of ESG factors into insurance policies</li> </ul>
Social <i>[Art. 3, paragraph 1]</i>	<ul style="list-style-type: none"> <li>• The economic value generated and distributed by the Poste Italiane Group</li> <li>• Legality and incorporation of ESG criteria within the procurement process</li> <li>• Support for the socio-economic development of local communities</li> <li>• Dialogue and transparency in relations with the authorities</li> <li>• Financial inclusion</li> </ul>

- 
- Quality and customer experience
  - Innovation and digitisation of products, services and processes
  - Cyber Security, IT Security and Privacy
  - Integration of ESG factors into investment policies
  - Integration of ESG factors into insurance policies
-

The following table outlines the relations among the scope of the Decree, Poste Italiane's material topics and the corresponding GRI Standards and describes, for each material topic, the related impact generated both inside and outside of the organisation.

**Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards.**

<b>SCOPES OF LEGISLATIVE DECREE 254/2016</b>	<b>Material topics</b>	<b>GRI Standards</b>	<b>Internal scope</b>	<b>External scope</b>	<b>Type of impact</b>
<b>Efforts to combat active and passive corruption</b>	<b>Work with transparency and integrity</b>	<ul style="list-style-type: none"> <li>GRI 205 Anti-corruption</li> <li>GRI 207 Taxes</li> <li>GRI 415 Public Policy</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Suppliers and business partners</li> <li>Entities and institutions</li> <li>Customers</li> <li>Shareholders and investors</li> </ul>	Generated by the Group
<b>Personnel</b>	<b>Equal career development opportunities</b>	<ul style="list-style-type: none"> <li>GRI 404 Training and Education</li> <li>GRI 405 Diversity and Equal Opportunity</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Entities and institutions</li> <li>Shareholders and investors</li> </ul>	Generated by the Group
	<b>Personnel training and development</b>	<ul style="list-style-type: none"> <li>GRI 404 Training and Education</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Customers</li> <li>Entities and institutions</li> <li>Shareholders and investors</li> </ul>	Generated by the Group
	<b>Staff welfare and well-being</b>	<ul style="list-style-type: none"> <li>GRI 401 Employment</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Entities and institutions</li> <li>Shareholders and investors</li> </ul>	Generated by the Group
	<b>Relations with social partners</b>	<ul style="list-style-type: none"> <li>GRI 402 <i>Relations between employees and management</i></li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Entities and institutions</li> </ul>	Generated by the Group
	<b>Occupational health and safety</b>	<ul style="list-style-type: none"> <li>GRI 403 Occupational Health and Safety</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Suppliers and business partners</li> <li>Entities and institutions</li> <li>Shareholders and investors</li> </ul>	Generated by the Group

SCOPES OF LEGISLATIVE DECREE 254/2016	Material topics	GRI Standards	Internal scope	External scope	Type of impact
Respect for human rights	Protection of human rights at the Company	<ul style="list-style-type: none"> <li>GRI 405 Diversity and Equal Opportunity</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Suppliers and business partners</li> <li>Communities and Territory</li> <li>Entities and institutions</li> <li>Shareholders and investors</li> <li>Customers</li> </ul>	Generated by the Group
Environment	Legality and incorporation of ESG criteria within the procurement process	<ul style="list-style-type: none"> <li>GRI 301 Materials</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Suppliers and business partners</li> </ul>	Generated by the Group and directly connected through a business
	Environmental impacts of real estate facilities	<ul style="list-style-type: none"> <li>GRI 302 Energy</li> <li>GRI 303 Water and Effluents</li> <li>GRI 305 Emissions</li> <li>GRI 306 Waste</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Environment</li> <li>Entities and institutions</li> <li>Communities and Territory</li> </ul>	Generated by the Group and related to the Group through its commercial relationships
	Environmental impacts of logistics	<ul style="list-style-type: none"> <li>GRI 302 Energy</li> <li>GRI 305 Emissions</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Environment</li> <li>Suppliers and business partners</li> <li>Entities and institutions</li> <li>Communities and Territory</li> </ul>	Generated by the Group
Social	Support for the socio-economic development of local communities	<ul style="list-style-type: none"> <li>GRI 203 Indirect economic impacts</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Entities and institutions</li> <li>Communities and Territory</li> </ul>	Generated by the Group
	Dialogue and transparency in relations with the authorities	<ul style="list-style-type: none"> <li>-</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Entities and institutions</li> <li>Communities and Territory</li> </ul>	Generated by the Group
	Financial inclusion	<ul style="list-style-type: none"> <li>FS 14 <i>Initiatives to improve access to financial services for disadvantaged people</i></li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Entities and institutions</li> <li>Communities and Territory</li> </ul>	Generated by the Group and to which the Group contributes



SCOPES OF LEGISLATIVE DECREE 254/2016	Material topics	GRI Standards	Internal scope	External scope	Type of impact
	Quality and customer experience	• -	Poste Italiane Group	• Customers	Generated by the Group
	Innovation and digitisation of products, services and processes	• -	Poste Italiane Group	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Communities and Territory</li> <li>• Suppliers and business partners</li> <li>• Shareholders and investors</li> </ul>	Generated by the Group and to which the Group contributes
	Cyber Security, IT Security and Privacy	<ul style="list-style-type: none"> <li>• GRI 418 Customer Privacy</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Suppliers and business partners</li> <li>• Entities and institutions</li> <li>• Shareholders and investors</li> </ul>	Generated by the Group
	Integration of ESG factors into investment policies	<ul style="list-style-type: none"> <li>• FS 11 Percentage of goods subject to environmental or social screening positive and negative</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>• Shareholders and investors</li> <li>• Communities and Territory</li> <li>• Environment</li> </ul>	Generated by the Group
	Integration of ESG factors into insurance policies	<ul style="list-style-type: none"> <li>• FS 11 Percentage of goods subject to environmental or social screening positive and negative</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>• Shareholders and investors</li> <li>• Communities and Territory</li> <li>• Environment</li> </ul>	Generated by the Group

## 9.3 TABLE OF CONTENTS GRI-STANDARDS

### (GRI CONTENT INDEX)

<b>Declaration of Use</b>	Poste Italiane has prepared this Non-Financial Statement in accordance with GRI Standards for the period from January 1 <sup>st</sup> , 2023 to December 31, 2023
<b>GRI 1 used</b>	GRI 1 - Fundamental Principles - version 2021
<b>Applicable Sector GRI Standards</b>	N/A

GRI Standard	Disclosure	Location	Omission
<b>General Disclosures</b>			
<b>The organisation and its reporting practices</b>			
<b>GRI 2 - General Disclosures - Version 2021</b>	2-1 Organisational details	<p>Report on Operations: Statement from the Chairwoman and the Chief Executive Officer (p.2-7)</p> <p>Annual Report: Introduction (p.560-561)</p> <p>Report on Operations: Omnichannel strategy (p.50-63)</p> <p>Report on Operations: <i>Business Model</i> (p.24-99)</p>	
	2-2 Entities included in the organisation's sustainability reporting	Report on Operations: Chapter 9. Consolidated non-financial statement (p.494-545)	
	2-3 Reporting period, frequency and point of contact	<p>Report on Operations: Chapter 9. Consolidated non-financial statement (p.494-545)</p> <p>For further information and details regarding the topics and indicators covered in this Report, contact:</p> <p>Poste Italiane SpA</p> <p>Corporate Affairs/Sustainable Development, Risk and Group Compliance function</p> <p>Viale Europa, 190</p> <p>00144 Rome – Italy</p>	
	2-4 Review of information	Report on Operations: Chapter 9. Consolidated Non-Financial Statement (p.494-545); Indicators tables (p.425-481). No restatements have been made with respect to the previous year's figures, except where expressly stated	
	2-5 External assurance	Report on Operations: Chapter 9. Consolidated non-financial statement (p.494-545)	
<b>Activities and workers</b>			

GRI 2 - General Disclosures - Version 2021	2-6 Activities, value chain and other business relations	<p>Report on Operations: Omnichannel and business sectors (p.50-99); Omnichannel strategy (p.50-63)</p> <p>Report on Operations: Performance of Poste Italiane SpA and Bancoposta RFC Report on Operations (p.231-245); Indicators tables (p.425-481) -- Report on Corporate Governance and Ownership Structure: Section I: Governance and ownership structures (p.1-10)</p> <p>Report on Operations: Legality and incorporation of ESG criteria within the procurement process (p.257-265)</p> <p>Report on Operations: Main corporate transactions undertaken (p.45-49); Shareholding and organisational structure of Poste Italiane (p.24-28) - Report on Corporate Governance and Ownership Structure: Section I: Governance and ownership structures (p.1-10)</p>	
	2-7 Employees	<p>Report on Operations: Performance of Poste Italiane SpA and Bancoposta RFC Report on Operations (p.231-245); Indicators tables (p.425-481); Report on Corporate Governance and Ownership Structure: Section I: Governance and ownership structures (p.1-10)</p> <p>Chapter 7. Value Creation - Indicators tables (p.432-433)</p>	
	2-8 Non-employees	Chapter 7. Value Creation - Indicators tables (p.433)	
<b>Governance</b>			
GRI 2 - General Disclosures - Version 2021	2-9 Governance structure and composition	<p>Report on Corporate Governance and the Ownership Structure: 7.2 Audit and risk committee (p.28-35); 7.3 Sustainability Committee (p.35-39)</p> <p>Report on Operations: The Corporate Governance of Poste Italiane (p.28-31); Report on Operations: Managing climate change risks and opportunities (p.142-150); Chapter 7. Indicators tables (p.425-481); Links: <a href="https://www.posteitaliane.it/it/consiglio-di-amministrazione.html">https://www.posteitaliane.it/it/consiglio-di-amministrazione.html</a></p>	
	2-10 Appointment and selection of the highest governing body	<p>Report on Corporate Governance and the Ownership Structure: 6. Board of Directors; 6.1 current composition and term of office (pursuant to art. 123-bis, para. 2.d), Consolidated Law on Finance) (p.11-12); 6.8 Independent Directors (p.21-22); 6.10 Assessment of workings of the Board of Directors and Board Committees (p.23-24); 6.11 Diversity policies (pursuant to art. 123-</p>	

		bis, paragraph 2.d-bis), Consolidated Law on Finance) (p.24-26)	
	2-11 Chair of the highest governance body	Report on Corporate Governance and the Ownership Structure: 6.6 Chief Executive Officer (p.19-20)	
	2-12 Role of the highest governing body in impact management control	Report on Operations: The Multistakeholder Forum 2023 (p.106-107); Poste Italiane's Corporate Governance (p.28-31); Poste Italiane's Integrated Internal Control and Risk Management System (p.124-129); Risk Management Model and Risk Analysis (p.126-129); The management of risks and opportunities related to climate change (p.142-150);  Report on Corporate Governance and the Ownership Structure: 6.3 Role and functions (ex art. 123-bis, paragraph 2, letter d), TUF) (p.14-17); 6.6 Chief Executive Officer (p.19-20); 7.2 Control and risk committee (p.28-35); 7.3 Sustainability Committee (p.35-39); 14. Other corporate governance procedures (pursuant to art. 123-bis, paragraph 2.a), TUF (p.62-67)	
	2-13 Delegation of responsibility for impact management	Report on Operations: Poste Italiane's Corporate Governance (p.28-31); Risk Management Model and Risk Analysis (p.25-128); The Multi-stakeholder Forum 2023 (p.106-107)  Report on Corporate Governance and the Ownership Structure: 7.3 Sustainability Committee (p.35-39)	
	2-14 Role of the highest governance body in sustainability reporting	Report on Corporate Governance and the Ownership Structure: 6.3 Role and functions (pursuant to Art. 123-bis(2)(d) of the Consolidated Law on Finance) (p14-17); 6.4 Board meetings and operating procedures (p.7-18); 7.3 Sustainability Committee (p.35-39)	
	2-15 Conflicts of interest	Report on Corporate Governance and the Ownership Structure: 14. Other corporate governance procedures (pursuant to art. 123-bis, paragraph 2.a), TUF (p.62-67)	
	2-16 Communication of critical issues	Report on Operations: Poste Italiane's Integrated Internal Control and Risk Management System (p.124-129) - Report on Corporate Governance and Ownership Structure: 5.5 Equity participation by employees: rights mechanisms (pursuant to art. 123-bis, paragraph 1.e), Consolidated Law on Finance) (p.6-7); 7.2 Audit and Risk Committee (p.28-35); 7.3 Sustainability Committee (p.35-39)	
	2-17 Collective knowledge of the highest governance body	Report on Operations: Poste Italiane's Integrated Internal Control and Risk Management System (p.124-129) - Report on Corporate Governance and Ownership	

		Structure: 6.3 Role and functions (pursuant to art. 123-bis, paragraph 2.d), TUF) (p.14-17); 6.8 Independent Directors (p.21-22); 6.10 Assessment of workings of the Board of Directors and Board Committees (p.23-24)	
	2-18 Performance evaluation of the highest governing body	Report on Corporate Governance and the Ownership Structure: 6.10 Assessment of workings of the Board of Directors and Board Committees (p.23-24)	
	2-19 Remuneration Rules	Report on the remuneration policy: 1st Section	
	2-20 Procedure for determining remuneration	Report on Corporate Governance and the Ownership Structure: 6.12 Remuneration (p.26)	
	2-21 Annual total remuneration ratio	Report on Operations: Indicators tables (p.454)	
<b>Strategy, policies and practice</b>			
	2-22 Statement on the sustainable development strategy	Report on Operations: Statement from the Chairwoman and the Chief Executive Officer (p.2-7)	
	2-23 Commitment in terms of policy	The cautionary approach required by principle 15 of the United Nations Rio Declaration is applied by Poste Italiane to protect the environment in the development and introduction of new products and services and in planning new operating activities.  Report on Operations: The Group's Environmental, Social and Governance (ESG) Strategic Plan (p.113-117); Risk Management Model and risk analysis (p.126-129); Managing climate change risks and opportunities (p.142-150); Poste Italiane's commitment to managing human rights risks (p.137-141); Working with transparency and integrity (p.247-253)	
<b>GRI 2 - General Disclosures - Version 2021</b>	2-24 Integration of commitments in terms of policies	Occupational Health and Safety Policy; Policy Diversity and Inclusion; Group Policy for the protection of Human Rights; Diversity Policy for administrative and auditing bodies of Poste Italiane; Responsible Investment Policy of BancoPosta Fondi SpA SGR; Responsible Insurance Policy of Poste Vita; Responsible Investment Policy of Poste Vita; Group Policy on Environmental Sustainability; Policy on Personal Data Protection; Policy on Community initiatives; Integrated policy; Active Parenting Support Policy; LGBTQ+ Inclusion Policy.  Report on Operations: Poste Italiane's Corporate Governance (p.28-31); Chapter 7 (p.246; 266; 310; 329; 353; 371; 390; 413); Staff Training and Development (p.267-278)	
	2-25 Processes to remedy negative impacts	Report on Operations: Chapter 6. Risks and Opportunities (p.123-171)	

	2-26 Mechanisms for requesting clarification and raising concerns	Whistleblowing Guidelines Report on Operations: Stakeholder engagement (p.105-106); The Multistakeholder Forum 2023 (p.106-107)	
	2-27 Compliance with laws and regulations	Report on Operations: Chapter 7. Environmental impacts of real estate facilities (p.354); Indicators tables (p.430; 440; 454)	
	2-28 Membership of associations	Report on Operations: The Group Environmental Social and Governance (ESG) Strategic Plan- (p.113-117); Dialogue and transparency in relations with the authorities (p.342-346)	
<b>Stakeholder Engagement</b>			
<b>GRI 2 - General Disclosures - Version 2021</b>	2-29 Approach to stakeholder engagement	Report on Operations: Stakeholder engagement (p.105-106)	
	2-30 Collective contracts	Report on Operations: Relations with social partners (p.298-303)	

GRI Standard	Disclosure	Location	Omission
<b>MATERIAL TOPICS</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-1 Process of determining material topics	Report on Operations: Poste Italiane's sustainability strategy (p.102-117)	
	3-2 List of material topics	Report on Operations: Poste Italiane's sustainability strategy (p.104-105; 109-110)	
<b>Work with transparency and integrity</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Working with transparency and integrity (p.247-253); Correlation table between the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
<b>GRI 205: Anti-corruption</b>	205-1 Transactions assessed for corruption risks	Chapter 7. Indicators tables (p.426)	
	205-3 Established incidents of corruption and action taken	Chapter 7. Indicators tables (p.426-427)	
<b>GRI 207 (2019): Taxes</b>	207-1 Approach to tax	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Fiscal transparency policies (p.253-254); Correlation table between the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
	207-2 Fiscal governance, control and risk management		
	207-3 Stakeholder engagement and management of concerns related to tax		
	207-4 Country-by-Country Reporting	Chapter 7. Indicators tables (p.430-431)	
<b>GRI 415: Public policy</b>	415-1 Political Contributions	In line with the provisions of the Group's Integrated Policy, in 2023, Poste Italiane made no contributions of any kind, either directly or indirectly, to political parties, movements, committees and political and labour union organisations, or to their representatives or candidates, either in Italy or abroad.	

<b>Legality and incorporation of ESG criteria within the procurement process</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Legality and ESG integration in the procurement process (p.257-265); Correlation table between areas of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
<b>GRI 301: Materials</b>	301-1 Materials used by weight or volume	Chapter 7. Indicators tables (p.429)	
	301-2 Materials used that originate from recycling	Chapter 7. Indicators tables (p.429-430)	
<b>Personnel training and development</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Personnel training and development (p.267-278); Correlation table between the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
<b>GRI 404: Training and education</b>	404-1 Average hours of annual training per employee	Chapter 7. Indicators tables (p.434)	
<b>Staff welfare and well-being</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Personnel welfare and well-being (p.288-297); Correlation table between the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
<b>GRI 401: Employment</b>	401-2 Benefits provided for full-time employees, but not for part-time or fixed-term employees	Chapter 7. Indicators tables (p.438)	
<b>Relations with social partners</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Relations with the social partners (p.298-303); Correlation table between the areas of the Decree, Poste Italiane material sustainability issues and GRI Standards (p.522-524)	

<b>GRI 402: Relations between employees and management</b>	402-1 Minimum notice periods for operational changes	<p>For Poste Italiane and Group companies signatories of the Poste Italiane National Collective Labour Contract: four weeks (25 working days from the date of the first meeting with the Labour Unions, including Saturday) for talks at national level; a further 2 weeks (13 working days, including Saturday) is provided for in order to endorse any agreement reached by trade union representation (RSU) Coordination; an additional week (7 working days, including Saturday) for talks at local level.</p> <p>SDA: the National Collective Labour Contract provides, in art. 44, in case of transfer, transformation or termination of the Company, the procedure provided for by art. 47 of Law 229 December 1990 no. 428 raising the deadline for communication to the trade unions to 40 days if the transfer of business concerns more than 60 employees.</p>	
<b>Occupational health and safety</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics		
<b>GRI 403 (2018): Occupational health and safety</b>	<p>403-1 Occupational health and safety management system</p> <p>403-2 Hazard identification, risk assessment and accident investigation</p> <p>403-3 Occupational health services</p> <p>403-4 Worker participation and consultation and communication on occupational health and safety</p> <p>403-5 Worker training on occupational health and safety</p> <p>403-6 Promotion of worker health</p> <p>403-7 Prevention and mitigation of occupational health and safety impacts directly linked by commercial relationships</p> <p>403-8 Workers covered by an occupational health and safety management system</p> <p>403-9 Work-related injuries</p>	<p>Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Occupational health and safety (p.303-309); Correlation table between the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)</p> <p>Chapter 7. Indicators tables (p.440-442)</p> <p>Chapter 7. Indicators tables (p.442-443)</p>	
<b>Protection of human rights at the Company</b>			



<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Protection of Human Rights in the Company (p.311-320); Correlation Table between the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
<b>GRI 405: Diversity and equal opportunity</b>	405-1 Diversity in governance bodies and among employees	Chapter 7. Indicators tables (p.451-452)	
<b>Equal career development opportunities</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Equal career development opportunities (p.320-328); Correlation table between areas of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
<b>GRI 404: Training and education</b>	404-3 Percentage of employees receiving periodic <i>performance</i> and professional development assessments	Chapter 7. Indicators tables (p.453-454)	
<b>Support for the socio-economic development of local communities</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Supporting the socio-economic development of the territory (p.330-342); Correlation table between the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
<b>GRI 201: Economic performance</b>	201-1 Direct economic value generated and distributed	Report on Operations: Highlights (p. 18-19); Indicators tables (p.455)	
<b>GRI 203: Indirect economic impacts</b>	203-1 Infrastructure investments and services financed	Chapter 7. Indicators tables (p.456)	
<b>Dialogue and transparency in relations with the authorities</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Dialogue and transparency with institutions (p.342-346); Correlation table between the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
<b>Financial inclusion</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Financial inclusion (p.346-352); Correlation table between the areas of the Decree, Poste Italiane material sustainability issues and GRI Standards (p.522-524)	
	FS14 Initiatives to improve access to financial services for disadvantaged people	Chapter 7. Indicators tables (p.458)	
<b>Environmental impacts of real estate facilities</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability	

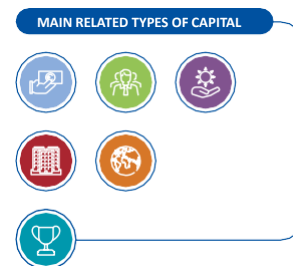
		Strategy (p.102-117); Environmental Impacts of real estate facilities (p.354-364); Correlation table between the areas of the Decree, Poste Italiane material sustainability issues and GRI Standards (p.522-524)	
<b>GRI 302: Energy</b>	302-1 Energy consumption within the organisation	Chapter 7. Indicators tables (p.460; 466)	
	302-2 Energy consumption outside the organisation	Chapter 7. Indicators tables (p.460; 467; 468)	
	302-3 Energy intensity	Chapter 7. Indicators tables (p.461)	
	302-4 Reducing energy consumption	Chapter 7. Indicators tables (p.467)	
<b>GRI 303 (2018): Water and Water discharges</b>	303-1 Interaction with water as a shared resource	Report on Operations: Environmental Impacts of real estate facilities (p.354-364); Table showing the link with the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
	303-2 Management of water discharge-related impacts	Chapter 7. Indicators tables (p.461)	
	303-3 Water withdrawal	Currently, there is no evidence that Poste Italiane withdraws water from water-stressed areas. Therefore, this value is zero.	
<b>GRI 305: Emissions</b>	305-1 Direct GHG emissions (Scope 1)	Chapter 7. Indicators tables (p.462; 466)	
	305-2 Indirect GHG emissions from energy consumption (Scope 2)	Chapter 7. Indicators tables (p.462; 466)	
	305-3 Other indirect GHG emissions (Scope 3)	Chapter 7. Indicators tables (p.462; 467; 468)	
	305-4 Emission intensity GHG	Chapter 7. Indicators tables (p.467)	
	305-5 Reducing GHG emissions	Chapter 7. Indicators tables (p.467; 468)	
	306-1 Waste generation and significant waste-related impacts	Report on Operations: Environmental Impacts of real estate facilities (p.354-364); Table showing the link with the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated	Chapter 7. Indicators tables (p.463)	
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal		
<b>Environmental impacts of logistics</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Environmental Impacts of logistics (p.364-370); Correlation table between the areas of the Decree, Poste Italiane material sustainability issues and GRI Standards (p.522-524)	
<b>GRI 302: Energy</b>	302-1 Energy consumption within the organisation	Chapter 7. Indicators tables (p.460; 469)	
	302-2 Energy consumption outside the organisation	Chapter 7. Indicators tables (p.460; 469)	
	302-3 Energy intensity	Chapter 7. Indicators tables (p.461)	
<b>GRI 305: Emissions</b>	305-1 Direct GHG emissions (Scope 1)	Chapter 7. Indicators tables (p.462; 469)	

	305-2 Indirect GHG emissions from energy consumption (Scope 2)	Chapter 7. Indicators tables (p.462; 469)	
	305-3 Other indirect GHG emissions (Scope 3)	Chapter 7. Indicators tables (p.462; 469)	
<b>Quality and customer experience</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Quality and customer experience (p.372-382); Correlation table between the areas of the Decree, Poste Italiane material sustainability issues and GRI Standards (p.522-524)	
<b>Cyber Security, IT Security and Privacy</b>			
<b>GRI 3 (2021): Material topics</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Cyber security, IT security and Privacy (p.382-389); Correlation table between the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
<b>GRI 418: Customer privacy</b>	418-1 Proven complaints regarding violations of customer privacy and loss of customer data	Chapter 7. Indicators tables (p.477)	
<b>Innovation and digitisation of products, services and processes</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); Innovation and digitalisation of products (p.391-412), services and processes; Correlation table between the scope of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
<b>Integration of ESG factors into investment policies</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); ESG integration into investment policies (p.414-421); Correlation table between areas of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
	FS11 Percentage of assets subject to positive and negative environmental or social screening	In 2023, Poste Vita and BancoPosta Fondi SGR - Poste Italiane Group companies operating in the investment sector - subjected their portfolios to social and environmental screening by an external body. This assessment concerned 94.8% of BancoPosta Fondi SGR's corporate AuM and 100% of BancoPosta Fondi SGR's AuM in government bonds.	
<b>Integration of ESG in insurance policies</b>			

<b>GRI 3 - Material topics - Version 2021</b>	3-3 Managing Material Topics	Report on Operations: The Materiality Matrix (p.107-109); Poste Italiane's Sustainability Strategy (p.102-117); ESG integration in insurance policies; Correlation table between areas of the Decree, Poste Italiane material sustainability topics and GRI Standards (p.522-524)	
	FS11 Percentage of assets subject to positive and negative environmental or social screening	In 2023, Poste Vita and BancoPosta Fondi SGR - Poste Italiane Group companies operating in the investment sector - subjected their portfolios to social and environmental screening by an external body. This assessment concerned 95% of Poste Vita's total AuM.	

## TCFD CONTENT INDEX

In 2021, the Company became an official supporter of the TCFD (Task Force on Climate Related Disclosures), further underwriting its commitment to creating a more resilient financial system through climate-related disclosure. The following Content index provides a more intuitive understanding of how Poste Italiane's climate strategy is aligned with the organisation's recommendations.



### Recommendations

### References



#### Governance

##### Organisational Governance Disclosure

Board oversight of climate-related risks and opportunities

The role of management in assessing and managing climate-related risks and opportunities

The Corporate Governance of Poste Italiane (p.28-31); Managing climate change risks and opportunities (p.142-150)



#### Strategy

##### Disclosure of the impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning

Actual and potential impacts of climate-related risks and opportunities, identified to date, on the organisation's business, strategy and financial planning in the short, medium and long term

Describe the climate-related risks and opportunities that the organisation has identified

Describe the resilience of the organisation's strategy, considering different climate scenarios, including scenarios of temperatures at or below 2°C

The European Taxonomy Regulation; Managing climate change risks and opportunities (p.497-518); Managing emerging risks and related opportunities (p.142-150); Green transition (p.353-370)



## Risk management

### Disclosure of how the organisation identifies, assesses and manages climate-related risks

Describe the organisation's processes for identifying and assessing climate-related risks

Describe the organisation's processes for managing climate-related risks

Climate-related risks and opportunities are integrated into current decision-making and strategy formulation

The Materiality Matrix (p.107-109); The Group's Sustainability Policies (p.111-113); The Group's Environmental, Social and Governance (ESG) Strategic Plan (p.113-117); Managing Climate Change Risks and Opportunities (p.142-150); Managing Emerging Risks and Related Opportunities (p.151-171)



## Metrics and targets

### Disclosure of metrics and targets used to manage climate-related risks and opportunities

Disclosure of the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

Disclosure of greenhouse gas emissions (GHG)

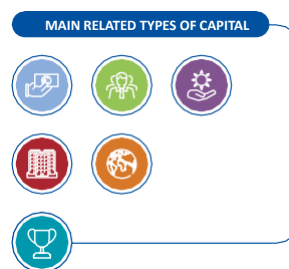
Describe the plans used by the organisation to manage climate-related risks and opportunities and performance against targets

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

The European Taxonomy Regulation (p.497-518); Poste Italiane's Integrated Internal Control and Risk Management System (p.124-129); Risks associated with material issues and how to manage them (p.130-136); Managing climate change risks and opportunities (p.142-150); The management of emerging risks and related opportunities (p.151-171); Green transition (p.353-370); Tables of indicators (p.425-481)

## OTHER REFERENCE STANDARDS AND GUIDELINES FOR THE PREPARATION OF THE INTEGRATED FINANCIAL STATEMENTS

The correlation tables in this section: "Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" of the World Economic Forum and the GRI indicators present in the Integrated Report; SASB indicators and Poste Italiane Integrated Report indicators; SDGs and GRI Standards indicators are not subject to a conformity assessment ("limited assurance engagement").



### CORRELATION TABLE BETWEEN THE DOCUMENT "TOWARDS COMMON

### METRICS AND CONSISTENT REPORTING OF SUSTAINABLE VALUE CREATION" OF THE WORLD ECONOMIC FORUM AND THE GRI INDICATORS PRESENT IN THE INTEGRATED REPORT

September 2020 saw the publication of the updated version of the document "Towards Common Metrics and Consistent Reporting of Sustainable Value Creation", presented in January 2020 during the World Economic Forum in Davos, which defines a set of universal indicators for ESG performance applicable by all companies, regardless of business area, with the aim of making non-financial disclosures more easily comparable. The indicators are organised into four pillars: Governance, Planet, People and Prosperity.

Taking into consideration the indications provided by the document, the table below shows the "material ESG metrics" outlined in this Integrated Report.

PILLAR	TOPIC	DESCRIPTION	GRI indicators in the Sections of the Report
Governance	<i>Governing Purpose</i>	Definition of the purpose	GRI 2-12
	<i>Quality of Governing Body</i>	<i>Composition of the Board</i>	GRI 2-9 GRI 405-1
	<i>Stakeholder engagement</i>	Impact of material problems on stakeholders	GRI 2-12 GRI 2-29 GRI 3-2
	<i>Ethical behaviour</i>	Anti-corruption Public Policy	GRI 205-3 GRI 415-1
	<i>Risk and opportunity oversight</i>	Integrating risks and opportunities into the business	GRI 3-3
	<i>Expanded metrics and disclosures</i>		

	<i>Quality and Governing Body</i>	Remuneration	GRI 2-19 GRI 2-21
	<i>Stakeholders Engagement</i>	Stakeholder engagement process	GRI 3-1
<i>Planet</i>	<i>Climate change</i>	Greenhouse Gas Emissions (GHG)	GRI 305-1 GRI 305-2 GRI 305-3
<i>People</i>	<i>Dignity and equality</i>	Diversity and inclusion (%)  Assessment of human rights compliance, impact of the complaint and modern slavery (#, %)	GRI 405-1
	<i>Health and Well Being</i>	Health and safety (%)	GRI 403-6 GRI 403-9
	<i>Skills for the Future</i>	Training provided (#)	GRI 404-1
	<b>Expanded metrics and disclosures</b>		
	<i>Dignity and Equality</i>	Freedom of association and collective bargaining	GRI 2-30
<i>Prosperity</i>	<i>Employment and wealth generation</i>	Net number of jobs created  Economic contribution	GRI 401-1 GRI 201-1 GRI-203-1
	<i>Community and social vitality</i>	Total fees paid	GRI 201-1 GRI 207-4



## CORRELATION TABLE BETWEEN SASB INDICATORS AND INDICATORS OF THE INTEGRATED REPORT OF POSTE ITALIANE

GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) are the most internationally recognised standards for the definition of sustainability reporting strategies and systems. In view of the growing importance of SASB reporting for investors, the following table shows the correspondence with the indicators used in the 2023 Integrated Report.

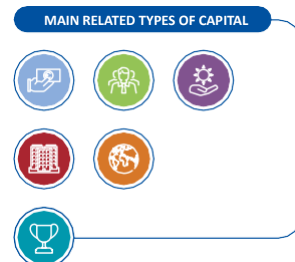
SASB		2023 INTEGRATED REPORT
Topic	Indicator	Reference to paragraphs/indicators
<b>Sector – INSURANCE</b>		
<i>Transparent Information &amp; Fair Advice for Customers</i>	FN-IN-270a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Quality and customer experience</li> <li>• Monthly complaints</li> <li>• Customer complaints by type</li> </ul>
<i>Incorporation of ESG Factors in Investment Management</i>	FN-IN-410a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Integration of ESG factors into investment policies</li> <li>• Integration of ESG factors into insurance policies</li> <li>• Percentage of assets subject to positive and negative environmental or social screening regarding social/environmental aspects</li> </ul>
<i>Policies Designed to Incentivize Responsible Behaviour</i>	FN-IN-410b	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Offering investment products with environmental and social value</li> <li>• Insurance products with social and environmental value</li> </ul>
<i>Environmental Risk exposure</i>	FN-IN-450a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Managing climate change risks and opportunities</li> </ul>
<i>Systemic Risk Management</i>	FN-IN-550a	<ul style="list-style-type: none"> <li>• Managing emerging risks and related opportunities</li> </ul>
<b>Sector – ASSET MANAGEMENT</b>		
<i>Transparent Information &amp; Fair Advice for Customers</i>	FN-AC-270a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Quality and customer experience</li> <li>• Monthly complaints</li> <li>• Customer complaints by type</li> </ul>
<i>Employee Diversity &amp; Inclusion</i>	FN-AC-330a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Diversity and inclusion</li> <li>• Classification of employee by category, gender and age group</li> <li>• Number of personnel by other diversity indicators</li> <li>• Number of personnel by type of employment and gender, by business line</li> <li>• Number of personnel by type of contract and gender, by business line</li> </ul>
<i>Incorporation of ESG Factors in Investment Management &amp; Advisory</i>	FN-AC-410a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> </ul>





		<ul style="list-style-type: none"> <li>• Integration of ESG factors into investment policies</li> <li>• Integration of ESG factors into insurance policies</li> <li>• Percentage of assets subject to positive and negative environmental or social screening regarding social/environmental aspects</li> </ul>
<i>Business Ethics</i>	FN-AC-510a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Work with transparency and integrity</li> <li>• Poste Italiane's commitment to managing human rights risks</li> <li>• Companies assessed for risks related to corruption and percentage of operations audited for risks related to corruption</li> <li>• Reports managed by the Whistleblowing Committee</li> <li>• Anti-competitive practices</li> <li>• Specific training on procedures and policies of anti-corruption</li> <li>• Cases of bribery and corruption and corrective actions</li> <li>• Political contributions</li> <li>• Approach to taxation</li> </ul>
<b>Sector – AIR FREIGHT &amp; LOGISTICS</b>		
<i>Greenhouse Gas Emissions</i>	TR-AF-110a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Green transition</li> <li>• Total direct GHG emissions (Scope 1)</li> <li>• Total indirect GHG emissions (Scope 2)</li> <li>• Intensity of GHG emissions related to real estate facilities</li> <li>• Internal Group energy consumption</li> <li>• External Group energy consumption</li> </ul>
<i>Air Quality</i>	TR-AF-120a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Other direct emissions from logistics activities</li> <li>• Other indirect emissions from logistics activities</li> </ul>
<i>Labour Practices</i>	TR-AF-310a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Relations with social partners</li> <li>• Protection of human rights at the Company</li> <li>• Disputes</li> </ul>
<i>Employee Health &amp; Safety</i>	TR-AF-320a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Occupational health and safety</li> <li>• Type of accidents, rate of recordable occupational accidents, rate of occupational accidents with serious consequences, absenteeism rate and rate of deaths resulting from work-related accidents in the Group</li> </ul>
<i>Supply Chain Management</i>	TR-AF-430a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> </ul>

		<ul style="list-style-type: none"> <li>• Environmental impacts of logistics</li> <li>• Total other indirect GHG emissions (Scope 3)</li> </ul>
<b>Sector – COMMERCIAL BANKS</b>		
<i>Data Security</i>	FN-CB-230a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Risk management and risk assessment model</li> <li>• Cyber Security, IT Security and Privacy</li> <li>• Privacy violations and data leaks</li> <li>• IT security and cyber security breaches</li> <li>• Number of customers involved in IT security breaches</li> </ul>
<i>Financial Inclusion &amp; Capacity Building</i>	FN-CB-240a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Financial inclusion</li> <li>• New customers in the categories most at risk of financial exclusion as a percentage of total new acquisitions</li> <li>• ATMs for inclusion</li> <li>• Post offices for cultural integration</li> </ul>
<i>Business Ethics</i>	FN-CB-510a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Work with transparency and integrity</li> <li>• Companies assessed for risks related to corruption and percentage of operations audited for risks related to corruption</li> <li>• Reports managed by the Whistleblowing Committee</li> <li>• Anti-competitive practices</li> </ul>

		<ul style="list-style-type: none"> <li>• Specific training on procedures and policies of anti-corruption</li> <li>• Cases of bribery and corruption and corrective actions</li> <li>• Political contributions</li> <li>• Approach to taxation</li> </ul>
<i>Systemic Risk Management</i>	FN-CB-550a	<ul style="list-style-type: none"> <li>• Risk management and risk assessment model</li> </ul>

## CORRELATION TABLE BETWEEN THE SDGS AND THE GRI STANDARDS INDICATORS



SDG	Topic	GRI Indicator
 <b>Goal 1 – No poverty</b>	<ul style="list-style-type: none"> <li>Access to financial services</li> </ul>	<ul style="list-style-type: none"> <li>FS14</li> </ul>
	<ul style="list-style-type: none"> <li>Taxation</li> </ul>	<ul style="list-style-type: none"> <li>207-1</li> <li>207-2</li> <li>207-3</li> <li>207-4</li> </ul>
	<p>End poverty in all its forms everywhere.</p>	
	<ul style="list-style-type: none"> <li>Air quality</li> </ul>	<ul style="list-style-type: none"> <li>305-1</li> <li>305-2</li> <li>305-3</li> </ul>
 <b>Goal 3 – Good health and well-being</b>	<ul style="list-style-type: none"> <li>Waste management</li> </ul>	<ul style="list-style-type: none"> <li>306-1</li> <li>306-2</li> <li>306-3</li> <li>306-4</li> <li>306-5</li> </ul>
	<ul style="list-style-type: none"> <li>Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>403-2</li> <li>403-3</li> <li>403-6</li> <li>403-9</li> </ul>
	<p>Ensuring healthy living and promoting the well-being of everyone at all ages.</p>	
	<ul style="list-style-type: none"> <li>Employee training and education</li> </ul>	<ul style="list-style-type: none"> <li>404-1</li> </ul>
 <b>Goal 4 – Quality education</b>	<ul style="list-style-type: none"> <li>Employee training and education</li> </ul>	<ul style="list-style-type: none"> <li>404-1</li> </ul>
<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>		
 <b>Goal 5 – Gender equality</b>	<ul style="list-style-type: none"> <li>Gender equality in governing bodies</li> </ul>	<ul style="list-style-type: none"> <li>2-9</li> <li>2-10</li> </ul>

Achieve gender equality and empower all women and girls.

- Infrastructure investment
- 203-1

- Gender equality in employee training
- 401-2
- 404-1
- 404-3

- Gender equality
- 405-1



Goal 6 – Clean water and sanitation

- Sustainable water withdrawals
- 303-1
- 303-2
- 303-3

- Waste management
- 306-1
- 306-2
- 306-3
- 306-4
- 306-5

Ensure availability and sustainable management of water and sanitation for all.



Goal 7 – Affordable and clean energy

- Energy efficiency
- 302-1
- 302-2

- Renewable energy
- 302-1
- 302-2

Ensure access to affordable, reliable, sustainable and modern energy for all.



Goal 8 – Decent work and economic growth

- Access to financial services
- FS14

- Information on employees and non-employees
- 2-7
- 2-8

- Collective bargaining agreements
- 2-30

- Infrastructure investment
- 201-1

- Efficiency in materials used
- 301-1

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

- |  |         |
|--|---------|
| • Energy efficiency                          | • 302-1 |
|  | • 302-2 |
| • Waste management                           | • 306-2 |
| • Earnings, wages and benefits               | • 401-2 |
| • Relations between employees and management | • 402-1 |
| • Occupational health and safety             | • 403-1 |
|  | • 403-2 |
|  | • 403-3 |
|  | • 403-4 |
|  | • 403-5 |
|  | • 403-7 |
|  | • 403-8 |
|  | • 403-9 |
| • Employee training and education            | • 404-1 |
|  | • 404-3 |
| • Diversity and equal opportunity            | • 405-1 |



Goal 9 – Industry, innovation and infrastructure

- |                             |         |
|-----------------------------|---------|
| • Infrastructure investment | • 201-1 |
|                             | • 203-1 |

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.



Goal 10 – Reduced inequalities

- |  |       |
|--|-------|
| • Information on employees and non-employees | • 2-7 |
|  | • 2-8 |

		<ul style="list-style-type: none"> <li>Taxation</li> </ul>	<ul style="list-style-type: none"> <li>207-1</li> <li>207-2</li> <li>207-3</li> <li>207-4</li> </ul>
	Reduce inequalities within and among countries.	<ul style="list-style-type: none"> <li>Fair training of employees</li> </ul>	<ul style="list-style-type: none"> <li>404-1</li> <li>404-3</li> </ul>
	<b>Goal 11 – Sustainable cities and communities</b>	<ul style="list-style-type: none"> <li>Infrastructure investment</li> </ul>	<ul style="list-style-type: none"> <li>203-1</li> </ul>
	Make cities and human settlements inclusive, safe, resilient and sustainable.	<ul style="list-style-type: none"> <li>Waste management</li> </ul>	<ul style="list-style-type: none"> <li>306-1</li> <li>306-2</li> <li>306-3</li> <li>306-4</li> <li>306-5</li> </ul>
		<ul style="list-style-type: none"> <li>Materials efficiency/recycling</li> </ul>	<ul style="list-style-type: none"> <li>301-1</li> </ul>
		<ul style="list-style-type: none"> <li>Energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>302-1</li> <li>302-2</li> </ul>
	<b>Goal 12 – Responsible consumption and production</b>	<ul style="list-style-type: none"> <li>Water withdrawals by source</li> </ul>	<ul style="list-style-type: none"> <li>303-1</li> <li>303-3</li> </ul>
	Ensure sustainable consumption and production patterns.	<ul style="list-style-type: none"> <li>Air quality</li> </ul>	<ul style="list-style-type: none"> <li>305-1</li> <li>305-2</li> <li>305-3</li> </ul>
		<ul style="list-style-type: none"> <li>Waste management</li> </ul>	<ul style="list-style-type: none"> <li>306-1</li> <li>306-2</li> <li>306-3</li> <li>306-4</li> <li>306-5</li> </ul>
	<b>Goal 13 – Climate action</b>	<ul style="list-style-type: none"> <li>Energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>302-1</li> <li>302-2</li> </ul>
	Take urgent action to combat climate change and its impacts.	<ul style="list-style-type: none"> <li>GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>305-1</li> <li>305-2</li> <li>305-3</li> <li>305-4</li> </ul>



	<p>Goal 14 - Life <b>Below water</b></p>	<ul style="list-style-type: none"> <li>• Ocean acidification</li> </ul>	<ul style="list-style-type: none"> <li>• 305-1</li> <li>• 305-2</li> <li>• 305-3</li> <li>• 305-4</li> </ul>
<p>Store and use in a sustainable manner oceans, seas and marine resources</p>			
	<p>Goal 15 – Life on land</p>	<ul style="list-style-type: none"> <li>• Forest degradation</li> </ul>	<ul style="list-style-type: none"> <li>• 305-1</li> <li>• 305-2</li> <li>• 305-3</li> <li>• 305-4</li> </ul>
<p>Protect, restore and promote the sustainable use of ecosystems land, sustainably manage forests, combat desertification, halt and reverse soil degradation and halt the loss of biodiversity.</p>			
<hr/>			
<ul style="list-style-type: none"> <li>• Waste management</li> </ul>			
<ul style="list-style-type: none"> <li>• 306-3</li> <li>• 306-5</li> </ul>			
<hr/>			
<ul style="list-style-type: none"> <li>• Ethics and Integrity</li> </ul>			
<ul style="list-style-type: none"> <li>• 2-10</li> <li>• 2-23</li> </ul>			
<hr/>			
<ul style="list-style-type: none"> <li>• Gender equality in governing bodies</li> </ul>			
<ul style="list-style-type: none"> <li>• 2-9</li> <li>• 2-10</li> <li>• 2-11</li> <li>• 2-12</li> <li>• 2-15</li> </ul>			
	<p>Goal 16 – Peace, justice and strong institutions</p>	<ul style="list-style-type: none"> <li>• Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>• 205-1</li> <li>• 205-3</li> </ul>
<p>Promoting peaceful and inclusive societies geared towards sustainable development, ensuring access for all to justice and building institutions effective, accountable and inclusive at all levels.</p>			
<ul style="list-style-type: none"> <li>• Occupational health and safety</li> </ul>			
<ul style="list-style-type: none"> <li>• 403-9</li> <li>• 403-4</li> </ul>			
<ul style="list-style-type: none"> <li>• Public policy</li> </ul>			
<ul style="list-style-type: none"> <li>• 415-1</li> </ul>			
<ul style="list-style-type: none"> <li>• Protection of privacy</li> </ul>			
<ul style="list-style-type: none"> <li>• 418-1</li> </ul>			



Goal 17 - Partnership for the  
goals

- Taxation

- 207-1
- 207-2
- 207-3
- 207-4

Strengthen the means of  
implementation and revitalize the global  
partnership for sustainable development

## 10. GLOSSARY

### ACQUIRING

All the services provided by an independent party (Acquirer) aimed at managing authorisations for payments made with cards belonging to national and international circuits, by virtue of an agreement with the merchant.

### ASSET ALLOCATION

It is a strategy implemented by the investor and aimed at diversifying his or her portfolio across different asset classes, based on his or her time and expected return objectives.

### ATM (AUTOMATED TELLER MACHINE)

This is an automated counter, activated directly by users by inserting their card and typing in their PIN (personal identification code), which allows them to carry out both ordering and informative operations (e.g. balance request or movement list).

### B2X

Market segment involving the exchange of products or services between a company as sender and companies or individuals as recipients.

### BTP (MULTI-YEAR TREASURY BONDS)

Medium-/long-term Italian government bonds. The return is given by six-monthly fixed-rate interest coupons and the difference between the redemption price, equal to the nominal value (100), and the issue or subscription price on the secondary market.

### BUFFER

The agreement with the Ministry of Economy and Finance (MEF) provides that a percentage of the funds deriving from private customer deposits may be placed in a special "Buffer" account at the MEF, with the objective of ensuring flexibility with regard to investments

in view of daily movements in amounts payable to current account holders.

### CAPITALIZATION

With reference to a company, it represents the product of the number of outstanding shares and their unit price; with reference to a market, it represents the total value - at market prices - of all listed securities.

### CHATBOT

The word comes from chat- chat and bot- short for robot. It is a virtual assistant able to answer a series of questions, interpreting the customer's intentions. The application is frequently used by large companies in customer service: typing in a question gives the impression of talking to a person.

### CLOUD

Literally "computer cloud", it refers to the technology that allows data to be processed and stored on a network and enables access to applications and data stored on remote hardware instead of the local workstation. **HYBRID CLOUD** is a solution that combines a private cloud with one or more public cloud services, with proprietary software enabling communication between each service. A hybrid cloud strategy offers companies greater flexibility by moving workloads between cloud solutions according to needs and costs.

### CONTACTLESS

It is the innovative payment method that allows to make purchases by simply bringing the card close to the card reader (POS terminal) with the Contactless symbol; the transaction takes place in a few moments.

### CONTAINERIZATION

Procedure consisting in the creation of a "container", i.e. a logical structure (software environment) consisting of all the components necessary for the operation of a single application. This new paradigm enables greater efficiency in the management of hardware resources, the

possibility of increasing the processing resources available to the system in real time, and the portability of applications between the on premises infrastructure and the public cloud of Poste Italiane's Hybrid cloud platform.

### **CONTRACTUAL SERVICE MARGIN (CSM)**

It represents for the Company the expected and unrealised profit that it must represent in the statement of profit or loss, over the life of the contract.

### **COVERAGE UNIT**

The Contractual Service Margin (CSM) is the quantity through which the pattern is defined and represents the amount of insurance services rendered during the year (e.g. the volume of mathematical provisions for the period compared to the total volume projected over the duration of the insurance contracts).

### **CREDIT CARD**

It is a payment instrument that enables the holder, on the basis of a contractual relationship with the issuer, to make purchases (via POS or online) of goods or services at any establishment belonging to the relevant international circuit or cash withdrawals (via ATMs). The amounts spent are debited to the cardholder at predefined intervals in arrears (usually monthly) either as a lump sum ("classic" credit card) or in instalments (the so-called instalment/revolving credit card).

### **DEBIT CARD**

A card that allows holders, on the basis of a contract with their bank or the Post Office, to purchase (via POS) goods and services at any establishment merchants belonging to the circuit to which the card is authorised or to withdraw cash (via ATMs) with immediate debit from the current account linked to the card. The best known circuit is the Bancomat circuit, hence the name by which it is commonly referred to. If the card is linked to international circuits, it can be used abroad both for withdrawals of local currency and for making payments, by entering the same secret code (PIN) as is used domestically for ATM withdrawals and POS withdrawals in shops.

### **DIGITAL PAYMENTS**

The term refers to all payments made using electronic means, such as credit cards, debit and prepaid cards, digital wallet, telephone credit, direct debit to current account, for the purchase of goods and services.

### **DIGITAL PROPERTIES**

The digital properties (website, BancoPosta app, PostePay app, Ufficio Postale app, PostelD app) represent one of the 3 channels of customer care to support the Group's omnichannel strategy.

### **DIGITAL WALLET OR ELECTRONIC WALLET**

It is a virtual wallet within which one can load credit or combine one or more payment instruments such as credit, debit, prepaid or current account cards, in order to carry out transactions without sharing the private information of the payment method with the seller.


### **DURATION**

Average maturity of bond payments. It is generally expressed in years and corresponds to the weighted average of the dates of payment of the cash flows (the so-called cash flows) from the security, where the weights assigned to each date are equal to the present value of the corresponding cash flows (the various coupons and, for the maturity date, also the principal). It is an approximate measure of the sensitivity of the price of a bond to changes in interest rates.

### **ETF (EXCHANGE TRADED FUNDS)**

These are special passively managed investment funds (or Sicav) that are traded on regulated markets, belonging to the broader Exchange Traded Products (ETP) family, which replicate the performance of an underlying index (e.g. the FTSE MIB).

### **FINANCIAL DURATION OF THE PORTFOLIO**

Average of the  durations of the securities within the portfolio.

**FTSE MIB (FINANCIAL TIMES STOCK EXCHANGE MILAN STOCK EXCHANGE INDEX)** 

It is the most important index of the Milan Stock Exchange where the securities with the highest market capitalisation and liquidity are gathered. On the FTSE MIB are listed a total of 40 stocks representing companies, the majority of which belong to the banking, insurance and industrial sectors.

**GENERAL MODEL (GM) OR BUILDING BLOCK APPROACH (BBA)** 

The General Model is a methodology for the valuation of insurance contracts based on the discounting of expected cash flows, on the explication of the Risk Adjustment cash flow adjuster for non-financial variables) and a Contractual Service Margin (present value of expected profit).

**GROSS PREMIUMS** 

Amount accrued during the reporting period for insurance contracts, irrespective of whether these amounts have been collected or whether they relate in whole or in part to subsequent years.

**HIGH-YIELD SECURITIES** 

These are high-yield (and high-risk) bonds issued by companies, sovereign states or other entities in financial distress, which are given a low rating (Standard & Poor's rating of BB or lower). High Yield bonds are often referred to as Junk Bonds.

**HOME BANKING (INTERNET BANKING)** 

This is an online service that allows current account holders to carry out various information and order operations on their current account via the Internet (checking account statements, making online credit transfers, post transfers, online payments, etc.), without having to physically go to their bank or post office.

**HYBRID - MULTI-CLASS POLICY** 

In multi-class products, a part of the premium is invested in separately managed accounts and determines the

guaranteed capital share, while a part is invested in unit-linked funds, which are characterised by diversified asset allocations that aim to seize return opportunities by investing in funds linked to financial market trends.

**INFORMATION SECURITY (CYBER SECURITY)** 

This term is intended to represent the tools and processes needed to ensure the security of computers, networks, commonly used devices (such as smartphones and tablets), applications and databases, protecting them from potential attacks that may come from inside or outside the organisation. Cyber Security has become increasingly important because protecting digital technologies, protects processes and above all information, which are the true assets of individuals and organisations.

**INSURANCE CLASS** 

An insurance class is defined as a category into which it is possible to classify policies pertaining to the same, or similar, type of risk. Two macro sections can be distinguished:

- P&C insurance: covers policies that intervene to compensate the client in the event of material and physical damage, relating to personal property, assets, person;

P&C contracts are divided into the following classes:

1. Accidents (including accidents at work and occupational diseases); lump sum benefits; temporary benefits; mixed forms; transported persons;
2. Health: lump sum benefits; temporary benefits; mixed forms
3. Land vehicles (excluding rail vehicles): all damage suffered by: self-propelled land vehicles; non-self-propelled land vehicles;
4. Railway vehicle bodies: any damage suffered by railway vehicles;
5. Aircraft bodies: any damage suffered by aircraft;
6. Sea, lake and river vehicles: all damage suffered by: river vehicles; lake vehicles; sea vehicles;

7. Transported goods (including goods, luggage and any other property): any damage suffered by transported goods or luggage, regardless of the nature of the means of transport;

8. Fire and natural elements: any damage suffered by property (other than property included in classes 3, 4, 5, 6 and 7) caused by: fire; explosion; storm; natural elements other than storm; nuclear energy; land subsidence;

9. Other damage to property: any damage suffered by property (other than property included in classes 3, 4, 5, 6 and 7) caused by hail or frost, as well as any other event, such as theft, other than those included in class 8;

10. Land motor vehicle liability: any liability arising out of the use of land motor vehicles (including carrier's liability); 11. Aircraft liability: any liability arising out of the use of aircraft (including carrier's liability);

12. Sea, lake and river vehicle liability: all liability arising from the use of river, lake and sea vehicles (including carrier's liability)

13. General Liability: any liability other than those mentioned in no. 10, 11 and 12;

14. Credit: asset losses from defaults; export credit; hire purchase; mortgage credit; agricultural credit;

15. Bail: direct bail; indirect bail; 16. Financial losses of various kinds: risks related to employment; insufficient income (general); bad weather; loss of profits; persistent overhead; unforeseen business expenses; loss of market value; loss of rents or income; indirect business losses other than those mentioned above; non-commercial financial losses; other financial losses;

17. Legal protection: legal protection;

18. Assistance: assistance to people in difficult situations.

- Life class: this includes policies taken out in order to guarantee a lump sum to the chosen beneficiaries indicated in the insurance contract, upon the occurrence of the event that is the subject of the policy (e.g. the death of the insured in the case of a death policy)

Life insurance policies are further divided into six classes:

Class I - Life insurance;

Class II - Nuptial and birth insurance;

Class III - Insurance included in classes I and II, the main benefits of which are directly linked to the value of units in collective investment undertakings or internal funds or to indices or other reference values;

Class IV - Health insurance and insurance against the risk of non-self-sufficiency covered by long-term, non-cancellable contracts for the risk of severe disability due to illness or accident or longevity;

Class V - Capitalisation operations;

Class VI - Management operations of collective funds set up to provide benefits in the event of death, survival or cessation or reduction of employment.

## INVESTMENT GRADE

Definition referring to securities issued by companies with regular financial statements, well managed and favourable business prospects. In the case of investment grade securities, the rating is high and in any case higher than triple B. Below that level, instead, there is the world of high-yield instruments, i.e. high-risk instruments, characterised by low ratings that reflect the danger of default or insolvency.

## LIABILITY FOR INCURRED CLAIM (LIC)

It is the liability that quantifies the issuer's obligation to compensate for insured events that have already occurred (incurred claims).

## LIABILITY FOR REMAINING COVERAGE (LRC)

It is the liability that quantifies the issuer's obligation to provide cover for insured events that have not yet occurred.

**MANAGEMENT FEES** 

Fees paid to the manager by direct debit from the fund's assets to remunerate management activity in the strict sense. They are calculated daily on the fund's net assets and drawn at larger intervals (monthly, quarterly, etc.). They are generally expressed on an annual basis.

**MERCHANT** 

Person carrying out a commercial activity.

**MUTUAL FUNDS** 

These are collective investment undertakings, managed by asset management companies (AMC), which pool the liquidity provided by their clients and invest it, as a single asset, in movable financial assets (shares, bonds, government securities, etc.) or, for some of them, in real estate assets, respecting rules aimed at reducing risk. Each investor becomes the owner of a number of units whose value varies over time and according to the performance of the securities purchased by the Management Company with the fund's assets. There are different types of funds, classified, for example, according to the type of financial instruments in which they invest (e.g. European equities or American bonds) or according to the type of profit-sharing of investors. Funds can be either "closed" (with the subscription of units only during the offer period and the redemption of units taking place, as a rule, only at the Fund's maturity) or "open" (with the subscription and redemption of units at any time).

**OPEN APIs (APPLICATION PROGRAM INTERFACES)**

Procedures and interfaces that enable two applications to communicate and exchange data. An API that does not require payment of fees for its access and use is called "open".

**OPEN BANKING**

Sharing of data between different players in the banking ecosystem. With the entry into force of the European Digital Payments Directive (PSD2), European banks are obliged to open up their API (Application Program

Interface) to fintech companies and other companies involved in financial products and services. This allows external companies (third parties) access to payment data thus increasing competition in the system.

**OTP (ONE TIME PASSWORD)**

A one-time password or one-time code is a security alphanumeric code generated by an algorithm, at the user's request, to gain access to a system or to authorise specific transactions, e.g. in home banking operations



It is a very secure authentication system since the code is sent directly to a device in the holder's possession (SMS on mobile phone, token, etc.) and once used is no longer valid.

**PAD**

A device equipped with a screen that can electronically capture graphometric signatures (also recording non-visible biometric data, such as pressure, movement and speed) and display QR codes.

**PENSION FUNDS**

They are collective investment undertakings that collect employees' and/or employers' contributions and invest them in financial instruments for the purpose of providing a pension benefit (life annuity or lump sum) at the end of an employee's working life that is supplementary to the mandatory public system. There are various forms of pension funds: Negotiated (or closed) funds, open-ended funds, individual pension plans (PIP or FIP), pre-existing pension schemes.

**PISP (PAYMENT INITIATION SERVICE PROVIDERS)**

Subjects who, with the express authorisation of the customer, provide the service of arrangement of payment orders in favour of the customer; they act as intermediaries between the Bank and the holder of the payment account - accessible online - they initiate the payment in favour of a third party, the beneficiary of the order.

**POS (POINT OF SALE)** 

It is the telematic location (consisting of a device for the automatic payment of purchases) where payment transactions take place, using debit or credit cards through their chips or magnetic stripes. Connected to the banking system, it allows merchants to have sums credited to their bank account and buyers to settle purchases without using physical money.

**PREMIUM ALLOCATION APPROACH (PAA)** 

The PAA is an insurance contract valuation methodology used to simplify the measurement of certain types of contracts, compared to the General Model. This model is used by the Company, in particular, for the following types of contracts:

- Short-term P&C insurance (not exceeding one year);
- Some multi-year contracts as long as they give the same result as the General Model.

**PREPAID CARD** 

Payment instrument, issued against an advance payment of funds made to the issuer, the value of which decreases each time it is used to make payments or withdrawals. With a prepaid card, it is possible, without using cash, to purchase (via POS or online) goods or services, or to withdraw cash at ATMs and with the use of a PIN, within the limits of the amount previously paid to the issuing institution. Prepaid cards are issued by banks, electronic money institutions (IMEL) and the Italian Post Office. Reloadable prepaid cards have a maximum reloadable value that differs from issuer to issuer and can be reloaded several times. The prepaid card can also be equipped with an IBAN (International Bank Account Number), which allows the main operations of a current account to be carried out, by means of transfers or direct debits, such as, for example, crediting wages or pensions, and paying utility bills. With the prepaid card, it is possible to make purchases without using cash and to make withdrawals and other transactions at ATMs belonging to the payment circuit indicated on the card.

**QR CODE (QUICK RESPONSE CODE)** 

It is a type of barcode depicted by a square with dots and lines of different sizes inside. Through special apps, multimedia content can be accessed by simply framing the QR code with the smartphone camera.

**REDEMPTION** 

The policyholder's right to terminate the contract early by requesting payment of the benefit resulting at the time of the request and determined in accordance with the contractual conditions.

**REINSURANCE** 

Transaction whereby an insurer (the reinsured) - for a fee - reduces its economic exposure, either on a single risk (optional reinsurance) or on a large number of risks (compulsory or treaty reinsurance), by transferring to another insurer (the reinsurer) part of its liabilities arising from insurance contracts.

**REPO (REPURCHASE AGREEMENT)** 

Repurchase agreements consist of a spot sale of securities and a simultaneous forward repurchase commitment (for the counterparty, in a symmetrical commitment of spot purchase and forward sale).

**RISK ADJUSTMENT** 

This refers to the adjustment of cash flows related to insurance contracts, reflecting uncertainty due to non-financial risks (e.g. mortality risk, longevity risk, early termination risk, assumption risk, catastrophe risk).

**SALARY-BACKED LOANS ("CESSIONE DEL QUINTO")** 

It is a special type of guaranteed financing, intended for pensioners and employees. The repayment of instalments is made by assigning a portion of the pension or salary to the lender. This share, deducted directly from the pension or pay slip, may not exceed the fifth part of the net monthly emolument. This type of financing requires insurance to cover life risk (for Pensioners) and



life and loss of employment risk (for Employees). The policies are underwritten directly by the Bank/Financial Company (as policyholder and beneficiary), which bears the costs. The customer is not required to pay any insurance premium.

### SEPARATELY MANAGED ACCOUNTS

In life insurance, a fund specifically created by the insurance undertaking and managed separately from the overall business of the undertaking. Separately managed accounts are used in Class I contracts and are characterised by a typically conservative investment composition. The return obtained by the separately managed account and relegated to the members is used to revalue the benefits under the contract.


### SOLVENCY RATIO

The Solvency Ratio is calculated as the ratio between the own funds eligible to cover the capital requirement and the regulatory minimum level calculated on the basis of the Solvency II regulation.

### SPID - PUBLIC DIGITAL IDENTITY SYSTEM

The Public Digital Identity System (SPID) is the Italian digital identity solution, managed by AgID in accordance with national legislation and the European eIDAS regulation. The SPID system allows holders of a digital identity (natural persons and legal entities), issued by an accredited manager, to access with a single set of credentials the services provided by participating public and private entities. Poste Italiane is one of the accredited Digital Identity managers.

### STRONG CUSTOMER AUTHENTICATION (SCA)

**SCA** or **STRONG CUSTOMER AUTHENTICATION** requires that all electronic payment transactions, and some remote transactions that carry a risk of fraud, be confirmed and authorised by combining two or more authentication factors, chosen from something that only the person making the transaction possesses (an app on a mobile device or a key that generates OTP codes ) , or an element of inherence, i.e. something that uniquely

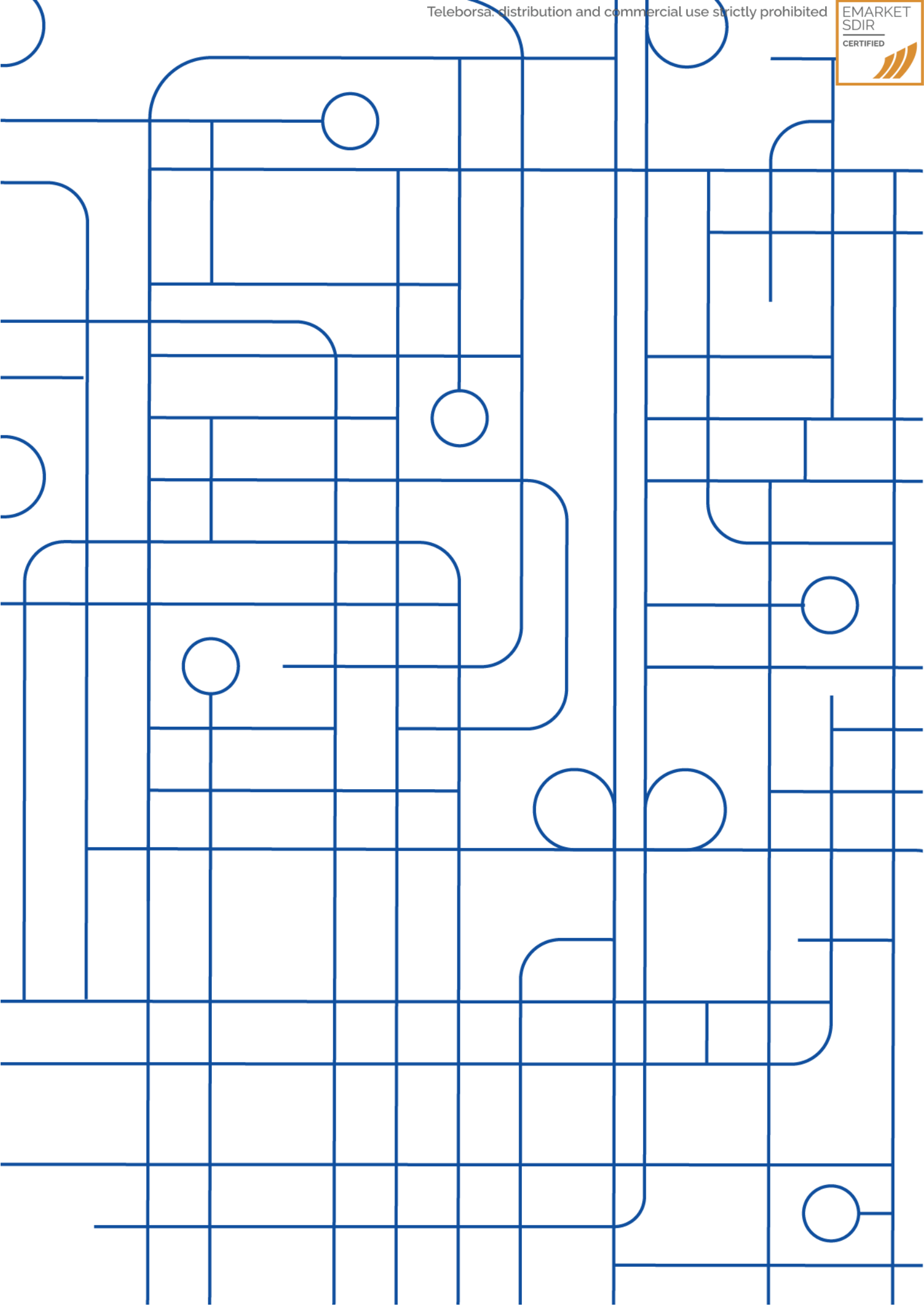
distinguishes the user (a fingerprint, facial geometry, or another biometric feature).

### UNIT-LINKED POLICY

A life policy for which the investment risk is borne by the policyholder and whose benefits are directly linked to units in collective investment undertakings or to the value of assets held in an internal fund.

### VARIABLE FEE APPROACH (VFA)

The Variable Fee Approach (VFA) is a valuation methodology that applies to insurance contracts with direct profit-sharing features, such as insurance pension funds, separately managed accounts and unit-linked insurance policies.



# POSTE ITALIANE'S FINANCIAL STATEMENTS

AT 31 DECEMBER 2023

# 2.

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## 1. INTRODUCTION

**Poste Italiane SpA** (the "Parent Company") is the company formed following conversion of the former Public Administration entity, "Poste Italiane", under Resolution 244 of 18 December 1997. Its registered office is at Viale Europa 190, Rome (Italy).

Poste Italiane's shares have been listed on the Mercato Telematico Azionario (the MTA, an electronic stock exchange) since 27 October 2015. At 31 December 2023, the Company is 35% owned by CDP and 29.3% owned by the MEF, with the remaining shares held by institutional and retail investors. Poste Italiane SpA continues to be under the control of the MEF. At 31 December 2023, the Parent Company holds 10,675,798 treasury shares (equal to around 0.817% of the share capital).

The **Poste Italiane Group** (the "Group") provides a universal postal service in Italy as well as integrated communication, logistics, financial and insurance products and services throughout the country via its national network of approximately 13,000 post offices.

The Group's business is assessed and presented on the basis of four operating segments: (i) Mail, Parcels and Distribution, (ii) Payments and Mobile, (iii) Financial Services and (iv) Insurance Services.

In addition to the mail, parcel and logistics service, the Mail, Parcels and Distribution segment also includes the activities of the sales network, the Post Offices and the corporate functions of Poste Italiane S.p.A. that provide services to the other segments in which the Group operates. The sector also includes the provision of Welfare services.

The Payments and Mobile Services segment includes the management of payments and e-money services, also carried out through the network of LIS points of sale, as well as mobile and fixed telephone services and energy (electricity and gas) sales services to end customers by PostePay SpA.

The Financial Services segment refers to the placement and distribution of financial and insurance products and services by Bancoposta, such as current accounts, postal savings products (on behalf of Cassa Depositi e Prestiti), mutual investment funds, loans provided by banks, policies and the activities of BancoPosta Fondi SpA SGR.

The Insurance Services segment mainly relates to the activities of Poste Vita SpA, which operates in the Life insurance sector, primarily in Ministerial Classes I and III, and its direct and indirect subsidiaries, such as Poste Assicura SpA and Net Insurance SpA, which operate in the P&C sector with the exclusion of the Motor Insurance class, and Net Insurance Life SpA, which mainly offers insurance coverage related and instrumental to the P&C products offered by its direct parent company Net Insurance SpA.

This section of the Annual Report (*Poste Italiane's Financial Statements*) at 31 December 2023 includes the consolidated financial statements of the Poste Italiane Group, the separate financial statements of Poste Italiane SpA and BancoPosta RFC's Separate Report. The Report has been prepared in euros, the currency of the economy in which the Group operates.

The Group's consolidated financial statements consist of the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the financial statements. All amounts in the financial statements and the notes are shown in millions of euros and rounded (without decimal figures), unless stated otherwise. It follows that the sum of the rounded amounts may not coincide with the rounded totals.

The separate financial statements of Poste Italiane SpA consist of the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes. Amounts in the financial statements are shown in euros (except for the statement of cash flows, which is shown in thousands of euros), whilst those in the notes are shown in millions of euros (without decimal figures), unless stated otherwise. It follows that the sum of the rounded amounts may not coincide with the rounded totals.

The consolidated and separate financial statements contain notes applicable to both sets of financial statements, providing information on matters common to both the Group and Poste Italiane SpA. The relevant matters specifically regard:

- the way the financial statements are presented and relevant information on accounting standards;
- disclosure of the sources and the procedures used in determining fair value;
- disclosures on risks and hedging transactions;
- a summary of the principal proceedings pending and relations with the authorities;
- and, in general, certain additional disclosures required by accounting standards, whose presentation in a single section is designed to provide the reader with better information (e.g. the analysis of share-based payment arrangements, key data on equity investments held, etc.).

BancoPosta RFC's Separate Report, which forms an integral part of Poste Italiane SpA's financial statements, prepared in accordance with the specific financial reporting rules laid down by the applicable banking regulations, is dealt with separately in this Section.

The consolidated financial statements of the Poste Italiane Group and the separate financial statements of Poste Italiane SpA (including the Separate Statement of BancoPosta RFC) for the year ended 31 December 2023 were approved by the Board of Directors on 19 March 2024, the date on which publication was authorised in accordance with IAS 10-*Events after the reporting period*.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 COMPLIANCE WITH IAS/IFRS

The annual accounts are prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and endorsed by the European Union ("EU") in EC Regulation 1606/2002 of 19 July 2002, and in accordance with Legislative Decree 38 of 28 February 2005, which introduced regulations governing the adoption of IFRS in Italian law.

The term IFRS includes all the International Financial Reporting Standards, International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC", previously known as the Standing Interpretations Committee or "SIC"), adopted by the European Union and contained in the EU Regulations in force at 31 December 2023, regarding which no derogations were made.

### 2.2 BASIS OF PRESENTATION

The accounting standards reflect the **full operations** of the Group and Poste Italiane SpA in the foreseeable future. As a going concern, Poste Italiane Group companies prepare their financial statements on a **going concern** basis, also taking account of the Group's economic and financial outlook, as reflected in the new 2024-2028 strategic plan approved by the Board of Directors on 19 March 2024.

The statement of financial position has been prepared on the basis of the **"current/non-current distinction"**<sup>178</sup>. In the Statement of profit (loss) for the year, the **classification criterion based on the nature of the cost components** has been adopted; details of interest income calculated using the effective interest criterion, as well as gains and losses deriving from the derecognition of financial assets measured at amortised cost (as per IAS 1 - *Presentation of Financial Statements*

<sup>178</sup> Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting period (IAS 1, par. 68).

paragraph 82) are provided in section 4.3 Notes to the Statement of profit or loss. The statement of cash flows has been prepared under the **indirect method**<sup>179</sup>.

The accounting standards and the recognition, measurement and classification criteria adopted in these annual accounts are the same as those used in the previous year's preparation, with the exception of what is stated in Section 2.3 - *New accounting standards and interpretations*.

The disclosures provided in these annual financial statements take into account the guidelines and recommendations of the Italian and European regulatory and supervisory bodies (ESMA and Consob<sup>180</sup>) published during the year in order to provide a guideline in the current macroeconomic context. The accounting implications of complying with these recommendations are described in section 2.7 - *Climate change and macroeconomic environment*.

In preparing the annual accounts, the CONSOB regulations contained in Resolution 15519 of 27 July 2006 and in Ruling DEM/6064293 of 28 July 2006 have been taken into account.

In accordance with CONSOB Resolution 15519 of 27 July 2006, the statement of financial position, the statement of profit or loss and the statement of cash flows show **amounts deriving from related party transactions**. The statement of profit or loss also shows, where applicable and of significant amount, **income and expenses deriving from non-recurring transactions**, or transactions that occur infrequently in the normal course of business. Detailed information about non-recurring events and transactions, including their impact on the financial position, results of operations and cash flows of the company and/or the group, is provided in the section "*Material non-recurring events and/or transactions*".

The values shown in the financial statements are compared with the corresponding values for the same period of the previous year. In this regard, it should be noted that certain figures for the year of comparison have been adjusted and reclassified to take into account the new provisions of IFRS 17 - *Insurance Contracts*, which came into force on 1 January 2023.

Pursuant to article 2447-*septies* of the Italian Civil Code, following the creation of BancoPosta's ring-fenced capital in 2011, the assets and contractual rights included therein (hereafter: "BancoPosta RFC") are shown separately in Poste Italiane SpA's statement of financial position, in a specific supplementary statement, and in the notes to the financial statements.

With regard to the interpretation and application of newly published, or revised, international accounting standards, and to certain aspects of taxation<sup>181</sup>, where the related interpretations are based on examples of best practice or case-law that cannot yet be regarded as exhaustive, the financial statements have been prepared on the basis of the relevant best practices and the guidelines agreed with the Tax Authorities as part of "cooperative compliance". Any future guidance or updated interpretations will be reflected in subsequent reporting periods, in accordance with the specific procedures provided for by the related standards.

<sup>179</sup> Under the indirect method, net cash from operating activities is determined by adjusting profit/(loss) for the year to reflect the impact of non-cash items, any deferment or provisions for previous or future operating inflows or outflows, and revenue or cost items linked to cash flows from investing or financing activities.

<sup>180</sup> Public statement ESMA32-193237008-1793 of 25 October 2023 "European common enforcement priorities for 2023 annual financial reports" and Consob communication of 27 October 2023.

<sup>181</sup> The tax authorities have issued regular official interpretations only in respect of certain of the tax-related effects of the measures contained in Legislative Decree 38 of 28 February 2005, Law 244 of 24 December 2007 (the 2008 Budget Law) and the Ministerial Decree of 1 April 2009, implementing the 2008 Budget Law, which introduced numerous changes to IRES and IRAP. The MEF Decree issued on 8 June 2011 contains instructions regarding the coordinated application of EU-endorsed international accounting standards coming into effect between 1 January 2009 and 31 December 2010, in addition to regulations governing determination of the tax bases for IRES and IRAP. In addition, the new standards are subject to the rules contained in the endorsement tax decrees issued by the Ministry of the Economy and Finance, in application of the provisions of Law no. 10 of 26 February 2011 (Decreto milleproroghe).

Finally, Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets in the European Union to prepare their annual financial report in a single electronic reporting format (European Single Electronic Format), approved by ESMA. In application of this standard, the Annual Report was prepared in XHTML format, including the "marking" of the Notes to the Consolidated Financial Statements, as well as those of the related financial statements, using the ESMA-IFRS taxonomy and the integrated computer language (iXBRL).

## 2.3 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS AND THOSE SOON TO BE EFFECTIVE

### Accounting standards and interpretations applicable from 1 January 2023

- **IFRS 17 - Insurance Contracts.** The new accounting standard on insurance contracts, which fully replaced the provisions of IFRS 4, aims to:
  - ensure that an entity provides information that fairly represents the rights and obligations arising from the insurance contracts issued;
  - eliminate inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework to account for all types of insurance contracts (including reinsurance contracts); and
  - improve comparability between entities belonging to the insurance sector by providing for specific presentation and disclosure requirements.
- **Amendments to IAS 1 - Presentation of Financial Statements** aimed at helping preparers of financial statements to provide information on accounting policies that is more useful to investors and primary users of financial statements by replacing the requirement to disclose "significant" accounting policy information with the requirement to provide on **material** accounting policy information and how they are applied within the company.
- **Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** to clarify the distinction between changes in accounting estimates, Changes to accounting policies and error corrections.
- **Amendments to IAS 12 - Income Taxes** to clarify how deferred taxes should be accounted for on certain transactions involving the simultaneous recognition of an asset and a liability of equal amount, such as leases and decommissioning obligations. The purpose of this amendment is to reduce diversity in the recognition of deferred tax assets and liabilities on such transactions;
- **Amendments to IAS 12 – Income Taxes: International Tax Reform - Model Rules (Second Pillar).** The amendments to the standard introduced a temporary exception to the accounting for deferred taxes in connection with the application of the provisions of Pillar Two published by the Organisation for Economic Cooperation and Development (hereinafter "OECD"), as well as targeted supplementary information for affected companies.

With the exception of the first-time application of IFRS 17, the impact of which on the Poste Italiane Group's financial position is described in Section 2.4 - *Changes to accounting policies* below, the adoption of the other changes outlined above did not have a significant impact on the financial information in the financial statements. With reference to the new provisions of IAS 1 relating to material information on accounting policies, these are reflected in Section 2.5 - *Material Information on accounting standards*; while the information required by the amendment to IAS 12 on international tax reform is given below.

The provisions of the OECD Pillar Two were introduced into the regulatory framework of the European Union with EU Council Directive 2022/2523 of 14 December 2022, which in turn was implemented in Italy by Legislative Decree 209 of 27 December 2023 (hereinafter also referred to as the "Decree"). The objective of international tax reform is to ensure a minimum level of taxation, at the rate of 15 per cent, of multinational corporations in each jurisdiction in which they operate. At the reporting date of these financial statements, the Poste Italiane Group, although falling within the scope of the regulations, does not have a second-pillar income tax exposure because at 31 December 2023 the provisions of the Decree are in force, but are not effective with regard to this Annual Report.



The Poste Italiane Group will apply the exception to the recognition and disclosure of deferred tax assets and liabilities related to second-pillar income taxes, as permitted by the relevant accounting standard.

In the meantime, the Group is analysing the exposure to the Second Pillar provisions for the period in which they will be effective, and preliminary analyses, based on simplifying assumptions and historical data (i.e. average effective tax rates calculated in accordance with paragraph 86 of IAS 12), have shown that the Second Pillar legislation is not expected to generate any additional current tax liabilities.

In particular, based on its current ownership structure, the Poste Italiane Group is present in four jurisdictions: Italy, China, Hong Kong, UK. Based on the analyses carried out, the average effective tax rates appear to be higher than 15%; therefore, the level of effective taxation of the Group companies operating in the various jurisdictions would not appear to be such as to result in the application of a domestic/supplementary minimum tax.

However, these valuations are not precise, as they are not based on the concrete and full application of all adjustments provided for in the Decree, and there may be differences between the average effective tax rate calculated in accordance with paragraph 86 of IAS 12 and that calculated in accordance with the provisions of Pillar 2.

In addition, it should be noted that the level of effective taxation of foreign companies should ensure the application of general transitional regimes (Transitional Safe Harbour) that provide for the reduction of any supplementary tax due for these jurisdictions to zero for the first three tax periods from the implementation of the legislation (2024-2026).

Finally, it should be emphasised again that, due to the complexity in the application of the legislation and the calculation of total relevant income, the quantitative impact cannot yet be reasonably estimated, and that the analyses performed on the level of effective taxation of Group companies for the year 2023, may also differ significantly from those that will take place once the legislation is fully implemented, due to the implications of the Pillar Two rules.

### Accounting standards and interpretations soon to be effective

The following are applicable from 1 January 2024:

- **Amendment to IFRS 16 Leases: Lease Liabilities in a Sale and Leaseback.** The purpose of the amendment is to specify how the selling lessee is to measure the lease liability arising from a sale and leaseback in such a way that it does not recognise income or loss in respect of the retained right of use;
- **Amendments to IAS 1 - Presentation of Financial Statements** to provide clarification on how entities should classify payables and other liabilities between current and non-current, and to improve the information that an entity must provide when its right to defer settlement of a liability for at least 12 months is subject to covenants.

At the reporting date, the IASB has issued the following amendments, still not yet endorsed by the European Commission:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements;
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

The potential impact on the Poste Italiane Group's financial reporting of the accounting standards, amendments and interpretations due to come into effect is currently being assessed. It should also be noted that the Group has not arranged for the early adoption of any standards, interpretations or amendments that have been issued but are not yet in force.

## 2.4. CHANGES TO ACCOUNTING POLICIES

From 1 January 2023, the Poste Italiane Group has adopted **IFRS 17 – Insurance Contracts** issued under Regulation (EU) no. 2021/2036 of the Commission of 19 November 2021.

Information on the nature and effects of the new accounting standard and the related impact of the first-time adoption of the standard on the Poste Italiane Group's statement of financial position is provided below.

### Scope of application

IFRS 17 introduces new recognition, measurement and valuation rules for contracts that meet the definition of an "insurance contract"<sup>182</sup>; the new standard applies to insurance contracts issued, reinsurance contracts held, and investment contracts with discretionary participation features. Within the Poste Italiane Group, therefore, insurance contracts and investment contracts with discretionary participation features issued by the Companies belonging to the Poste Vita Group<sup>183</sup>, as well as reinsurance contracts held by them, fall within the scope of the new standard.

With regard to the contracts issued by the other Poste Italiane Group companies, no elements were identified that could be brought within the definition of an insurance contract, i.e., although falling within this definition, the Group opted to continue applying IFRS 15 and/or IFRS 9 as permitted by IFRS 17.

### Level of portfolio aggregation

The Poste Italiane Group has defined a process for aggregating the contracts falling within the scope of IFRS 17, which envisages an initial distinction between Life and P&C business and then a distinction into different Contract Portfolios and different Unit Of Accounts. Portfolios contain contracts with similar contractual and risk characteristics that are managed in a unified manner. With regard to the Life business, contract groups are aggregated by product type (e.g. Pure Separately Managed Accounts, Multi-class, term life insurance, etc.), while for the P&C business, the level of aggregation coincides with the lines of business (e.g. those defined for Solvency II reporting); in some cases (such as for the companies Net Insurance SpA and Net Insurance Life SpA, hereinafter jointly referred to as the "Net Group") they are further subdivided in order to comply with the characteristics of specific products. For business related to reinsurance contracts held, the Unit of Account is equivalent to the individual treaty with the counterparty.

Contract portfolios can be further disaggregated according to the underwriting year of the policies (cohorts)<sup>184</sup> and the level of profitability. For this purpose, an onerousness test of the products is carried out to divide the Units of Account into:

- profitable;
- onerous;
- that at the time of initial recognition do not have a high probability of becoming onerous.

The following describes the process for defining the onerousness test according to the relevant business:

- Life business: for contracts issued by Poste Vita SpA, the test is performed at the product level (where applicable also at the cohort level) in the design phase of the same (ex ante) exclusively for new products, determining the estimated future flows of fulfilment at the date. For contracts issued by Net Insurance Life SpA, on the other hand, the test is carried out on individual tariffs. The analysis is repeated in the event of significant events that may affect the costliness of the product in the first year of life;
- P&C business: for contracts issued by the Company Poste Assicura SpA, the test is performed on the basis of the Combined Ratio<sup>185</sup> at the time of the initial recognition of the contract group by defining the onerousness on a permanent basis until the maturity of the policies. For contracts issued by Net Insurance SpA, the test takes into account estimated future fulfilment flows at the date and is performed at the contract group level according to business type.

<sup>182</sup> An insurance contract is a contract under which one party accepts a significant insurance risk from another party, agreeing to indemnify the insured or the beneficiary in the event that the latter suffers loss as a result of a specific event, (i.e. the insured event)

<sup>183</sup> Poste Vita SpA, Poste Assicura SpA, Net Insurance SpA and Net Insurance Life SpA.

<sup>184</sup> For Separately Managed Accounts and Multi-class insurance products, the exemption has been implemented in the application of annual cohorts permitted by Regulation (EU) no. 2021/2036.

<sup>185</sup> Ratio of claims and expenses incurred to premium volume, also taking into account the Adjustment for non-financial risk.

Groups of insurance contracts are recognised at the date of initial recognition. The Poste Italiane Group has defined in detail which, for each type of business and its underlying products, is the date that identifies the start of the contractual relationship. These dates (e.g. effective date, renewal date, accession date, etc.) were chosen according to the specificities of the products issued. For the insurance contracts acquired as a result of the Net Group business combination, the initial recognition date was set at 1 April 2023, the date identified for the Purchase Price Allocation process.

### Measurement models

The general model for measuring insurance contracts, called the Building Block Approach - BBA, involves defining the financial flows associated with the insurance contract, consisting of:

- cash inflows and outflows;
- an adjustment that takes into account the time value of money and the financial risks associated with the flows themselves;
- an adjustment for non-financial risk (risk adjustment).

The final result of the sum of the preceding components, if positive, determines the Contractual Service Margin (CSM) that will be issued over the life of the insurance contract according to the so-called Coverage Unit, while if negative the Loss Component, recognised immediately in the statement of profit or loss.

The standard provides two further measurement models:

- Premium Allocation Approach - PAA, an optional and alternative model to the general model, is applicable to contracts characterised by a coverage period of no more than one year, as well as to contract groups for which the company considers that simplification linked to the model would not lead to a significantly different result from that obtained with the general model (for example, absence of variability of cash flows associated with the contract group);
- Variable Fee Approach - VFA, a mandatory measurement model for contracts with direct participation features, such as separately managed accounts and unit-linked insurance.

Within the Poste Italiane Group, groups of insurance contracts with at least one of the following characteristics are measured using the PAA method:

- One-year Duration;
- Multi-Year Duration and belonging to the Collective Business (Contract Groups = Collective);
- Multi-Year Duration and belonging to a Portfolio where the weight of the Multi-year Business is less than or equal to 5% in the last 3 years.

With reference to the VFA, adopted exclusively for the Life business, the Group assessed the eligibility for the model for the following types of products:

- With Profit Participating (Separately Managed Accounts);
- Unit-linked standalone insurance;
- Hybrid products with investment components (Multi-class).

The PAA model is applied to P&C business, with the exception of the CPI products<sup>186</sup>, which are measured through the adoption of the BBA as they do not meet the conditions for the application of the simplified model. The BBA is also adopted for products belonging to the Life business for which the VFA model does not apply.

<sup>186</sup> Credit Protection Insurance: is a special multi-risk insurance contract that seeks to protect the insured against a series of events that may occur during the term of a loan (mortgage, personal loan or other form of credit), thus preventing adverse situations from impairing its regular repayment capacity.

### Elements for determining future fulfilment flows

In application of the BBA and VFA models, future cash flows associated with insurance contracts are estimated by taking into account the "contract boundary", in order to identify whether a particular contractual option should be included in the cash flow projection as soon as the contract is issued or whether the exercise of that option would result in the recognition of a new contract group. The Poste Italiane Group has borrowed contract boundary identification techniques from the Solvency II context<sup>187</sup>, except in the case of P&C business contracts with tacit renewal that were no longer terminable at the valuation date, which define the generation of a new contract group and, therefore, a new *cohort*. In the Life business, pure risk policies, cases of conversion into annuities, automatic maturity deferrals and additional payouts can generate a new fulfilment cash flow; while in the P&C business, additional considerations can be made about product repricing clauses, the presence of variable sums insured and cases of lapse with return of unearned premium.

In accordance with the provisions of the standard, all costs directly attributable to the management of insurance contracts, including costs incurred in the acquisition of contracts, are also taken into account in the construction of the fulfilment cash flows. With particular reference to acquisition costs, the Group considers directly attributable to insurance contracts the costs incurred internally for placement through the Poste Italiane network, placement commissions paid to the network outside the Group (mainly for the Net Group), rappels<sup>188</sup> and other direct and indirect acquisition costs.

### Adjustment for non-financial risk

When assessing insurance contracts, it is necessary to consider the Risk Adjustment component, i.e. the remuneration that the Companies of the Poste Italiane Group require to assume risks of a non-financial nature. To determine the Adjustment for non-financial risk, the Poste Italiane Group has decided to use the percentile metric. According to this approach, the Adjustment for non-financial risk represents the potential loss in relation to the obligations assumed towards the policyholders (Insurance liabilities) that the Companies would incur, at a given level of probability (percentile level), to cover the insurance risks assumed, thus reflecting the risk appetite of the Companies themselves. This element is calculated separately for Life and P&C business. The confidence level identified to quantify the Adjustment for non-financial risk is 70% for both P&C and Life businesses.

In order to determine the amount of the Adjustment for non-financial risk, among other elements, the Solvency II valuation framework was taken into account, considering the same scope of underlying risks. For details of the risks considered, see Section "2.6 - Use of estimates - Insurance liabilities".

The Adjustment for non-financial risk may change as a result of changes in the risks to which the Group is exposed. These effects may have an impact on the statement of financial position if they relate to future services, affecting the total value of the Contractual Service Margin, and on the statement of profit or loss through the period release of this component, which occurs on the basis of a defined coverage unit.

### Discount rate

For the purposes of determining the discount rate to be used for discounting future cash flows, the Poste Italiane Group has decided to adopt a "bottom-up approach" for the derivation of discount curves borrowed from Solvency II, in which the reference Basic Risk Free Curve is based on the Risk Free Rate curve provided by EIOPA.

The Basic Risk Free curve, depending on the specific business, may be adjusted to take into account specific Illiquidity Premiums (a component representing the level of liquidity of the counterparty) calibrated to portfolios or at Company level.

<sup>187</sup> Legal references "Eiopa Guidelines on Contract Boundaries - Consolidated Version" of 31 January 2023 and Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, Article 18 "Contract Boundaries".

<sup>188</sup> Additional remuneration over and above the commission paid to intermediaries (agents and brokers) on the achievement of predetermined objectives (production, technical, etc.).

Please refer to section "2.6 - Use of estimates - Insurance liabilities" for detailed information on the discount curves used per individual portfolio.

#### Effect on the statement of profit or loss

The new standard changed the representation of the profitability of the insurance business from a presentation of results by volume (premiums issued and claims expenses) to a representation more focused on contract margins.

Revenue from the insurance business consist of the releases of liabilities under insurance contracts for the period, including the Contractual Service Margin (**CSM**) component. In addition, costs directly related to insurance contracts, including costs incurred by the network for insurance contract placement and distribution activities performed by the Parent Company and outside the Group, are allocated to revenue.

For non-profitable insurance contracts, the relevant Loss Component is recognised immediately in the statement of profit or loss. In the event that, at subsequent reporting dates, there is an improvement in the group of onerous contracts, the Poste Italiane Group Companies have provided for a method of recovering the loss component on a risk-based approach by which the release of the loss component is calculated in proportion to the period's release of the cash flows related to claims, expenses and risk adjustment.

In the case of an onerous contract, if reinsurance coverage is provided, it is necessary to identify the so-called Loss Recovery Component. The result of the reinsurance contract (Net Gain/Net Cost) will be adjusted in each reporting period to take into account the recovery of the loss component of the direct covered contract.

In addition to the issuance of the CSM and the possible recognition of the loss component, further elements capable of impacting the statement of profit or loss in the reporting period are described below:

- Investment component i.e. the amount under the insurance contract that the issuing entity must pay to the counterparty even if the insured event does not occur, for which the standard does not require recognition in the underwriting result. The Group identifies the investment component for contracts in the Life business and defines it, for investment products and annuities in the accumulation phase, as the difference between the liquidated value and the lapse value net of penalties; for certain annuities that are certain to be paid out, the value of the investment component corresponds to the value of the benefits paid out. Finally, with respect to the reinsurance business, the investment component is identified in the context of contracts or treaties that provide for scaled commissions or profit participating;
- Financial costs/revenue related to the insurance business, refer to the effects deriving from the change in the time value of money and the financial risk which, as envisaged by the standard, are calculated separately for each measurement model. For the VFA portfolio, financial costs/revenue are recognised either in the Statement of profit or loss or in Other Comprehensive Income (OCI) in relation to the result of the fair value of the Underlying Items and depending on the IFRS 9 classification of the underlying assets themselves; for the BBA measurement model, on the other hand, financial costs/revenue are calculated on the basis of the valuation curves adopted for the calculation of IFRS 17 flows.

In the Statement of profit or loss tables, for the sake of clarity, the cost components that are allocated to insurance margins in accordance with IFRS 17 are shown under "*Allocation of costs directly attributable to insurance contracts*".

#### Accounting policy under IFRS 17

The choices made by the Group in applying the provisions of the standard are summarised below:

- **Risk mitigation:** the Poste Group does not plan to adopt risk mitigation, i.e., the option not to recognise changes in the CSM to account for some or all of the changes in the time effect of money and non-financial risk;
- **OCI Option:** for insurance contracts with direct participation elements for which the underlying elements are owned, the Group opts to disaggregate the finance income or expenses into Profit for the Period and Other Comprehensive Income, based on the results of IFRS 9, which defines the valuation of the underlying elements.

The Poste Italiane Group also provides that, for contracts measured using the VFA model, the fair value income generated by the underlying assets measured under IFRS 9, relating to finance income from separately managed assets, commissions and technical interest attributable to unit-linked policies, is passed on to policyholders based on the percentage weight of the Mathematical Provisions at the date (mirroring). The value of the returns generated by the assets related to the insurance liabilities is deducted from the profit retained by the Group (over-hedging) and then allocated to the individual units of account;

- Exception to the use of annual cohorts<sup>189</sup>: the Poste Italiane Group adopts the exemption option<sup>190</sup>, limited to the portfolios pertaining to the Line of Business "With Profit Participating" and the hybrid products with separately managed components of Poste Vita. These contracts will therefore not be divided into annual cohorts, but will be managed together due to the mutualisation effect of returns<sup>191</sup>, typical of separately managed accounts. The exception is not applicable for P&C business;
- Method of presentation of the result of the outward reinsurance business: the Group has chosen a net presentation for the reinsurance result.

### Impacts of first-time adoption of IFRS 17

The Poste Italiane Group elected to apply IFRS 17 starting from its mandatory effective date of 1 January 2023, without early application. As required by the new standard, the transition date to IFRS 17 has been set at 1 January 2022. On that date, the Group defined the following transition methods, in compliance with the transitional provisions of the new standard, which concerned the insurance companies Poste Vita SpA and Poste Assicura SpA:

- for the Life business, the Modified Retrospective Approach was adopted for the investment portfolio and the Fair Value approach for the pure risk portfolio;
- for P&C business, on the other hand, the Fair Value Approach was adopted.

At 1 January 2022 the Poste Italiane Group considered the application of the Full Retrospective Approach because the available database for past years did not have the granularity and detail required to perform the valuation required by the accounting standard; therefore, the Modified Retrospective Approach was applied as the transition method for almost all insurance contracts. The complexity and high effort required to retrieve the historical data necessary for the application of the Modified Retrospective Approach resulted in the application of the Fair Value Approach for the remaining part of the contracts.

In applying the Modified Retrospective Approach, as required by the standard, the Group has adopted simplifications compared to the Full Retrospective Approach, mainly related to the profit on contracts net of the Adjustment for non-financial risk. In applying this approach, a historical depth of contracts of about 10 years was also considered, including policies issued since 2012 and still outstanding at the transition date. This simplification was adopted because the portfolio thus constructed is a good approximation of the overall portfolio, as positions issued prior to 2012 have a percentage

<sup>189</sup> Cohort means the division of contracts according to the year of signing

<sup>190</sup> During the endorsement of the final version of the standard, an exemption from the application of the annual cohorts was envisaged deriving from the fact that in insurance practice the rules for revaluation of insurance liabilities are a function of the returns on the financial assets related to them, calculated through a common management of these assets and therefore not differentiated according to the specific sub-portfolios included in a specific separately managed account or between years of product generation. The presence of cohorts generates complexities in terms of quantifying the "mutualisation effect" arising from the inclusion of different Units of Account (new production) in a pool of Units of Account pertaining to pre-existing portfolios, as well as complexities in terms of allocation of return on assets to specific Units of Account that could generate distorting effects in IFRS 17 results.

<sup>191</sup> Intergenerational mutuality is generated on those products of long duration that provide for the entry of policyholders even at different times in the life of the product. In these cases, the mutualisation effect makes it possible to offset losses and gains from portfolio management between the different generations of policyholders participating in the product.

weight that is considered residual. In the application of the Fair Value Approach (FVA), the value of the CSM of the P&C business was determined as the premium reserve net of acquisition commissions, while for the Life business, used for the contract group measured by BBA, it was determined as the present value of future profits net of the Adjustment for non-financial risk.

The Poste Italiane Group, and thus also the two insurance companies Poste Vita and Poste Assicura, has been applying IFRS 9 since 1 January 2018. Following the adoption of IFRS 17, there were no changes to the classification and measurement rules for financial assets.

It should be noted that the two Net Group companies were acquired during 2023 and, therefore, after the transition date of 1 January 2022.

The following tables show the effects of the transition to IFRS 17 at 1 January 2022 recognised by individual item in the financial statements. The Group Statement of financial position also incorporates the changes introduced by IAS 1 - *Presentation of Financial Statements* following the new accounting standard.

						(€m)
ASSETS	31/12/2021 IFRS 4 balances	Accounting entries eliminated	Reclassified accounting items	Effects of IFRS 17 measurement	1 January 2022 restated	
Property, plant and equipment	2,267	-	-	-	2,267	
Investment property	32	-	-	-	32	
Intangible assets	873	-	-	-	873	
Right-of-use assets	1,116	-	-	-	1,116	
Investments accounted for using the equity method	277	-	-	-	277	
Financial assets	221,226	-	-	-	221,226	
<b>Assets for outward reinsurance</b>	-	-	-	48	48	
Trade receivables	3	-	-	-	3	
Deferred tax assets	1,245	-	-	400	1,644	
Other receivables and assets	4,012	-	-	-	4,012	
Tax credits Law no. 77/2020	5,551	-	-	-	5,551	
Technical provisions attributable to reinsurers	50	(50)	-	-	-	
<b>Non-current assets</b>	<b>236,652</b>	<b>(50)</b>	<b>-</b>	<b>448</b>	<b>237,048</b>	
Inventories	155	-	-	-	155	
Trade receivables	2,508	-	-	-	2,508	
Current tax assets	115	-	-	-	115	
Other receivables and assets	1,146	-	(49)	-	1,097	
Tax credits Law no. 77/2020	905	-	-	-	905	
Financial assets	27,630	-	-	-	27,630	
Cash and deposits attributable to BancoPosta	7,659	-	-	-	7,659	
Cash and cash equivalents	7,958	-	-	-	7,958	
<b>Total current assets</b>	<b>48,076</b>	<b>-</b>	<b>(49)</b>	<b>-</b>	<b>48,027</b>	
<b>TOTAL ASSETS</b>	<b>284,728</b>	<b>(50)</b>	<b>(49)</b>	<b>448</b>	<b>285,076</b>	

The value of Assets increased by €348 million; this effect is attributable to:

- derecognition of the balance of Technical provisions attributable to reinsurers (only to be recognised under IFRS 4);

- recognition of Assets for outward reinsurance, which represents the valuation at 1 January 2022 of the Group's exposures related to reinsurance contracts assumed;
- recognition of deferred tax assets determined on the First Time Adoption reserve of IFRS 17 related to the accounting of Liabilities under insurance contracts;
- reclassification of Due from policyholders, which are removed from Other receivables and assets to be considered under Liabilities under insurance contracts, specifically under Liability for remaining coverage, which is reported under Liabilities.

	(€m)				
LIABILITIES AND EQUITY	31/12/2021 IFRS 4 balances	Accounting entries eliminated	Reclassified accounting items	Effects of IFRS 17 measurement	1 January 2022 restated
Share capital	1,306	-	-	-	1,306
Reserves	3,599	-	-	77	3,676
Treasury shares	(40)	-	-	-	(40)
Retained earnings	7,237	-	-	(974)	6,262
<b>Total equity attributable to owners of the Parent</b>	<b>12,102</b>	<b>-</b>	<b>-</b>	<b>(897)</b>	<b>11,205</b>
Equity attributable to non-controlling interests	8	-	-	-	8
<b>Total</b>	<b>12,110</b>	<b>-</b>	<b>-</b>	<b>(897)</b>	<b>11,213</b>
Technical provisions for insurance business	159,089	(159,089)	-	-	-
Provisions for risks and charges	693	-	-	-	693
Employee termination benefits	922	-	-	-	922
Financial liabilities	15,122	-	-	-	15,122
<b>Liabilities under insurance contracts</b>		-	-	160,334	160,334
Deferred tax liabilities	953	-	-	-	953
Other liabilities	1,749	-	-	-	1,749
<b>Total non-current liabilities</b>	<b>178,528</b>	<b>(159,089)</b>	<b>-</b>	<b>160,334</b>	<b>179,774</b>
Provisions for risks and charges	575	-	-	-	575
Trade payables	2,029	-	-	-	2,029
Current tax liabilities	16	-	-	-	16
Other liabilities	1,860	-	-	-	1,860
Financial liabilities	89,610	-	-	-	89,610
<b>Total current liabilities</b>	<b>94,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,090</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>284,728</b>	<b>(159,089)</b>	<b>-</b>	<b>159,437</b>	<b>285,076</b>

The value of Liabilities and Equity also increased by €348 million, as the combined result of a decrease in Equity of €897 million and an increase in Insurance Liabilities of €1,245 million, in particular as a result of the elimination of the value of Insurance Technical Provisions recognised in accordance with IFRS 4 and the consequent recognition of the carrying amount of Liabilities under insurance contracts, measured in accordance with IFRS 17.

The following is a reconciliation of equity between 31 December 2021, accounted for under IFRS 4, and 1 January 2022, which incorporates the effects of the changes in the new accounting standard:



	Equity														Total equity
	Share capital	Treasury shares	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Reserve for insurance contracts issued and outward reinsurance	Translation reserve	Reserve for investments accounted for using equity method	Incentive plans reserve	Retained earnings	Total equity attributable to owners of the Parent	Capital and reserves attributable to non-controlling interests	
Balance at 31 December 2021	1,306	(40)	299	1,210	800	1,307	(33)	-	1	3	13	7,236	12,102	8	12,110
First time adoption effect	-	-	-	-	-	-	-	-	-	-	-	(1,373)	(1,373)	-	(1,373)
Accounting mirroring	-	-	-	-	-	7,945	-	(7,868)	-	-	-	-	77	-	77
Fiscal effect on transition	-	-	-	-	-	-	-	-	-	-	-	400	400	-	400
Balance at 1 January 2022	1,306	(40)	299	1,210	800	9,251	(33)	(7,868)	1	3	13	6,262	11,205	8	11,213

The application of the new accounting standard to the Poste Italiane Group's equity resulted in a reduction in retained earnings of €974 million (net of tax effects), partially offset by €77 million related to the mirroring effect, i.e., the recognition in the statement of comprehensive income, in the new item "*Reserves for insurance contracts issued and outwards reinsurance*", of the change in the fair value of financial instruments measured at FVTOCI linked to separately managed accounts following the adoption of the OCI option exercised by the Poste Italiane Group. The final net effect was a reduction of €897 million in equity.

For a better understanding of the dynamics of the new standard, a comparison of the opening IFRS17 statement of financial position balances at 1 January 2022 with 31 December 2022, appropriately adjusted, is shown below.

	(€m)		
ASSETS	1 January 2022	31 December 2022	Changes
<b>Non-current assets</b>	<b>237,048</b>	<b>211,928</b>	<b>(25,121)</b>
<i>of which</i>			
<i>Assets for outward reinsurance</i>	48	44	(4)
<i>Deferred tax assets</i>	1,644	2,601	957
<b>Current assets</b>	<b>48,027</b>	<b>50,146</b>	<b>2,119</b>
<b>TOTAL ASSETS</b>	<b>285,076</b>	<b>262,074</b>	<b>(23,002)</b>
LIABILITIES AND EQUITY	1 January 2022	31 December 2022	Changes
<b>Total equity</b>	<b>11,213</b>	<b>7,878</b>	<b>(3,334)</b>
<b>Non-current liabilities</b>	<b>179,774</b>	<b>156,647</b>	<b>(23,126)</b>
<i>of which</i>			
<b>Liabilities under insurance contracts</b>	<b>160,334</b>	<b>141,380</b>	<b>(18,954)</b>
<i>Liability for remaining coverage</i>	159,372	140,348	(19,025)
<i>Liability for remaining PAA coverage</i>	45	56	11
<i>Present value of future cash flows</i>	147,547	124,330	(23,218)
<i>Adjustment for non-financial risk</i>	1,324	3,060	1,736
<i>Contractual service margin</i>	10,456	12,902	2,446
<i>Liability for incurred claims</i>	962	1,032	70
<i>Cash flows related to past services</i>	952	1,016	64
<i>Adjustment for non-financial risk</i>	10	17	7
<b>Current liabilities</b>	<b>94,090</b>	<b>97,549</b>	<b>3,459</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>285,076</b>	<b>262,074</b>	<b>(23,002)</b>

Liabilities under insurance contracts amounted to €141,380 million at 31 December 2022 and decreased by approximately €18,954 million compared to the balance at 1 January 2022. This decrease is mainly related to the decrease in the present value of future cash flows as a result of the negative financial market dynamics experienced during the year compared to the transition date. The Adjustment for non-financial risk, on the other hand, increased as a result of the updated calculation assumptions used. These dynamics led to a positive effect on the Contractual Service Margin, which, together with the effect of new production and experience variance, resulted in an increase of €2,446 million.

Equity at 31 December 2022, modified following the application of IFRS 17, decreased by approximately €1,059 million.

Below is a breakdown of the summary movement in OCI, gross of the tax effect, prepared in application of IFRS 4, already published in the 2022 Annual Report, both following the application of the new standard:

	(€m)				
	2022 IFRS 17	of which insurance	2022 IFRS 4	of which insurance	Changes
<b>Net profit/(loss) for the year</b>	<b>1,583</b>		<b>1,511</b>		<b>72</b>
FVOCI debt instruments	-				
Increase/(Decrease) in fair value during the year	(27,742)	(23,333)	(4,747)	(338)	(22,994)
Transfers to profit or loss from realisation	(286)	(136)	(161)	(10)	(125)
Increase/(decrease) for expected losses	4	0	4	0	(0)
Cash flow hedges	(130)		(130)		
Financial revenue or costs relating to insurance contracts issued	22,784	22,784			22,784
Financial revenue or costs related to outward reinsurance	(1)	(1)			(1)
Other items	1,542		1,440		102
Items not to be reclassified in the Statement of profit or loss for the year	(220)		(219)		(1)
<b>Total other comprehensive income</b>	<b>(4,048)</b>		<b>(3,814)</b>		<b>(234)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(2,465)</b>		<b>(2,303)</b>		<b>(162)</b>

As is known, the financial year 2022 was characterised by a negative trend in the financial markets, which affected the result of the Statement of comprehensive income already at 31 December 2022. In the restated situation, the negative effect remains but is presented differently, as the new standard does not provide for the application of the shadow accounting technique. In fact, the unrealised capital losses generated by the securities portfolio, amounting to €27,742 million (of which €23,333 million related to the insurance business), are shown gross of the reversal to policyholders, as the mirroring component of the financial result is accounted for in the item "*Financial revenue or costs relating to insurance contracts issued*", consistent with the requirements of the new standard and the amendments to IAS 1. Compared to the net result recorded with the application of IFRS 4 in the insurance business alone, which amounted to an unrealised loss of €338 million, the IFRS 17 result amounted to an unrealised loss of €549 million (obtained as the difference between the delta fair value of debt instruments measured at FVTOCI recorded in the year and pertaining to the insurance business alone and the amount retroceded to policyholders of €22,784 million). Although the value of the changing fair value of the securities portfolio remains unchanged in the application of IFRS 17, what changes is the representation of the "over-coverage", i.e. the component of the financial result related to insurance liabilities that is not passed on to policyholders but represents the Group's unrealised capital gain or loss, which is determined in a timely manner prior to the allocation of income to the individual Units of Account and mirroring.

## 2.5 MATERIAL INFORMATION ON ACCOUNTING STANDARDS

The Poste Italiane Group's financial statements have been prepared on a historical **cost basis**, with the exception of certain items for which **fair value** measurement is obligatory.

Below is information on accounting standards considered **relevant**<sup>192</sup> by the Poste Italiane Group, as well as all other information considered by management to be useful for understanding financial statement disclosures, revised essentially

<sup>192</sup> Information on accounting standards is defined as material if, taken together with other information that can be inferred from the financial statements, it is believed to be able to influence the decisions made by the primary users of the financial statements. Within the Poste Italiane Group, the materiality of information is defined in relation to the

to take into account the new provisions of **IAS 1 - Presentation of Financial Statements**, which came into force on 1 January 2023.

### Property, plant and equipment

**Property, plant and equipment** is stated at acquisition or construction cost, less accumulated depreciation and any accumulated impairment losses. Where the condition is met, this cost is increased for charges directly related to the purchase or construction of the asset, including - where identifiable and measurable - that relating to employees involved in the planning and/or preparation for use phase. Interest expense incurred by the Group for loans specifically for the acquisition or construction of property, plant and equipment is capitalised together with the value of the asset; all other interest expense is recognised as finance costs in profit or loss for the year in question. Costs incurred for routine and/or cyclical maintenance and repairs are recognised directly in profit or loss in the related year. The capitalisation of costs attributable to the extension, modernisation or improvement of assets owned by Group companies or held under lease is carried out to the extent that they qualify for separate recognition as an asset or as a component of an asset, applying the component approach, which requires each component with a different estimated useful life and value to be recognised and amortised separately.

The original cost is depreciated on a straight-line basis from the date the asset is available and ready for use, based on the asset's expected useful life. Land is not depreciated

Property and any related fixed plant and machinery located on land held under concession or sub-concession, which is to be returned free of charge to the grantor at the end of the concession term, are accounted for, based on the nature of the asset, within property, plant and equipment and depreciated on a straight-line basis over the shorter of the useful life of the asset and the residual concession term.

At each reporting date, property, plant and equipment is analysed in order to identify the existence of any indicators of impairment (in accordance with IAS 36 - *Impairment of Assets*; please refer to the treatment of impairment of assets).

Gains and losses deriving from the disposal or retirement of an asset are calculated as the difference between the disposal proceeds and the net carrying amount of the asset retired or sold, and are recognised in profit or loss in the period in which the transaction occurs.

The **Investment property** of the Poste Italiane Group relates to land or buildings held with a view to earn rental or lease income or for capital appreciation or both; in both cases such property generates cash flows that are largely independent of other assets. The same accounting treatment is applied to investment property as to property, plant and equipment.

For details of the useful life of the main classes of Property, plant and equipment of the Group, reference should be made to Note 2.6 - *Use of estimates*.

### Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance, which is controllable and capable of generating future economic benefits. The initial carrying amount is adjusted for accumulated amortisation, where an amortisation process is envisaged, and for any impairment losses.

In particular, **Industrial patents, intellectual property rights**, licences and similar rights are initially valued at purchase cost. This cost is increased for charges directly related to the purchase or preparation for use of the asset. Interest expense that the Group may incur for loans specifically for the purchase of industrial patents, intellectual property rights, licenses and similar rights are capitalised together with the value of the asset; all other interest expense is recognised as finance costs in profit or loss for the year. Amortisation starts once the asset is available for use. Amortisation is applied on a

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nature of the transactions that give rise to it, as well as the nature of the other events or conditions associated with them.

straight-line basis, in order to distribute the purchase cost over the shorter of the expected useful life of the asset and any related contract terms, from the date the entity has the right to use the asset.

Industrial patents, intellectual property rights, licenses and similar rights include costs directly associated with the internal production of unique and identifiable software products. Direct costs include - where identifiable and measurable - the charge related to employees involved in software development. Costs incurred for the maintenance of internally developed software products are charged to profit or loss for the year in question. Amortisation begins when the asset is available for use and extends, systematically and on a straight-line basis, over its estimated useful life. Any research costs are not capitalised.

Among the Group's intangible assets, **Goodwill** represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets and liabilities of the company or business acquired, at the date of acquisition. Goodwill attributable to investments accounted for using the equity method is included in the carrying amount of the equity investment. Goodwill is not amortised on a systematic basis, but is tested periodically for impairment in accordance with IAS 36. This test is performed with reference to the cash generating unit ("CGU") to which the goodwill is attributable. The method applied in conducting impairment tests and the impact on the accounts of any impairment losses are described in the paragraph, "Impairment of assets".

Lastly, it should be noted that following the Purchase Price Allocation activity related to the acquisition of the Net Group, the value of the "Net Insurance" **brand** was recognised among the Group's Intangible assets. Similar to Goodwill, this Brand, considered to have an indefinite useful life, is not subject to systematic amortisation but to the provisions of IAS 36 on impairment.

## Lease arrangements

The Group assesses whether a contract is or contains a lease at the time of its initial recognition; over the life of the contract, the initial assessment is revised only in response to changes in the terms of the contract (specifically, contractual term or lease payments due).

On the contract commencement date, a right to use the leased asset is recorded, equal to the initial value of the corresponding lease liability, plus payments due before or at the same time as the contract commencement date (e.g. agency fees). Subsequently, said right of use is measured less accumulated depreciation and any accumulated impairment losses. Depreciation starts on the commencement date of the lease and extends over the shorter of the lease term and the useful life of the underlying asset. If events or changes in circumstances indicate that the carrying amount of the right of use cannot be recovered, this asset is tested for impairment in accordance with the provisions of IAS 36 - *Impairment of Assets*.

The lease liability is initially recorded at the present value of the lease instalments not paid on the date the contract commences<sup>193</sup>, discounted using the incremental borrowing rate, defined by loan period and for each Group company. The lease liability is subsequently reduced to reflect the lease payments made and increased to reflect interest on the remaining amount.

The lease liability is restated (resulting in a right-of-use adjustment) in the event of a change in:

- the lease term (for example, in the case of early termination of the contract or an extension of the lease);

<sup>193</sup> The payments included in the initial measurement of the lease liability include:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date (e.g. ISTAT indexes);
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

Variable lease payments that do not depend on an index or a rate are, in contrast, not included in the initial measurement of the lease liability. These payments are recognised as a cost in the statement of profit or loss in the period in which the event or the condition giving rise to the obligation occurs.

- the assessment of a purchase option for the underlying asset; in these cases, lease payments due are reviewed on the basis of the revised lease term and to take account of the change in the amounts payable in view of the purchase option;
- future lease payments deriving from a change in the index or rate used to determine the payments (e.g. ISTAT), or as a result of a renegotiation of the financial conditions.

Only in the case of a significant change in the lease term or in future lease payments does the Group remeasure the remaining lease liability with reference to the incremental borrowing rate at the date of the modification.

The Group avails itself of the option granted by the principle to apply a simplified accounting regime to short-term contracts for some specific asset classes (with a duration of no more than twelve months), to contracts in which the individual underlying asset is of low value (up to €5,000) and to contracts in which the individual underlying asset is an intangible asset; for these contracts, lease payments are recognised in profit or loss as matching entry to short-term trade payables.

### Impairment of assets

At the end of each reporting period, property, plant, equipment and intangible assets with finite lives are analysed to assess whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the impairment loss to be recognised in profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use, represented by the present value of the future cash flows expected to be derived from the asset. In calculating value in use, future cash flow estimates are discounted using a rate that reflects current market assessments of the time value of money, the period of the investment and the risks specific to the asset. The realisable value of assets that do not generate separate cash flows is determined with reference to the cash generating unit (CGU) to which the asset belongs.

Regardless of any impairment indicator, the assets listed below are tested for impairment every year:

- intangible assets with an indefinite useful life or that are not yet available; the impairment test can take place at any time during the year, provided that it is performed at the same time in each of the following years;
- goodwill acquired in a business combination.

An impairment loss is recognised in profit or loss for the amount by which the net carrying amount of the asset, or the CGU to which it belongs, exceeds its recoverable amount. In particular, if the impairment loss regards goodwill and is higher than the related carrying amount, the remaining amount is allocated to the assets included in the CGU to which the goodwill has been allocated, in proportion to their carrying amount<sup>194</sup>. Except in the case of goodwill, if the impairment indicators no longer exist, the carrying amount of the asset or CGU is reinstated and the reversal recognised in profit or loss. The reversal must not exceed the carrying amount that would have been determined had no impairment loss been recognised and depreciation or amortisation been charged.

### Investments

In the Poste Italiane Group's consolidated financial statements, investments in companies over which the Group exerts significant influence, ("associates") and in joint ventures, are accounted for using the equity method. Certain particularly insignificant investments in subsidiaries (individually and in aggregate) are also valued using the equity method. See note 2.8 – *Basis of consolidation*.

In Poste Italiane SpA's separate financial statements, investments in subsidiaries and associates are accounted for at cost (including any directly attributable incidental expenses), after adjustment for any impairments. Investments in subsidiaries

<sup>194</sup> If the amount of the impairment loss is greater than the carrying amount of the asset or CGU, in accordance with IAS 36, no liability is recognised, unless recognition of a liability is required by an international accounting standard other than IAS 36.

and associates are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment losses (or subsequent reversals of impairment losses) are recognised in the same way and to the same extent described with regard to property, plant and equipment and intangible assets in the paragraph, "Impairment of assets".

## Financial instruments

On initial recognition, financial assets and liabilities are classified at fair value based on the business purpose for which they were acquired. The purchase and sale of financial instruments is recognised by category, either on the date on which the Group commits to purchase or sell the asset (the transaction date), or, in the case of insurance transactions and BancoPosta's operations, at the settlement date<sup>195</sup>. Any changes in fair value between the transaction date and the settlement date are recognised in the financial statements.

On the other hand, trade receivables are recognised at their transaction price, in accordance with IFRS 15 - *Revenue from Contracts with Customers*.

On initial recognition, **financial assets** are classified in one of the following categories, based on the business model adopted to manage them and the characteristics of their contractual cash flows:

- Financial assets measured at amortised cost  
This category reflects financial assets held to collect the contractual cash flows (the held to collect or HTC business model) representing solely payments of principal and interest (SPPI). These assets are measured at amortised cost, that is the value assigned to the financial asset or liability on initial recognition, net of any principal reimbursement, plus or minus the cumulative amortisation by using the effective interest rate method on the difference between the initial value and the value at maturity, after deducting any impairment. The business model on which the classification of financial assets is based permits the sale of such assets; if the sales are not occasional, and are not immaterial in terms of value, consistency with the HTC business model should be assessed.
- Financial assets measured at fair value through other comprehensive income (FVTOCI)  
This category includes financial assets held both to collect the relevant contractual cash flows and for sale (the held to collect and sell or HTC&S business model), with the contractual cash flows representing solely payments of principal and interest.  
These financial assets are measured at fair value and, until they are derecognised or reclassified, gains or losses from valuation are recognised in other comprehensive income. Exceptions to this are gains and losses due to impairment and foreign exchange gains and losses recognised in the profit or loss in the year in question. If the financial asset is derecognised, the accumulated gains/(losses) recognised in OCI are recycled to profit or loss.  
This category also includes equity instruments that would otherwise be recognised through profit or loss, for which the irrevocable election was made to recognise changes in fair value through OCI (the FVTOCI option). This option entails the recognition of solely dividends through profit or loss.
- Financial assets measured at fair value through profit or loss  
This category includes: (a) financial assets primarily held for trading; (b) those that qualify for designation at fair value through profit or loss, exercising the fair value option; (c) financial assets that must be recognised at fair value through profit or loss; (d) derivative instruments, with the exception of the effective portion of those designated as cash flow hedges. Financial assets belonging to the category in question are measured at fair value and the related changes are recognised in profit or loss. Derivative instruments at fair value through profit or loss are recognised as assets or liabilities depending on whether the fair value is positive or negative.; positive and negative fair values deriving from transactions with the same counterparty are offset during the collateralisation phase, where contractually provided for.

<sup>195</sup> This is possible for transactions carried out on organised markets (the "regular way").

The classification as "current" or "non-current" of financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income depends on the contractual maturity of the instrument, since current assets are those whose realisation is expected within twelve months of the reporting date. Financial assets measured at fair value through profit or loss are, on the other hand, classified as "current" if held for trading and are expected to be sold within twelve months of the reporting date.

An expected credit loss (ECL) provision must be made for financial assets recognised at amortised cost and financial assets at fair value through OCI, as follows: (i) specific provisions for doubtful debts are made for expected losses on financial assets measured at amortised cost; (ii) expected losses on financial assets measured at fair value through other comprehensive income are recognised in profit or loss, with a contra entry in the fair value reserve in equity. The method utilised is the "General impairment model", whereby:

- If on the reporting date the credit risk of a financial instrument has not increased significantly since initial recognition, a 12-month ECL is recognised (stage 1). Interest on the instrument is calculated on the gross carrying amount (amortised cost inclusive of the ECL);
- If on the reporting date the credit risk of the financial instrument has increased significantly since initial recognition, a lifetime ECL is recognised (stage 2). Interest on the instrument is calculated on the gross carrying amount (amortised cost inclusive of the ECL);
- If a financial instrument is already impaired on initial recognition or shows objective evidence of impairment at the reporting date, lifetime expected losses are recognised. Interest is recognised at amortised cost (stage 3), i.e. on the basis of the exposure value - determined using the effective interest rate - adjusted for expected losses.

Detailed information on the inputs, assumptions and techniques for determining expected losses on financial assets is provided in *Note 2.6 - Use of Estimates*, to which reference is made for a full discussion.

Financial assets are derecognised when there is no longer a contractual right to receive cash flows from the investment or when all the related risks and rewards and control have been substantially transferred. If the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. Finally, transferred assets are derecognised if the contractual right to receive the cash flows of the assets is retained, but at the same time a contractual obligation is assumed to pay these flows to a third party, without delay and only to the extent of those received.

In addition, for impaired financial assets, derecognition may take place following the write-off of the same, following the acknowledgement that there is no reasonable expectation of recovery (e.g. prescription).

**Financial liabilities**, including loans, trade payables and other payment obligations, are measured at amortised cost using the effective interest method. If there is a change in the expected cash flows and they can be reliably estimated, the value of borrowings is recalculated to reflect the change on the basis of the present value of estimated future cash flows and the internal rate of return initially applied. Financial liabilities are classified as current liabilities, unless there is an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

When required by the applicable IFRS (e.g. in the case of derivative liabilities), or when the irrevocable fair value option is exercised, financial liabilities are recognised at fair value through profit or loss. In this case, changes in fair value attributable to changes in own credit risk are recognised directly in equity, unless this treatment creates or enhances an accounting asymmetry, whereby the residual amount of the changes in the fair value of liabilities is recognised through profit or loss.

Financial liabilities are derecognised when they are extinguished or when the obligation specified in the contract expires, is cancelled or discharged.



For **hedge accounting transactions**, the Poste Italiane Group has elected to use the option made available by IFRS 9 and has retained the accounting treatments provided for by IAS 39. In accordance with this standard, derivatives are initially recognised at fair value on the date the derivative contract is executed and if they do not qualify for hedge accounting treatment, gains and losses arising from changes in fair value are accounted for in profit or loss for the period.

If, on the other hand, derivative financial instruments qualify for hedge accounting, gains and losses arising from changes in fair value after initial recognition are accounted for in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*, as described below.

The relationship between each hedging instrument and the hedged item is documented, as well as the risk management objective, the strategy for undertaking the hedge transaction and the methods used to assess effectiveness. Assessment of whether the hedging derivative is effective takes place both at designation of each derivative instrument as hedging instrument, and during its life.

- *Fair value hedges*<sup>196</sup>

When the hedge is related to recognised assets or liabilities, or an unrecognised firm commitment, the changes in fair value of both the hedging instrument and the hedged item are recognised in profit or loss. When the hedging transaction is not fully effective, resulting in differences between the above changes, the ineffective portion represents a loss or gain recognised separately in profit or loss for the period.

Macro hedges are deemed highly effective if, at their inception and throughout the term of the hedge, changes in the fair value of the hedged cash amount are offset by changes in the fair value of the hedges, and if the effective results fall within the interval required by the reference standard.

- *Cash flow hedges*<sup>197</sup>

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges after initial recognition is recognised in a specific equity reserve, with movements in the reserve accounted for in "*Other comprehensive income*" (the "Cash flow hedge reserve"). A hedging transaction is generally considered highly effective if, both at inception of the hedge and on an ongoing basis, changes in the expected future cash flows of the hedged item are substantially offset by changes in the fair value of the hedging instrument. If the hedging transaction is not fully effective, the gain or loss arising from a change in fair value relating to the ineffective portion is recognised in profit or loss for the period.

Amounts accumulated in equity are recycled to profit or loss in the period in which the hedged item affects profit or loss. In particular, in the case of hedges associated with a highly probable forecast transaction (such as the purchase of fixed income debt securities), the reserve is reclassified to profit or loss in the period or in the periods in which the asset or liability, subsequently accounted for and connected to the aforementioned transaction, will affect profit or loss (for example, an adjustment to the return on the security).

If, during the life of the derivative, the forecast hedged transaction is no longer expected to occur, the related gains and losses accumulated in the cash flow hedge reserve are immediately reclassified to profit or loss for the period. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the related gains and losses accumulated in the cash flow hedge reserve at that time remain in equity and are recognised in profit or loss at the same time as the original underlying.

<sup>196</sup> A hedge of the exposure to a change in fair value of a recognised asset or liability or of an unrecognised firm commitment attributable to a particular risk, and that could have an impact on profit or loss.

<sup>197</sup> A hedge of the exposure to the variability of cash flows attributable to a particular risk associated with an asset or liability or with a highly probable forecast transaction, and that could have an impact on profit or loss.

## Embedded derivatives

An embedded derivative is a derivative included in a combined contract or hybrid instrument, also containing a non-derivative contract or host contract, which originates all or part of the cash flows of the combined contract. Embedded derivatives are separated from the host contract and recognised as a derivative when:

- the host contract is not a financial instrument measured at fair value through profit or loss;
- the economic risks and characteristics of the embedded derivative are not closely related to those of the host contract;
- a separate contract with the same terms as the embedded derivative would meet the definition of a derivative.

Within the Group, contracts that may contain embedded derivatives are:

- contracts for the purchase of non-financial items entered into by Postepay SpA with clauses or options that influence the contract price, for which, however, embedded derivatives are not separable from the host contract;
- convertible bonds held by Poste Italiane SpA and Postepay SpA, for which the embedded derivative component is not separated as the host contract is a financial instrument measured at fair value through profit or loss.

## Repurchase agreements

Any securities received as part of a transaction entailing subsequent re-sale and the delivery of securities as part of a transaction entailing their subsequent repurchase are not either recognised or derecognised in these financial statements. Consequently, in the case of securities purchased under a resale agreement, the amount paid is recognised as an amount due from customers or banks under Financial assets measured at amortised cost; in the case of securities sold under a repurchase agreement, the liability is recognised as an amount due to banks or customers under Financial liabilities measured at amortised cost. The transactions described are subject to offsetting if, and only if, they are carried out with the same counterparty, have the same maturity and offsetting is provided for in the contract.

## Tax credits Law no. 77/2020

In order to identify the correct accounting treatment of receivables acquired in relation to Relaunch Decree no. 34/2020 (later converted into Law no. 77 of 17 July 2020), since it is not possible to identify the framework directly applicable to this case, in compliance with the provisions of IAS 8, an accounting policy was defined suitable for providing relevant and reliable information aimed at ensuring a faithful representation of the financial position, income and cash flows and which reflects the economic substance and not merely the form of the transaction. On the basis of the analyses carried out and the documents published by the main Italian supervisory bodies (Joint Document of the Bank of Italy, IVASS and CONSOB<sup>198</sup>), although the definition of financial assets in IAS 32 is not directly applicable to this case, an accounting model was developed based on IFRS 9 given that:

- at inception, an asset as defined by the Conceptual Framework arises in the transferee's financial statements;
- they may be used to offset a payable that is usually settled in cash (tax payables), and exchanged for other financial assets on terms that may be potentially favourable to the entity;
- a business model can be identified (Hold to Collect, Hold to Collect and Sell or other business models).

<sup>198</sup> On 5 January 2021, the Bank of Italy, Consob and IVASS published Document no. 9 of the Coordination Round-Table Group on the Application of IAS/IFRS "Accounting Treatment of Tax Credits Associated with the "Heal Italy" and "Relaunch" Law Decrees Acquired as a Result of Disposal by Direct Beneficiaries or Previous Purchasers".

At the date of purchase, these receivables are recognised at their fair value (coinciding with the price paid) and subsequently measured at amortised cost, as they were acquired to be used to offset tax or social security payables by Poste Italiane SpA, based on the provisions of the relevant regulations ("Hold to Collect" business model).

#### Classification of receivables and payables attributable to BancoPosta and EMI RFC

Receivables and payables attributable to BancoPosta RFC are treated as financial assets and liabilities if related to BancoPosta's typical deposit-taking and lending activities, or services provided under authority from customers. The related operating expenses and income, if not settled or classifiable in accordance with Bank of Italy Circular 272 of 30 July 2008 – The Account Matrix, are accounted for in trade receivables and payables.

Receivables and payables attributable to EMI RFC are treated as financial assets and liabilities if related to EMIs' typical activities, or services provided under authority from customers. The related operating expenses and income, if not settled or classifiable in accordance with Bank of Italy Circular 217 of 5 August 1996 – The Account Matrix, are accounted for in trade receivables and payables.

#### Own use exemption

The standards establishing the principles for the recognition and measurement of financial instruments are also applied to derivative contracts to buy or sell non-financial items that are settled net in cash or in another financial instrument, with the exception of contracts entered into, and that continue to be held, for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements (the own use exemption). This exemption applies to the recognition and measurement of forward electricity and natural gas contracts entered into by the subsidiary Postepay SpA if the following conditions have been met:

- the contract involves the physical supply of a commodity;
- the entity has not entered into an offsetting contract;
- the transaction must be entered into in accordance with expected purchase and/or sale or usage requirements.

When the above conditions are met, the contract for the purchase or sale of non-financial items is classified as a "normal contract of sale".

#### Taxes

Current income tax expense is based on the best estimate of taxable profit for the period and the related regulations, applying the rates in force. Deferred tax assets and liabilities are calculated on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, using tax rates that are expected to apply when the related deferred tax assets are realised or the deferred tax liabilities are settled. Deferred tax assets and liabilities are not recognised if the temporary differences derive from investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary difference is controlled by the Group or it is probable that the temporary difference will not reverse in the foreseeable future. In accordance with IAS 12, deferred tax liabilities are not recognised on goodwill deriving from a business combination.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred taxes are recognised in profit or loss, with the exception of taxes charged or credited directly to equity, in which case the tax effect is recognised directly in equity. Current and deferred tax assets and liabilities are offset when they are applied by the same tax authority to the same taxpaying entity, which has the legally exercisable right to offset the amounts recognised, and the entity has the intention of exercising this right. As a result, tax liabilities accruing in interim

periods that are shorter than the tax year are not offset against related assets deriving from withholding tax or advances paid.

The Group's taxation and accounting standards take account of the effects of Poste Italiane SpA's participation in the national tax consolidation scheme, for which the option has been exercised in accordance with the law, together with the following subsidiaries: Poste Vita SpA, SDA Express Courier SpA, Poste Air Cargo Srl, Postel SpA, Europa Gestioni Immobiliari SpA, Poste Welfare Servizi Srl, Poste Assicura SpA, BancoPostaFondi SpA SGR, PostePay SpA, Poste Insurance Broker Srl, MLK Deliveries SpA, Indabox Srl, Nexive Network Srl, LIS Holding SpA, LIS PAY SpA, Address Software Srl, Consorzio Servizi Scpa, Logos Srl and Plurima SpA. The tax consolidation arrangement is governed by Group regulations based on the principles of neutrality and equality of treatment, which are intended to ensure that the companies included in the tax consolidation are in no way penalised as a result. Following adoption of the tax consolidation arrangement, the Parent Company's tax expense is determined at consolidated level on the basis of the tax expense or tax losses for the period for each company included in the consolidation, taking account of any withholding tax or advances paid. Poste Italiane SpA posts its IRES tax expense to income taxes for the period, after adjustments to take account of the positive or negative impact of tax consolidation adjustments. Should the reductions or increases in tax expense deriving from such adjustments be attributable to the companies included in the tax consolidation, Poste Italiane SpA attributes such reductions or increases in tax expense to the companies in question. The economic benefits deriving from the offset of tax losses transferred to the consolidating entity by the companies participating in the tax consolidation arrangement are recognised in full by Poste Italiane SpA. Other taxes not related to income are included in "Other operating costs".

## Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of interchangeable items and goods for resale is calculated using the weighted average cost method. In the case of non-interchangeable items, cost is measured on the basis of the specific cost of the item at the time of purchase. The value of the inventories is adjusted, if necessary, by provisions for obsolete or slow-moving stock. When the circumstances that previously led to recognition of the above provisions no longer exist, or when there is a clear indication of an increase in the net realisable value, the provisions are fully or partly reversed, so that the new carrying amount is the lower of cost and net realisable value at the end of the reporting period. Assets are not, however, recognised in the statement of financial position when the Group has incurred an expense that, based on the best information available at the date of preparation of the financial statements, is deemed unlikely to generate economic benefits for the Group after the end of the reporting period.

In the case of properties held for sale<sup>199</sup>, if present, cost is represented by the fair value of each asset at the date of acquisition, plus any directly attributable transaction costs, whilst the net realisable value is based on the estimated sale price under normal market conditions, less direct costs to sell.

Long-term contract work is measured using the percentage of completion method, using cost to cost accounting<sup>200</sup>.

Environmental certificates not used in the reporting period are recognised in inventories.

## Environmental certificates

Within the Poste Italiane Group, environmental certificates refer to:

<sup>199</sup> These are properties held by EGI SpA and not accounted for in "Investment property" as they were purchased for sale or subsequently reclassified as held for sale.

<sup>200</sup> This method is based on the ratio of costs incurred as of a given date divided by the estimated total project cost. The resulting percentage is then applied to estimated total revenue, obtaining the value to be attributed to the contract work completed and accrued revenue at the given date.

- Emission allowances held by the company Poste Air Cargo Srl as an incentive to reduce greenhouse gas emissions<sup>201</sup> with the aim of achieving an improvement in technologies used in energy production and industrial processes,
- Guarantees of origin and carbon credits held by the company Postepay SpA; the former aimed at certifying the origin from renewable sources of the electricity sold; the latter aimed at fully offsetting CO<sub>2</sub> emissions from natural gas consumption.

### Emission allowances

The European Emissions Trading System, which works on the basis of the cap and trade principle, has capped annual greenhouse gas emissions at European level. This corresponds to the issue, free of charge, of a set number of emission allowances by the competent national authorities. During the year, depending on the effective volume of greenhouse gas emissions produced with respect to the above cap, each company has the option of selling or purchasing emission allowances on the market.

The issue, free of charge, of emission allowances involves a commitment to produce, in the relevant year, a quantity of greenhouse gas emissions in proportion to the emission allowances received: this commitment, commensurate with the market value of the emission allowances at the time of allocation, is disclosed in the notes to the financial statements. At the end of the year, the commitment is reduced or derecognised in proportion to the greenhouse gas emissions effectively produced and any residual value is reported in the section, "Additional information", in the Annual Report.

### Guarantees of origin and carbon credits

Guarantees of Origin are certifications attesting to the renewable origin of the sources used by IGO (Guarantee of Origin Plants) classified plants. For each MWh of renewable electricity fed into the grid by IGO-qualified plants, the GSE (Gestore Servizi Energetici) issues a GO certificate to the producer, in accordance with EU Directive 2018/2001. As of 1 January 2013, electricity sales companies are obliged to procure a quantity of GO certificates equal to the electricity sold as renewable. To do this, each company is required, by 31 March of the year following the year in which electricity was supplied to end customers, to cancel a quantity of GOs equal to the electricity sold as renewable.

Carbon credits, on the other hand, represent a negotiable security that allows a company or organisation to offset the carbon dioxide (CO<sub>2</sub>) emitted in the course of its activities (in the case of Postepay SpA, the CO<sub>2</sub> emissions of the gas marketed to end customers), by adhering to environmental sustainability projects aimed at pursuing a path of ecological transition and decarbonisation.

CO<sub>2</sub> offsetting takes place through the acquisition of carbon credits for a value equivalent to the CO<sub>2</sub> emissions resulting from the gas consumption of the Company's end customers. Each carbon credit represents the offsetting of one tonne of CO<sub>2</sub>.

The accounting treatment of emission allowances, guarantees of origin and carbon credits to the extent that they are similar, in the absence of specific guidelines in the IAS/IFRS framework, is carried out in accordance with the provisions of the IAS 8 "*Greenhouse Gas Emission Allowances*", as well as with the reference best practice for the main IAS adopters. The purchase and sales of environmental certificates are accounted for in profit or loss in the year in which the transaction occurs. At the end of the year, any surplus deriving from purchases is accounted for in closing inventory at the lower of cost and net realisable value<sup>202</sup>. In the event of a deficit, the resulting charge and related liability are accounted for at the end of the year at market value.

### Business Combinations

Business combinations are recognised using the acquisition method. The consideration transferred in a business combination is equal to the sum of the fair values, at the acquisition date, of the assets transferred, the liabilities incurred,

<sup>201</sup> Introduced into the Italian and European regulatory system by the Kyoto Protocol.

<sup>202</sup> Any surplus emission allowances allocated free of charge are not accounted for in closing inventory.

and any interest issued by the acquirer. Costs directly attributable to the transaction are recognised in the Statement of profit or loss.

The amount transferred is allocated by recognising the identifiable assets, liabilities and contingent liabilities of the acquiree at the related fair values at the acquisition date.

Any positive difference between the carrying amount of the asset and its recoverable value is recognised as goodwill and recorded under intangible assets:

- the sum of the consideration transferred, measured at fair value at the acquisition date, the amount of any non-controlling interest, and, in the case of business combinations achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and
- the net value of the amounts, at the acquisition date, of the assets acquired and liabilities assumed that are identifiable in the acquiree measured at fair value.

In the event of a negative difference, this surplus represents the profit from a purchase on favourable terms and is recognised in the statement of profit or loss.

If at the time of preparing the financial statements the fair value of the assets, liabilities and contingent liabilities arising from the transaction can only be determined provisionally, the business combination is recognised using these provisional values. Any adjustments resulting from the completion of the valuation process are recognised retrospectively within twelve months of the acquisition date.

In the case of a business combination achieved in stages, the interests previously held in the acquiree are remeasured at fair value at the new acquisition date and any difference (positive or negative) is recognised in the statement of profit or loss or in the statement of comprehensive income if appropriate.

#### Cash and deposits attributable to BancoPosta

Cash and securities held at post offices, and bank deposits attributable to the operations of BancoPosta RFC, are accounted for separately from cash and cash equivalents as they derive from deposits subject to investment restrictions, or from advances from the Italian Treasury to ensure that post offices can operate. This cash may only be used in settlement of these obligations.

#### Cash and cash equivalents

Cash and cash equivalents refer to cash in hand, deposits held at call with banks, amounts that at 31 December 2023 the Parent Company has temporarily deposited with the MEF and other highly liquid short-term investments with original maturities of ninety days or less. Current account overdrafts are accounted for in current liabilities.

#### Non-current assets (or disposal groups) classified as held for sale and discontinued operations

Non-current assets, disposal groups and discontinued operations are measured at the lower of their carrying amount and fair value, less costs to sell.

When it is highly probable that the carrying amount of a non-current asset, or a disposal group, will be recovered, in its present condition, principally through a sale transaction or other form of disposal, rather than through continuing use, and the transaction is likely to take place in the short term, the asset or disposal group is classified as held for sale or as a discontinuing operation in the statement of financial position. The transaction is deemed to be highly probable, when the Parent Company's Board of Directors, or, when so authorised, the board of directors of a subsidiary, has committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan has been initiated. Sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

## Equity

### Share capital

Share capital is represented by Poste Italiane SpA's subscribed and paid-up capital. Incremental costs directly attributable to the issue of new shares are recognised as a reduction of the share capital, net of any deferred tax effect.

### Treasury shares

Treasury shares are recognised at cost and deducted from equity. The effects of any subsequent sales are recognised in equity.

### Hybrid bonds

Perpetual subordinated hybrid bonds are classified as an equity instrument in the financial statements, in view of the fact that the issuing Company has the unconditional right to defer repayment of the principal and payment of the coupons until the date of its winding-up or liquidation. Therefore, the amount received from the subscribers of these instruments, net of the related issue costs, is recognised as an increase in Group shareholders' equity; conversely, repayments of principal and payments of coupons due (at the time the related contractual obligation arises) are recognised as a decrease in equity.

### Reserves

Reserves include capital and revenue reserves. They include, among others, the BancoPosta ring-fenced capital reserve, representing the dedicated assets attributed to Bancoposta RFC, legally autonomous, the Parent Company's legal reserve, the fair value reserve, relating to items recognised at fair value through equity, and the cash flow hedge reserve, reflecting the effective portion of hedging instruments outstanding at the end of the reporting period and the translation reserve which includes the exchange differences from the translation, in the presentation currency, of the financial statements of the consolidated companies that operate with a non-Euro functional currency.

### Retained earnings

This relates to the portion of profit for the period and for previous periods which has not been distributed or taken to reserves or used to cover losses and actuarial gains and losses deriving from the calculation of the liability for employee termination benefits, and transfers from other equity reserves, when they have been released from the restrictions to which they were subjected. In the consolidated financial statements, the item also includes any effects arising from transactions with minority shareholders.

### Insurance contracts

The entry into force of the new accounting standard on insurance contracts has led to significant changes in the way insurance assets are determined and valued. For details on the new provisions of IFRS 17 and how Insurance Assets and Liabilities are determined, see *Note 2.4 - Changes to accounting policies*.

## Provisions for risks and charges

Provisions for risks and charges are recorded to cover losses that are either probable or certain to be incurred, for which, however, there is an uncertainty as to the amount or as to the date on which they will occur. Provisions for risks and charges are made when the Group has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured on the basis of management's best estimate of the use of resources required to settle the obligation. The value of the liability is discounted, where the time effect of money is relevant, at a rate that reflects current market values and takes into account the risks specific to the liability. Provisions are reviewed at each reporting date and are adjusted to reflect the best estimate of the expected charge to meet existing obligations at the reporting date. Any effect of the passage of time and the effect of changes in interest rates are shown in the statement of profit or loss. With regard to the risks for which the occurrence of a liability is only possible, specific information is provided without making any provision. In those rare cases in which disclosure of some or all of the information regarding the risks in question could seriously prejudice the Group's position in a dispute or in ongoing negotiations with third parties, the Group exercises the option granted by the relevant accounting standards to provide limited disclosure.

## Employee benefits

The **Short-term employee benefits** are those that will be fully paid within twelve months of the end of the year in which the employee provided his or her services. Such benefits include wages, salaries, social security contributions, holiday pay and sick pay.

The undiscounted value of short-term employee benefits to be paid to employees in consideration of employment services provided over the relevant period is accrued as personnel expenses.

There are two types of **post-employment benefits**:

- **Defined benefit plans**

Defined benefit plans include employee termination benefits due to employees pursuant to Article 2120 of the Italian Civil Code limited to the portions of employee termination benefits accrued in the company up to 31 December 2006, for Group companies with at least 50 employees, as well as the portions of employee termination benefits accrued during the period in the case of Group companies with less than 50 employees, which continue to increase the value of the accumulated liability.

Under these plans, given that the amount of the benefit to be paid is only quantifiable following the termination of employment, the related effects on profit or loss or the financial position are recognised on the basis of actuarial calculations. In particular, the liability to be paid on cessation of employment is calculated using the projected unit credit method and then discounted to recognise the time value of money prior to the liability being settled. The liability recognised in the financial statements is based on calculations performed by independent actuaries. The calculation takes into account accrued employee termination benefits for services already rendered and is based on actuarial assumptions described in Note "2.6 - Use of Estimates - Employee termination benefits", to which reference should be made. Actuarial gains and losses at the end of each reporting period, based on the difference between the carrying amount of the liability and the present value of the Group's obligations at the end of the period, due to changes in the actuarial assumptions, are recognised directly in *Other comprehensive income*.

- **Defined contribution plans**

Employee termination benefits fall within the scope of defined contribution plans provided the benefits vested subsequent to 1 January 2007 and were paid into a Supplementary Pension Fund or a Treasury Fund at INPS. Contributions to defined contribution plans are recognised in profit or loss when incurred, based on their nominal value.



The **Termination benefits payable to employees** are recognised as a liability when the entity gives a binding commitment, also on the basis of consolidated relationships and mutual undertakings with union representatives, to terminate the employment of an employee, or group of employees, prior to the normal retirement date or, alternatively, an employee or group of employees accepts an offer of benefits in consideration of a termination of employment. Termination benefits payable to employees are immediately recognised as personnel expenses.

**Other long-term employment benefits** consist of benefits not payable within twelve months of the end of the reporting period during which the employees provided their services. The net change in the value of any of the components of the liability during the reporting period is recognised in full in profit or loss.

### Share-based payments

Share-based payment transactions may be settled in cash, with equity instruments, or with other financial instruments. Goods or services received or acquired through a share-based payment transaction are recognised at their fair value.

In the case of cash-settled share-based payment transactions:

- a liability is recognised as a matching entry at cost;
- if the fair value of the goods or services received or acquired cannot be reliably determined, this value must be estimated indirectly on the basis of the fair value of the liability;
- the fair value of the liability must be remeasured at the end of each reporting period, recognising any changes in fair value in profit or loss for the period.

In the case of equity-settled share-based payment transactions:

- an increase in shareholders' equity is recorded as a matching entry at cost;
- if the fair value of the goods or services received or acquired cannot be reliably determined, this value must be estimated indirectly on the basis of the fair value of the equity instruments granted at the grant date.

In the case of employee benefits, the expense is recognised in personnel expenses over the period in which the employee renders the relevant service.

### Recognition of revenue from contracts with customers

Revenue is recognised to the extent that reflects the consideration to which the Group expects to be entitled in exchange of those goods and/or services promised to the customer (transaction price).

The main revenue types of the Poste Italiane Group are described below, together with an indication of the time-frame in which the performance obligations<sup>203</sup> will be met:

- **Revenue from mail, parcels and other:** refers to services provided to customers through the retail and business channels; revenue generated through the retail channel is recognised at a point in time given the number of transactions handled through the various sales channels (post offices, call centres and on-line) and measured on

<sup>203</sup> The performance obligations are defined as the explicit or implicit promise to transfer a distinct good or service to the customer. Revenue is recognised when or as the entity fulfils the performance obligation, that is upon delivery of the good or service to the customer:

- "at a point in time": in the case of obligations fulfilled at a point in time, revenue is recognised only as control over the good or service is passed to the customer. In that respect, consideration is given not only to the significant exposure to the risks and benefits related to the good or service but also physical possession, customer's acceptance, the existence of legal rights, etc.;
- "over time": in the case of obligations fulfilled over time, the measurement and recognition of revenue reflect, virtually, the progress of the customer's satisfaction. An appropriate approach is defined to measure progress of the performance obligation (the output method).

the basis of the rates applied; revenue generated through the business channel is generally earned as a result of annual or multi-annual contracts and is recognised over time using the output method determined on the basis of shipments requested and handled. These contracts include elements of variable consideration (primarily volume discounts and penalties linked to the quality of service provided) estimated using the expected value method and recognised as a reduction from revenue.

- **Revenue from financial services** refers to:
  - revenue from placement and brokerage: these are recognised over time and measured on the basis of the volumes placed, quantified on the basis of commercial agreements with financial institutions. In terms of payment for the collection of postal savings, the agreement entered into with Cassa Depositi e Prestiti envisages payment of a variable consideration on achieving certain levels of inflows, determined annually on the basis of the volume of inflows and expected redemptions; certain commercial agreements, entered into with leading financial partners for the placement of financial products, envisage the return of placement fees in the event of early termination or surrender by the customer;
  - revenue from current account and related services: these are recognised over time, measured on the basis of the service rendered (including the related services, e.g. bank transfers, securities deposits, etc.) and quantified on the basis of the contract terms and conditions offered to the customer;
  - revenue from commissions on payment of bills by payment slip: this is recognised at a point in time given the number of transactions handled by post offices and quantified on the basis of the terms and conditions in the contract of sale.
- **Revenue from payments and mobile** refers to:
  - card payments, collections and payments relating to PostePay primarily to the cards issued by Postepay and debit cards recognised at a point in time when issued and the services linked to them recognised over time as the service is used by the customer. These services include interchange fees recognised by international circuits on payment transactions with cards recognised over time. The item includes commissions for acquiring services rendered to merchants recognised over time due to the use of the service, F23 and F24 proxy acceptance services recognised over time due to the level of service rendered, and PagoPA collection services recognised at a point in time when the service is provided. Services provided by the LIS Group contribute to this item, which mainly include collection and payment services (including pay slip collection services) provided by LIS Pay and recognised at a point in time upon collection, and revenue from the processing of telephone top-ups and network fees and services paid by points of sale to LIS Holding recognised over time due to the use of the service;
  - mobile and fixed network telephony services, which include: revenue from “standard TLC service offers” recognised over time based on the output method according to the traffic offer (voice, SMS and data); the revenue relating to the sale of fixed telephony offers recognised over time based on the output method according to the fee charged to the customer; revenue relating to the activation fees for SIMs and fixed telephony offers, recognised at a point in time at the time of service delivery;
  - services related to the supply of electricity and natural gas, the revenue from which is recognised at the time the electricity or gas is supplied to the end customer (over time). With regard to the sale of electricity, the services offered include, in addition to the commodity component, also the transport, metering and system charges components; with regard to the sale of natural gas, these services include, in addition to the commodity component, also the provision of transport services.

For revenue recognition purposes, the principle provides for the identification and quantification of the variable components of the consideration (discounts, rebates, price concessions, incentives, penalties and other similar) to include them to supplement or adjust the transaction price. Among the variable components of the fee, of particular importance are the penalties (to be paid to the customer in the event of failure to achieve pre-established service levels), which are recognised by the Group as a direct decrease in revenue.

Revenue from activities carried out in favour of or on behalf of the state is recognised on the basis of the amount effectively accrued, with reference to the laws and agreements in force, taking account, in any event, of the provisions contained in legislation regarding the public finances. The return on the current account deposits held by the MEF is determined using the effective interest method and is recognised as revenue from financial services. The same classification is applied to income from Eurozone government bonds, in which deposits paid into accounts by private customers and tax credits Law no. 77/2020 are invested.

The Poste Italiane Group disaggregates revenue from contracts with customers by type of good and/or service provided; revenue is therefore disaggregated in line with the operating segments identified within the company. For quantitative details on the distinction between revenue from contracts with customers recognised at a specific time or over time, see section "4.3 Notes to the statement of profit or loss".

### Government grants

Receivables for Government grants are recognised once they have been formally allocated to the Group by the public entity concerned and only if, based on the information available at the end of the year, there is reasonable assurance that the project to which the grant relates will be effectively carried out and completed in accordance with the conditions attached to the grant. Grants are recognised in profit or loss under Other operating income as follows: operating grants in proportion to the costs actually incurred for the project and accounted for and approved to the public entity; grants related to property, plant and equipment are recognised in proportion to the depreciation charged on the assets acquired and used to carry out the project.

### Finance income and costs

Finance income and costs are recognised on an accruals basis based on the effective interest method, i.e. using an interest rate that discounts all cash flows relating to a given transaction in the same way.

Dividends are recognised as finance income when the right to receive payment is established, which generally corresponds with approval of the distribution by the Shareholders Meeting of the investee company. Otherwise, dividends from subsidiaries are accounted for as "Other operating income".

Transactions in currencies other than the euro are translated to euro using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in currencies other than the euro are recognised in profit or loss.

### Earnings per share

In the Poste Italiane Group's consolidated financial statements, earnings per share is determined as follows:

**Basic:** basic earnings per share is calculated by dividing the Group's profit for the year by the weighted average number of Poste Italiane SpA's ordinary shares in issue during the period.

**Diluted:** at the date of preparation of these financial statements no financial instruments have been issued which have potentially dilutive characteristics<sup>204</sup>.

<sup>204</sup> Diluted earnings per share are calculated by taking into account the potentially dilutive effect of all instruments which can be converted into ordinary shares issued by the Parent Company. The calculation is based on the ratio of profit attributable to the Parent Company, adjusted to take account of any costs or income deriving from the conversion, net of any tax effect, and the weighted average number of shares outstanding, assuming conversion of all convertible securities.

## Related parties

Related parties within the Group refer to Poste Italiane SpA's direct and indirect subsidiaries and associates. Related parties external to the Group include the MEF and its direct and indirect subsidiaries and associates. The Group's key management personnel are also classified as related parties, as are funds providing post-employment benefits to the Group's employees and the related entities. The state and public sector entities other than the MEF are not classified as related parties. Related party transactions do not include those deriving from financial assets and liabilities represented by instruments traded on organised markets.

## 2.6 USE OF ESTIMATES

The preparation of financial information requires the use of estimates and assumptions that can have a significant effect on the final values indicated in the financial statements and in the disclosure provided. The preparation of these estimates involves the use of available information and the adoption of subjective assessments, also based on historical experience, used for the formulation of reasonable assumptions for the recognition of operating events. Estimates and assumptions are periodically reviewed and the impact of any changes is reflected in the financial statements for the period in which the estimate is revised if the revision only influences the current period, or also in future periods if the revision influences both current and future periods. Due to their nature, the estimates and assumptions used may vary from year to year and, therefore, it cannot be excluded that in subsequent years, the values recorded in these Financial Statements may also vary significantly as a result of changes in the subjective valuations used.

Accounting treatments that require greater subjectivity in the preparation of estimates are described below, also taking into account the unique characteristics of the macroeconomic environment of reference recorded during the year (in line with ESMA requirements<sup>205</sup>).

### Revenue from contracts with customers

The main factors in the recognition of revenue from contracts with customers include elements of variable consideration, particularly penalties (other than those related to compensation for damages). Elements of variable consideration are identified at the inception of the contract and estimated as of every close of the accounts for the entire contract term, to take into account new circumstances and changes in the circumstances already considered for the previous estimations. Elements of variable consideration include refund liabilities.

In the business relating to the sale of electricity and gas, revenue includes estimates of both turnover and allocations for supplies made to customers between the date of the last billing period and the end of the reporting year. Both of these estimation components are based on the application of internally developed algorithms that take into account the estimated volumes consumed by customers (given the historical billing information). As required by the relevant regulations, the allocation of revenue is subject to adjustment until the fifth subsequent year.

### Provisions for risks and charges

The Group makes provisions for probable liabilities deriving from disputes with staff, suppliers, and third parties and, in general, for liabilities deriving from present obligations. These provisions cover the liabilities that could result from legal

<sup>205</sup> Public statement ESMA32-193237008-1793 of 25 October 2023.

action of varying nature, the impact on profit or loss of seizures incurred and not yet definitively assigned, and amounts expected to be refundable to customers where the final amount payable has yet to be determined.

Determination of the provisions for risks and charges involves the use of estimates based on current knowledge of factors that may change over time, potentially resulting in outcomes that may be significantly different from those taken into account in preparing these financial statements.

In order to reflect in the financial statements the risks arising from potential fraud perpetrated against Poste Italiane and, therefore, to determine the accounting impacts associated with the potential risk on tax credits, as described in greater detail in Note A10 - *Tax credits Law no. 77/2020*, without prejudice to compliance with Bank of Italy/Consob/Ivass Document no. 9 as to all other aspects related to the accounting recognition of the tax credits in question (see the section "Tax credits Law no. 77/2020" of paragraph 2.5 *Material information on accounting standards* for further details), the decision was taken to refer to the provisions of IAS 37 - Provisions, Contingent Assets and Contingent Liabilities, with regard to the measurement of the risks in question. The applicability of IAS 37, in order to reflect in the financial statements the risk of not being able to offset the tax credits on which fraud was ascertained, was considered because the possible failure to recover the carrying amount of the tax credits would not derive from a characteristic of the asset being measured or from significant increases in the credit risk after the initial recognition of the asset or, more simply, from the ascertained default of the debtor, but rather from the possibility that, for those ascertained to be cases of fraud, the liability of the assignee - even if a third party in good faith or an offended party to the offence - will also be called to account for assumptions other than the possible irregular use of the tax credit or for use to a greater extent than the tax credit received<sup>206</sup>. As a result of the in-depth analyses carried out on the tax credits acquired, also with the support of external legal, tax and accounting consultants, a specific provision was estimated, recorded consistently with the above and for clarity in the liability item "Provisions for risks and charges". It should be noted that the determination of the above-mentioned provision necessarily required the application of a significant degree of professional judgement, the main elements of uncertainty of which relate to the outcome of the proceedings under way, the identification of the receivables whose deductions have been assigned are effectively non-existent, and the outcome of the initiatives that will be activated by Poste Italiane to recover the amounts paid to the entities in respect of which cases of fraud have been ascertained.

### Impairment and stage allocation for financial instruments

Below are the inputs, assumptions and estimation techniques used to calculate the impairment of financial assets measured at amortised cost and at fair value through other comprehensive income and to determine the stage allocation of financial instruments, the latter not applicable within the Poste Italiane Group for trade receivables in accordance with the Simplified Approach.

#### General description of the models utilised

The Group uses the general impairment model in accordance with risk ratings estimated on the basis of the type of counterparty:

- Securities/deposits with Sovereign, Banking and Corporate counterparties: internal models for estimating risk parameters;
- Public Administration and Central Counterparties: risk ratings deriving from agency ratings or average default rates for the sector.

The simplified approach is applied to trade receivables, as described in greater detail later.

<sup>206</sup> As provided for in Article 121, paragraph 4 of Law Decree no. 34/2020, which states "...omissis...Suppliers and transferees shall only be liable for any use of the tax credit in an irregular manner or to an extent greater than the tax credit received...omissis...".

Significant increase in credit risk

Based on the impairment model adopted by the Poste Italiane Group to meet the requirements of the accounting standard, any significant increase in credit risk associated with the financial instruments held, other than trade receivables, is determined on the basis of a change in the relevant credit rating between the time of the initial investment and the reporting date.

This change in notches is compared with a threshold that takes into account the following factors:

- the rating of the financial instrument at the time of investment;
- the rating of the financial instrument at the reporting date;
- the seniority of the position within the portfolio (vintage factor);
- an additive factor to mitigate the non-linearity of probability of default ("PD") with respect to the rating classes<sup>207</sup>;
- a judgemental factor to be used only in the presence of sudden changes in the creditworthiness not yet reflected by the rating<sup>208</sup>.

The ratings used in stage allocation derive from internal models in the case of banking, sovereign and corporate counterparties, and external info providers in the case of Public Administration and Central Counterparties. Based on the above information, the Poste Italiane Group rebuts the presumption that there have been significant increases in credit risk following initial recognition, when financial assets are more than 30 days past due.

The Poste Italiane Group decided not to adopt the Low Credit Risk Exemption and to proceed instead with stage allocation of the financial instruments concerned.

Regarding trade receivables, given the adoption of the simplified approach under the new accounting standard, expected credit losses are determined throughout the lifetime of the instrument.

Definition of default

The Poste Italiane Group defines default on the basis of ad hoc assessments that take into account:

- any payment delays;
- market information such as a default rating by the rating agencies;
- internal analyses of specific exposures.

Collective and individual provisions

The collective impairment of a homogeneous group of financial assets defines the expected credit loss (ECL) of the instrument, even though it cannot be associated with a specific exposure. Grouping takes place in relation to the type of counterparty on the basis of the estimated PD.

Individual provisions are considered only following the review of trade receivables for amounts in excess of a given threshold and only in relation to single receivables.

Forward looking information

According to the standard, the ECL calculation must also factor in forward looking components based on broad consensus scenarios.

<sup>207</sup> The additive factor is built in view of the rating level at the reporting date, where the better the final rating the higher the threshold for the transition to Stage 2.

<sup>208</sup> The judgemental factor can summarise significant aspects in determining the significant increase of credit risk, considering such elements as:

- an actual or expected significant change of the internal/external credit rating of the financial instrument;
- actual or expected negative changes in economic, financial or business conditions that might cause a significant change in the borrower's ability to honour its obligations, such as an actual or expected increase in interest rates or an actual or expected significant increase in the unemployment rate.

The Poste Italiane Group incorporates forward looking information directly in the PD estimation. In particular, for sovereign counterparties, for which authoritative forward-looking estimates<sup>209</sup> are available, these values are used to calculate PD; for other counterparties, on the other hand, the internal model adopted allows the input dataset needed to calculate PD to be completed from scenario values referring to some of the model variables. The objective of the approach is to estimate the unknown variables by using the historical correlation of the available information<sup>210</sup>.

### ESG disclosure

The Sovereign, Bank and Corporate PD estimation models include variables reflecting Social and Governance factors defined from indicators provided by authoritative sources such as the UN and the World Bank. The Environmental factor is negligible for these purposes in view of the 1-year time horizon of the PD itself. In the context of BancoPosta's RFC, this factor is monitored through scenario analyses and verification of ratings provided by external agencies.

### Estimation techniques used

Since events of default cannot be used, as they are not very frequent, to develop credit scoring models for Sovereign, Banking and Corporate counterparties, a shadow rating approach has been adopted.

This method entails the use of target variables related to the level of external rating produced by the agencies; the target is identified as the default rate linked to the rating level.

A key rating agency was selected to construct the target, taking into account both the large number of rated counterparties and the availability of historical data over what was deemed to be an adequate period of time.

The models have been constructed by extracting and utilising the following types of data for each country in the sample:

- macroeconomic data;
- market data: domestic equity indices, global energy/non-energy indices, Eurostoxx and S&P 500;
- financial statement data.

The internal model estimate used a definition of default based on a payment delay of 90 days.

### ECL measurement

Expected credit losses (ECL) are determined over a time horizon consistent with the stage level (12 months or lifetime) on the basis of the following factors:

- Probability of Default (PD);
- Loss Given Default (LGD);
- Exposure at Default (EAD);
- Time Factor (TF).

The main assumptions/choices adopted in the determination of the factors are as follows:

- PD: as indicated from the start, a Point in Time (PIT) and forward-looking evaluation has been adopted;
- LGD: values have been used consistent with the Internal Ratings-Based (IRB) Base Approach under the Basel guidelines (45% for senior risk assets, 75% for subordinated risk assets);
- EAD: exposure calculated prospectively until maturity of the instrument, starting from the development of projected cash flows. In the development account was taken of specific indexation assumptions for every asset class (fixed-rate securities, variable-rate securities, inflation-indexed securities, etc.);
- TF: the effective interest rate of each exposure was used as discount factor.

<sup>209</sup> These include prospective estimates made available by the International Monetary Fund, the UN and the World Bank.

<sup>210</sup> In particular, the use of such approach is limited to situations where, actually, the final data are deemed to be no longer representative of the counterparty's risk.

The assumptions adopted and set out above have led to an increase in the PD of Italy and other Sovereign counterparties in general compared to that used in the assessments in the Annual Report at 31 December 2022.

### Trade receivables

The Group adopts the simplified approach to test for the impairment of trade receivables, on the basis of which provisions for credit losses are determined for an amount equal to expected losses throughout the lifetime of the receivable. Such approach is implemented through the following process:

- based on total revenue or the historical credit exposure, all receivables or credit exposures exceeding a certain pre-established credit threshold are assessed analytically. The analytical evaluation of the exposures entails an analysis of the borrower's credit quality and solvency, as determined on the basis of internal and external supporting evidence;
- for receivables falling below the threshold set, through the preparation of a matrix with the different impairment percentages estimated on the basis of historical losses, where they exist, or alternatively on the historical pattern of collections. In constructing the impairment matrix, receivables are grouped by homogeneous categories, based on their characteristics, to take into account the historical loss experience.

### Collateral held and other credit risk mitigation instruments on trade receivables

To mitigate the risks arising from the extension of credit terms to its customers, the Group has implemented a policy and suitable guidelines that govern the management of trade receivables, the terms and conditions of payment applicable to customers and defines the corporate process aimed at checking the customer's creditworthiness, as well as the sustainability of the business risk inherent in the contract involving extended payment terms. Depending on the evaluations, the contracts entered into with customers may require a suitable guarantee. Guarantees are also requested if they are required by rules and regulations and/or implementing rules of specific services.

The Poste Italiane Group accepts mainly guarantees issued by primary banks or insurance companies. Alternatively, upon request of the customer and after a risk analysis, it accepts sureties issued by other institutions or security deposits through the opening of a postal escrow account. The Poste Italiane Group, as a rule, exempts the Public Administration from the provision of guarantees to secure trade receivables arising from transactions with it, save for the cases when such guarantees are mandatory by law or due to implementing rules of specific services.

For all the exposures evaluated individually, to calculate the provisions for doubtful debts, guarantees reduce the amount of the exposure at risk.

At 31 December 2023, the Group does not hold trade receivables secured by collateral or other risk mitigation instruments for which no loss provisions have been made.

### **Impairment tests of goodwill, cash generating units and equity investments**

Goodwill and other non-current assets are tested for impairment in accordance with IAS 36 – *Impairment of Assets*. Impairment testing involves the use of estimates based on factors that may change over time, potentially resulting in effects that may be significantly different from prior year estimates.

In accordance with the relevant accounting standard, when it is not possible to estimate the recoverable amount of an individual asset, the Group identifies the smallest group of assets that generates cash inflows that are largely independent of those from other assets or groups of assets (Cash Generating Units - CGUs). The process of identifying such CGUs necessarily involves management's judgement as to the specific nature of the assets and business to which they belong and evidence that the cash inflows from the group of assets are closely interdependent and largely independent of those from other assets (or groups of assets). The number and scope of CGUs are systematically updated to reflect the effects of new aggregation and reorganisation operations carried out by the Group, as well as to take into account those external factors that could affect the ability of assets to generate independent cash inflows.



For the most significant impairment tests performed at 31 December 2023, the carrying amounts tested and the main assumptions underlying the tests performed are shown below:

	Amount (€m)	Method used	Explicit forecast period	Growth rate	Discount rate
Goodwill of the Mail, Parcels and Distribution CGU	213	DCF	2024-2028	2.0%	7.48% (WACC)
Goodwill of the Payments and Mobile CGU	459	DCF	2024-2028	2.0%	9.54% (WACC)
Goodwill of the NET Insurance (Insurance) CGU	124	DDM	2024-2028	2.0%	9.31% (Ke)
Investment in Anima Holding SpA	219	DDM	2024-2026	2.0%	9.65% (Ke)

DCF: Discounted Cash Flow; DDM: Dividend Discount Model; WACC: Weighted Average Cost of Capital; Ke: cost of own capital

It should be noted that the discount rates at 31 December 2023 are up from those used for the previous year's estimates. Specifically, the increases amounted to 129 basis points for the Mail, Parcels and Distribution CGU, 90 basis points for the Payments and Mobile CGU, and 131 basis points for the investment in Anima Holding.

With reference to the external quantitative indicators of impairment at Group level, it should be noted that, at 31 December 2023, market capitalisation was higher than book equity, whereas with regard to internal source elements, it should be noted that consolidated results at December 2023 were above budget forecasts for the same period.

#### *Mail, Parcels and Distribution CGU*

The impairment test of the Mail, Parcels and Distribution CGU was performed, consistent with the previous year, at the consolidated level, including the companies within the same operating segment; the activities performed by the different companies and the resulting cash flows are highly interdependent, as commercial and strategic management decisions are made centrally at the level of the entire segment.

The value in use of the CGU was estimated on the basis of the 2024-2028 strategic plan approved by Poste Italiane SpA's Board of Directors on 19 March 2024. The economic forecasts used in the execution of the test also include, among the various characterising elements, forecasts for the planned investments that will be focused on achieving the CGU's automation and modernisation objectives, in continuity with what was achieved in 2023. Special importance is attached to investments classified as ESG, i.e. that comply with the reference principles of the Group's 8 Sustainability Pillars. Among the CGU's main investment projects are the Polis Project "Homes of Digital Citizenship Services", energy efficiency measures for real estate, and the automation and evolution of the sorting and delivery network from a green perspective.

In determining the terminal value, calculated on the basis of the last year of explicit forecasts, income was normalised. Reference was also made to the transfer prices that BancoPosta RFC is expected to pay for the services provided by Poste Italiane's distribution network.

The impairment test determined that the related carrying amounts are fair.

The impairment test is based on estimates and assumptions that present elements of uncertainty, also due to the current context characterised by significant volatility of the main market factors and significant uncertainty with regard to economic expectations, as well as the continuation of negative economic results and the decline of the postal market in which the Group operates; for this reason, sensitivity analyses were carried out. In particular, the impairment test showed the recoverability of the goodwill allocated to the CGU even by increasing the indicated discount rate by 100 basis points and jointly reducing the long-term growth factor by 20 basis points.

Sensitivity analyses performed on the impairment test lead to a substantial alignment between the recoverable amount and the net invested capital of the CGU with a discount rate of 9.11%.

As in the past, in determining the value of properties used as post offices and sorting centres, Poste Italiane SpA's universal service obligation was taken into account, as was the inseparability of the cash flows generated from the properties that provide this service, (which the Parent Company is required to operate throughout the country regardless of the expected

profitability of each location); the unique nature of the operating processes involved and the substantial overlap between postal and financial activities within the same outlets, represented by post offices, were also considered. On this basis, the value in use of the Land and Buildings used in operations is relatively unaffected by changes in the commercial value of the properties concerned and, in certain critical market conditions, certain properties may have values that are significantly higher than their mere market value, without this having any impact on the cash flows or profitability of the Mail, Parcels and Distribution segment.

The fair value of the Parent Company's properties used in operations continued to be higher than their carrying amount, as confirmed by the property valuations carried out.

#### *Payments and Mobile CGU*

In performing the impairment test on the goodwill arising from the acquisition of the LIS Group, which took place in 2022, reference was made to the CGU comprising all the companies belonging to the Payments and Mobile segment as the only cash flow generator.

Following the completion of the LIS integration and reorganisation processes, in fact, the Payments and Mobile operating segment is based on single and integrated market and operational processes according to a unified approach. Consequently, the cash flows are largely independent of those generated by the other operating segments of the Poste Group, but closely interrelated within the segment. Therefore, LIS is no longer identifiable as a separate CGU (as determined for 31 December 2022).

In order to estimate the value in use of the CGU, reference was made to the 2024-2028 Strategic Plan approved by the Poste Italiane SpA's Board of Directors on 19 March 2024, as well as by the Boards of Directors of the respective companies belonging to the CGU for the portion pertaining to them. Based on the test results, there was no need to make impairment adjustments at 31 December 2023.

Sensitivity analyses show the passing of the test by a wide margin even in scenarios significantly worse than the one used for the impairment test.

It should be noted that even if the impairment test were performed consistently with 31 December 2022 (CGU comprised of LIS Holding and LIS Pay), there would be no need to make impairment losses to the goodwill recognised in the financial statements.

#### *Net Insurance (Insurance) CGU*

Following the purchase of Net Insurance by Poste Vita through the corporate vehicle Net Holding in 2023 and the associated Purchase Price Allocation process, details of which are provided in Note 2.8 - *Basis of consolidation*, goodwill of €124 million emerged, equal to the remaining difference between the consideration transferred for the acquisition of Net Insurance by Net Holding and the fair value of the adjusted net assets acquired.

In performing the impairment test relating to the Net Insurance Group, reference was made to the CGU consisting of Net Insurance and Net Insurance Life as the cash generating unit.

To estimate the value in use of the CGU, reference was made to the 2024 -2028 Strategic Plan. Based on the test results, there was no need to make impairment adjustments at 31 December 2023.

Sensitivity analyses performed on the impairment test lead to a substantial alignment between the recoverable amount and the net assets of the CGU with a discount rate of 12.6%.

### Investment in Anima Holding SpA

With reference to the impairment test on the investment in Anima Holding SpA, the future cash flows used in determining the value in use are those observable as consensus for the main balance sheet indicators (Revenue, Profit (loss) before tax and Net Profit) estimated by analysts for the next three years and available periodically on the company's website. At 31 December 2023, there was no need for impairment adjustments.

### Other equity investments in associates

With reference to the impairment tests of the equity investments in the other associates Sennder, Financit, Replica Sim and Eurizon Capital Real Asset, no impairment adjustments were found to be necessary at 31 December 2023.

### Depreciation and amortisation of property, plant and equipment and intangible assets

The cost of fixed assets is depreciated or amortised on a straight-line basis over the estimated useful life of the asset. The useful life is determined at the time of acquisition and is based on historical experience of similar investments, market conditions and expectations regarding future events that may have an impact, such as technological developments. The actual useful life may, therefore, differ from the estimated useful life.

The useful life of the Group's main asset classes is detailed below:

Property, plant and equipment	Years	% annual depreciation
Buildings	40-59	3%-2%
Structural improvements to own properties	18-31	6%-3%
Plant	8-23	13%-4%
Light constructions	10	10%
Equipment	3-10	33%-10%
Furniture and fittings	3-8	33%-13%
Electrical and electronic office equipment	3-10	33%-10%
Motor vehicles, automobiles, motorcycles	4-10	25%-10%
Leasehold improvements	estimated lease term*	-
Other assets	3-5	33%-20%

(\*) Or the useful life of the improvement if shorter than the estimated lease term

Investment property	Years	% annual depreciation
Property	39-42	3%-2%
Structural improvements to own properties	17-18	6%

In the case of assets to be handed over, located on land held under concession or sub-concession, on expiry of the concession term, or whilst awaiting confirmation of renewal, any additional depreciation of assets takes into account the probable residual duration of the right to use the assets to provide public services, to be estimated on the basis of the framework agreements entered into with the Public Administration entity, the status of negotiations with the grantors and past experience.

Lastly, with regard to intangible assets, amortisation begins when the asset is available for use and extends systematically on a straight-line basis over its estimated useful life determined in a range of between 2 and 5 years.

## Insurance liabilities

The main models, inputs and assumptions used to estimate insurance liabilities, i.e. future cash inflows and outflows related to insurance contracts, are summarised below.

### Input data, assumptions and estimation techniques used

For contracts measured with the VFA model, the estimate of future flows related to the Liability for remaining coverage is made considering the following inputs:

- Non-financial assumptions, such as mortality, lapses, conversions, expenses, etc. Expense assumptions, consistent with the principle, are parametrised taking into account only attributable costs;
- Financial assumptions, such as returns on assets backing insurance liabilities, asset allocation, etc.;
- Stochastic economic scenarios<sup>211</sup> differentiated by separately managed account and by type of business.

The estimate of cash flows takes into account all the commitments of the companies in respect of the contracts under assessment through the elaboration of magnitudes such as gross premiums, other inflows other than premiums consistent with the quantification of the benefits under analysis, commissions, expenses, performance settlements, any residual Mathematical Provision at the end of the projection, and other outflows other than the above consistent with the quantification of the benefits under analysis.

For contracts measured with the BBA, the future fulfilment flows represent estimates of the future cash flows that will be generated by the natural fulfilment of the contracts by the companies and therefore include all possible cash flows that fall within the contract boundary.

Projected cash flows include claims paid, reimbursements for early termination of contracts, acquisition commissions, other directly attributable administrative expenses, other directly attributable acquisition expenses, premiums written and recoveries.

It should also be noted that, for onerous contracts measured through the PAA, future fulfilment flows are calculated using the same approach as for contracts measured through the BBA.

Liabilities for incurred claims include future fulfilment cash flows related to past services attributed to the contract group at the measurement date. These flows are defined as the sum of the following components:

- Cash flows of undiscounted Best Estimate Liabilities (UBEL<sup>212</sup>), which are the best estimate of cash outflows for both reported claims and late claims;
- Discount effect, calculated by discounting the cash flows referred to in the previous point using the defined discount curve;
- Adjustment for non-financial risks, estimated using the methodology defined by the Group.

The process of allocating costs between "attributable" and "non-attributable" is done punctually according to the cost centres that incur them. The development and related deferral of costs follow the associated cash flow projections and the same recognition metrics adopted for the CSM release.

No changes have been made to the insurance liability valuation process since the transition date with the exception of the financial and technical assumptions, which are updated as necessary at each valuation date. Furthermore, the contracts in the portfolio do not provide for any discretionary elements on the part of the Company that could affect the expected flows.

<sup>211</sup> A stochastic mathematical model makes it possible to study the course of phenomena that follow random or probabilistic laws.

<sup>212</sup> Undiscounted Best Estimate Liabilities.

Investment component

Assessments of the expected investment component to be included in the estimate of fulfilment future cash flows are made separately by product type. An estimate of the flow related to the Investment component is provided for both valuations at initial recognition of contract groups and for valuations at each reporting date.

For contracts with discretionary participation features and annuities in the accumulation phase, the expected investment component is equal to the lapse value net of penalties, whereby the estimate in future fulfilment flows is obtained as the difference between the estimated payout amount and the countervalue calculated on the basis of the lapse value net of penalties. For annuities that are certain to be paid out, the value of the investment component is not an estimate since it corresponds to the value of the benefits to be paid out, while for annuities that are certain to be paid out and pure risk products, there is no Investment component.

Method for determining the discount rate used

Below are details, by individual portfolio, of the discount curves used by the Poste Italiane Group in determining its insurance liabilities and the adjustments made to the reference Basic Risk Free Curve to take into account the counterparty's level of liquidity (Illiquidity Premiums):

- in relation to the Separately managed account participating business and the Unit Linked portfolio connected to Separately managed accounts (Multi-class products), the Illiquidity Premium is calibrated on the basis of the composition of the reference portfolio (e.g. Separately managed accounts or Company) using approaches and metrics borrowed from the Solvency II approach;
- in relation to the non-participating Life Business and for the Unit Linked portfolio not connected to Separately managed accounts, use was made of the values of Illiquidity Premiums consistent with the Volatility Adjustment value provided by EIOPA, in line with Solvency II. This approach is replicated in Net Insurance Life's pure risk business;
- in relation to the P&C business relating to the companies Poste Assicura and Net Insurance, the Basic Risk Free curve is adopted, assuming an Illiquidity Premium consistent with the Volatility Adjustment value provided by EIOPA.

In operational terms, the Poste Italiane Group defined the curves at the date of initial recognition of the contract, in particular:

- for the Life business related to contracts issued by Poste Vita, the initial recognition curve of contracts is set equal to the Based Risk Free curve with illiquidity premium related to the previous quarter;
- for the P&C business relating to Poste Assicura contracts, the curve at initial recognition of contracts is the Based Risk Free of the previous year (31/12/t-1);
- for the P&C business, relating to contracts issued by Net Insurance, and for the Life business, relating to contracts issued by Net Insurance Life, the curve at initial recognition of contracts is the Based Risk Free with Volatility Adjustment relative to the previous year (31/12/t-1)<sup>213</sup>.

For the BBA method, in order to calculate the interest accrued on the CSM at the reporting date, the Poste Italiane Group uses the forward curve determined with respect to the spot locked-in curve at the valuation date.

For the PAA model, the Poste Italiane Group has not made an adjustment for the effect of the time value of money and financial risk.

<sup>213</sup> It is specified for the companies Net Insurance SpA and Net Insurance Life SpA, having entered the Poste Italiane Group perimeter on 1 April 2023, the date of 31 March 2023 was used as the initial recognition curve.

*Method for determining the Adjustment for non-financial risk*

The Poste Italiane Group adopts the percentile approach. The amount of the adjustment for non-financial risk is determined by considering the scope of technical risks to which group companies are exposed, using assessments borrowed from the Solvency II framework. In particular, the Adjustment for non-financial risk for contract groups belonging to the life business is estimated by taking into account the typical life business risk and underwriting risk exposures net of the loss-absorbing capacity of technical provisions (guaranteed minimum of products, where applicable) and gross of reinsurance. Operational risk and counterparty default risk are also excluded from the analyses.

For insurance contracts belonging to the P&C business, exposures to pricing risk, reserving risk, catastrophe risk, and the risk of early exits typical of the type of business are considered. In the P&C business, the Adjustment for non-financial risk is also determined, unlike in the Life business, for the Liability for incurred claims and Assets from outward reinsurance.

In calculating the amount of the Adjustment for non-financial risk, the separation between the insurance services component and the financing component is not applied for Poste Italiane Group companies.

*Methods for determining the CSM coverage unit*

The release to the Statement of profit or loss of the CSM over the life of the contracts is done through the definition of the Coverage Unit (CU). With reference to the Life business, the Poste Italiane Group determines the CSM release by adopting a Coverage Unit on the basis of a Volume-based driver, defined separately for each measurement model adopted:

- BBA model: the CU is defined with a driver based on the sums insured, which are similar to the lump-sum death benefit for pure risk contracts, and on the mathematical provisions, for annuities (in the payout phase) not under the Separately managed accounts from Long-Term Care products;
- VFA model: the CU for DPF contracts is defined using a driver based on mathematical provisions.

In the context of the CSM release pattern of the P&C business, for contracts valued with the BBA Model, the Group has decided to use for the business characterised by constant insured capital a release driver based on earned premiums gross of commissions (also considering the effect of any premium refunds and related commission reversals); with the exception of the P&C business characterised by decreasing insured capital (Salary-backed of Net Insurance), the use of a method based on insured sums was defined as for the Life business.

The CSM release percentage is defined by relating the volume-based drivers as defined above to the amount of volumes of these drivers projected over a time period that coincides with the duration of the group of insurance contracts.

For products measured with the VFA method, the Group considers an additional component (additional release) in the CSM release for the period aimed at capturing the differences between the margin result obtained with real-world financial assumptions (Real World curves), compared to that obtained with risk-neutral financial assumptions (Risk Neutral curves). This additional release is obtained from the difference between the period-end prospective CSM before release under the Real World assumption and the period-end prospective CSM before release under the Risk Neutral assumption.

As a result of the additional release, it is possible to achieve a CSM release that is more consistent with the financial performance of the underlying items of the insurance contracts and to obviate the systematic deferral of profit recognition in future years through coverage units.

## Deferred tax assets

The recognition of deferred tax assets is based on the expectation of taxable income in future years. Assessments of expected taxable income depend on factors which may change over time, impacting on the valuation of the deferred tax assets in the statement of financial position.

## Share-based payments

As further described in Note 13 - *Additional information - Share-based payment arrangements*, the valuation of the share-based payment arrangements in place within the Poste Italiane Group at the close of these financial statements was based mainly on the conclusions reached by actuaries external to the Group. The plan terms and conditions link the award of the related options to the occurrence of certain events, such as the achievement of performance targets and performance hurdles and, in certain areas of operation, compliance with certain capital adequacy and liquidity requirements. For these reasons, measurement of the liability, equity reserve and the corresponding economic effects involves the use of estimates based on current knowledge of factors that may change over time, potentially resulting in outcomes that may be significantly different from those taken into account in preparing these financial statements.

## Employee termination benefits

The measurement of Employee termination benefits is also based on calculations performed by independent actuaries. The calculation takes account of termination benefits accrued for the period of service to date and is based on various demographic and economic-financial assumptions.

The main actuarial assumptions applied in the calculation of employee termination benefits at 31 December 2023, also based on the experience of each Group company and the reference best practice, are as follows:

### Economic and financial assumptions

	31.12.2023
Discount rate	3.08%
Inflation rate	2.00%
Annual rate of increase of employee termination benefits	3.00%

### Demographic assumptions

	31.12.2023
Mortality	ISTAT 2018
Disability	INPS tables broken down by age and gender
Retirement age	Achievement of general mandatory insurance requirements
Frequency of employee termination benefits advances	Specific table with rates differentiated by Company
Employee turnover frequency	Specific table with rates differentiated by Company

## Determination of the lease liability

To determine the financial lease liability, the Group has opted to use an incremental borrowing rate (IBR) determined in line with a hypothetical loan obtained in the current economic environment, and applied to contract group with similar

remaining terms and to similar companies. In particular, each IBR takes account of the risk-free rate identified on the basis of factors such as the economic environment, currency, contract term and credit spread reflecting the companies' organisation and financial structure. The IBR associated with the commencement of the contract will be reviewed whenever there is a lease modification, meaning substantial and significant changes to the contract conditions over the life of the agreement (e.g. the lease term or the amount of future lease payments). The IBR table defined for contract group with similar residual duration and for similar reference companies is periodically monitored and updated at least once during the year.

With regard instead to determination of the lease term at the commencement date or of the remaining term at a later date (in the event of substantial and significant changes to contract conditions) and, in particular, for property leases, the Group uses a valuation approach based primarily on the expected duration of the obligation as per the agreement between the parties and/or in the legal framework of reference (Law 392 of 27 July 1978), and it expects an extension of the lease due to an interpretation/forecast of events, circumstances and future intentions, including of a strategic nature, of both the lessor and the lessee. This has resulted in a set of rules for determining the lease term, to be applied to leased properties classified previously in three distinct clusters: properties where the lease is subject to legal restrictions and high commercial-value properties; properties for civilian use, such as the company accommodation for Group employees and executives; and other properties used in operations.

The lease term for all of the other agreements was set as equal to the duration of the obligation agreed upon between the parties, in keeping with future intent in wanting and being able to complete the term and past experience.

### Options on minority interests<sup>214</sup>

In the context of particular corporate transactions, there are call and put options that will allow Poste Italiane to purchase, at certain future dates, shares held by minority shareholders. The exercise price of these options is generally determined on the basis of a formula that provides for the application of a multiplier to certain economic/equity targets of the company acquired. For said cases in the consolidated financial statements, a financial liability has been recognised (in addition to the portion of equity attributable to non-controlling interests), to take account of the possible exercise of options, as matching entry to Group's equity, the value of which depends on estimates made internally and which could change even significantly in the current and future years. Subsequent changes in the value of the financial liability will be reflected in the Group's statement of profit or loss.

For details of the corporate transactions from which the need to recognise this financial liability arose, see *Note B8 - Financial Liabilities*.

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<sup>214</sup> An option contract that allows an entity to purchase the interests of minority shareholders of a subsidiary in exchange for cash or other financial assets gives rise to a financial liability in the consolidated financial statements for the present value of the amount payable. Any change in the financial liability from the date of recognition is accounted for with a different balancing entry depending on whether it refers to:

- minority shareholders directly interested in the performance of the subsidiary's business with regard to the transfer of risks and benefits on the shares subject to the option. One of the indicators of this interest is the fair value measurement of the option exercise price. In addition to the presence of this indicator, the Group makes a case-by-case assessment of the facts and circumstances that characterise existing transactions. In this case, the discounted value of the option is initially deducted from the Group's equity reserves. Any subsequent changes in the valuation of the option exercise price are reflected in the statement of profit or loss;
- minority shareholders not directly interested in the performance of the business (e.g. exercise price of the predetermined option). The exercise price of the option, duly discounted, is deducted from the corresponding amount of Capital and Reserves pertaining to non-controlling interests. Any subsequent changes in the valuation of the option exercise price follow the same logic, with no impact on the statement of profit or loss.



## 2.7 CLIMATE CHANGE AND MACROECONOMIC ENVIRONMENT

### Climate Change Information

Climate change and the transition to a low-carbon economy are becoming increasingly relevant to businesses, banks, governments, regulators, and investors.

Although the Poste Italiane Group attaches particular importance to environmental protection, aware of the need to use resources responsibly in order to minimise negative environmental impacts<sup>215</sup>, taking into account the business in which the Group operates, issues related to climate change are considered, with the meaning provided by the reference accounting standards, irrelevant for consolidated financial reporting.

With particular regard to the disclosures required by ESMA in Public Statement 32-193237008-1793 of 25 October 2023, the following table shows a mapping of climate-related disclosures with a corresponding reference to the paragraphs of Poste Italiane's consolidated financial statements and separate financial statements in which the issue is addressed.

Topic	Note	Description
<b>Climate Change Estimates and judgements</b>	Note 2.6 Use of estimates " <i>Impairment tests of goodwill, cash generating units and equity investments</i> " and " <i>Impairment and stage allocation for financial instruments</i> "	<ul style="list-style-type: none"> <li>• Focus on the estimation of expected cash flows in relation to the CGUs subject to impairment.</li> <li>• Details of ESG factors considered in estimating the Probability of Default (PD).</li> <li>• Investments made in the reporting year aimed at reducing the environmental impact of the Group/Company.</li> </ul>
<b>Sustainable investments</b>	Note A1 "Property, plant and equipment" Note A4 "Right-of-use assets"	<ul style="list-style-type: none"> <li>• Increase in Right-of-Use Assets related to the conclusion of leasing contracts for "green" vehicles.</li> </ul>
<b>Sustainable finance</b>	Note A6 - "Financial assets" Note 13 "Additional Information - <i>Assets Under Management</i> "	<ul style="list-style-type: none"> <li>• Percentage of ESG products in the entire investment and insurance portfolio of BancoPosta Fondi SpA SGR and Poste Vita Group.</li> </ul>
<b>Environmental certificates</b>	Note 2.5 "Material information on accounting standards - Environmental Certificates" Note A7 "Inventories"	<ul style="list-style-type: none"> <li>• Description of the accounting treatment applied to environmental certificates</li> <li>• Details of closing inventories referring to emission allowances and guarantees of origin and carbon credits present at year-end.</li> </ul>
<b>Share-based payments</b>	Note 13 "Additional Information - <i>Share-based payment arrangements</i> "	<ul style="list-style-type: none"> <li>• Description of incentive plans some of which are anchored to the achievement of ESG objectives.</li> </ul>
<b>Climate risk</b>	Note 6 "Risk management"	<ul style="list-style-type: none"> <li>• Description of the Group's exposure to climate change risks and actions taken to mitigate those risks.</li> </ul>

<sup>215</sup> For a description of the strategic guidelines set by the Group, also in line with its adherence to the Paris Agreement and the New Green Deal, please refer to the non-financial statement sections in the Report on Operations.

### Macroeconomic environment

The estimates used in the preparation of the Financial Statements adequately take into account the particular macroeconomic context of reference, at 31 December 2023 heavily impacted by a number of factors such as: inflation, rising interest rates, deterioration of the economic climate, geopolitical risks and uncertainties on future developments, considering the ongoing conflicts not just in Ukraine but in the Middle East too. These uncertainties are reflected in the indicators used as the basis for the estimates.

For information on how these uncertainties have been reflected in the estimated PDs used to calculate expected losses, please refer to "Note 2.6 - Use of estimates - Impairment and stage allocation for financial instruments"; while for a full discussion of risks related to the economic environment, please refer to the specific sections of the Report on Operations.

## 2.8 BASIS OF CONSOLIDATION

The Poste Italiane Group's consolidated financial statements include the financial statements of Poste Italiane SpA and of the companies over which the Parent Company directly or indirectly exercises control, as defined by IFRS 10, from the date on which control is obtained until the date on which control is no longer held by the Group. The Group controls an entity when it simultaneously:

- has power over the investee;
- is exposed, or has rights to, variable returns from its involvement with the investee;
- has the ability to influence those returns through its power over the investee.

Control is exercised both via direct or indirect ownership of voting shares, and via the exercise of dominant influence, defined as the power to govern the financial and operating policies of the entity, including indirectly based on legal agreements, obtaining the related benefits, regardless of the nature of the equity interest. In determining control, potential voting rights exercisable at the end of the reporting period are taken into account.

The consolidated financial statements have been specifically prepared at 31 December 2023, after appropriate adjustment, where necessary, to align accounting policies with those of the Parent Company.

Subsidiaries that, in terms of their size or operations, are, either individually or taken together, irrelevant to a true and fair view of the Group's results of operations and financial position are not included within the scope of consolidation.

The criteria used for line-by-line consolidation are as follows:

- the assets, liabilities, costs and revenue of consolidated entities are accounted for on a line-by-line basis, separating where applicable the equity and profit/(loss) amounts attributable to non-controlling interests in consolidated equity and consolidated profit or loss;
- business combinations, in which control over an entity is acquired, are accounted for using the acquisition method. The cost of a business combination is represented by the current value (fair value) at the date of acquisition of the assets sold, the liabilities assumed, the equity instruments issued and any other directly attributable accessory charges; the difference between the acquisition price and the current value of the assets and liabilities acquired, after verifying the correct measurement of the current values of the assets and liabilities acquired and the acquisition cost, if positive, is recorded under Intangible Assets under "Goodwill", or, if negative, is charged to profit or loss;
- acquisitions of non-controlling interests in entities already controlled by the Group are not accounted for as acquisitions, but as equity transactions; in the absence of a relevant accounting standard, the Group recognises any difference between the cost of acquisition and the related share of net assets of the subsidiary in equity;
- any significant gains and losses (and the related tax effects) on transactions between companies consolidated on a line-by-line basis, to the extent not yet realised with respect to third parties, are eliminated, as are intercompany payables and receivables, costs and revenue, and finance costs and income;

- gains and losses deriving from the disposal of investments in consolidated companies are recognised in profit or loss based on the difference between the sale price and the corresponding share of consolidated equity disposed of.

Investments in subsidiaries that are not significant and are not consolidated, and those in companies over which the Group exerts significant influence (assumed when the Group holds an interest of between 20% and 50%), hereinafter "associates", and joint ventures are accounted for using the equity method. At the time of acquisition, the investment is accounted for using the equity method. Any difference between the cost of acquisition of the investment and the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

- a) goodwill related to an associate or a joint venture is included in the carrying amount of the investment. Amortisation of such goodwill is not permitted;
- b) in determining the initial value of the entity's investment, any excess of the entity's interest in the net fair value of investee's identifiable assets and liabilities over cost is recognised as income in determining the acquirer's interest in the profit (loss) for the period of the associate or joint venture in the period in which the interest is acquired.

After acquisition, appropriate adjustments are made to the entity's share of the profits or losses of the associate or joint venture to account, for example, for additional depreciation or amortisation of the investee's depreciable or amortisable assets, based on the excess of their fair values over their carrying amounts at the time the investment was acquired, and of any impairment losses on goodwill or property, plant and equipment. The equity method is as follows:

- the Group's share of an entity's post-acquisition profits or losses is recognised in profit or loss from the date on which significant influence or control is obtained until the date on which significant influence or control is no longer exerted by the Group; provisions are made to cover a company's losses that exceed the carrying amount of the investment, to the extent that the Group has legal or constructive obligations to cover such losses; changes in the equity of companies accounted for using the equity method not related to the profit/(loss) for the year are recognised directly in equity;
- unrealised gains and losses on transactions between the Parent Company/subsidiaries and the company accounted for using the equity method are eliminated to the extent of the Group's interest in the associate; unrealised losses, unless relating to impairment, are eliminated.

## MAIN CHANGES TO THE SCOPE OF CONSOLIDATION

During the year, the Parent Company concluded the following business combinations by virtue of which it acquired control of the entities.

### **Net Insurance**

On 28 September 2022, Poste Vita's Board of Directors approved the promotion of a voluntary total cash takeover bid for ordinary shares and warrants of **Net Insurance S.p.A.** ("Net Insurance"), in consultation with certain shareholders.

On 20 April 2023, the squeeze-out procedure was finalised, as a result of which Net Holding (the corporate vehicle directly controlled by Poste Vita) holds a controlling interest of 97.8% in Net Insurance (which in turn holds 100% of Net Insurance Life S.p.A.), and the current CEO of Net Insurance, who acted in concert with the takeover bid, holds a minority interest of around 2.2%. The total outlay paid by Net Holding for the acquisition of the stake amounted to approximately €180.8 million.

On 21 April 2023, IBL Banca S.p.A., pursuant to its commitment in the event of a successful bid, acquired a 40% stake in Net Holding for a consideration of €73.1 million. The net outlay for the Poste Group for the acquisition of the stake amounted to €108.5 million. Below are the total carrying amounts of the assets acquired and liabilities assumed at the date of acquisition of Net Insurance and its subsidiary.

(€m)	Carrying amount (A)	Fair Value Adjustments (B)	Fair Value (A+B)
<b><i>Net assets acquired</i></b>			
Intangible assets	8.7	10.8	19.5
Property, plant and equipment	14.9	1.4	16.3
Right-of-use asset	0.4	-	0.4
Trade receivables and other assets	53.7	-	53.7
Financial assets	231.3	-	231.3
Cash and cash equivalents	13.1	-	13.1
Insurance assets	157.8	-	157.8
Insurance liabilities	(386.4)	3.4	(383.0)
Employee termination benefits	(0.4)	-	(0.4)
Trade payables and other liabilities	(35.5)	(4.8)	(40.3)
Financial liabilities	(10.2)	-	(10.2)
<b>Total net assets acquired</b>	<b>47.5</b>	<b>10.8</b>	<b>58.2</b>
Equity attributable to non-controlling interests			1.3
<b>Net assets acquired by the Group</b>			<b>57.0</b>
<b>Goodwill</b>			<b>123.8</b>
<b>Total fee</b>			<b>180.8</b>

Poste Italiane engaged an independent expert to support the Purchase Price Allocation ("PPA") process, aimed at (i) allocating the Price Consideration to the fair value of the net assets of the acquired entity (regardless of whether or not they are already recognised in the financial statements) and (ii) deriving the goodwill value as the difference between the purchase price and the fair value of the net assets acquired (expressed net of deferred tax liabilities).

Based on the valuation activities performed to date, an adjustment to the fair value of the net assets acquired totalling €10.8 million was recognised, of which:

- €10.8 million increase in intangible assets related to brand enhancement;
- an increase in property, plant and equipment of €1.4 million relating to owned property;
- reduction of insurance liabilities by €3.4 million for cash flows related to amounts repayable by the distributing banks;
- deferred taxation effects related to the above adjustments of €4.8 million.

For the other intangible assets already recognised in the opening financial statements of the acquired companies, as well as for all other assets and liabilities included in the opening statements of financial position of Net Insurance, the net carrying amount already represents a proxy for fair value.

The remaining difference between the consideration transferred (€180.8 million) and the fair value of the net assets acquired by the Group, adjusted following the PPA process, (€57.0 million) was allocated to Goodwill in the amount of €123.8 million.

The results described above must be considered, at 31 December 2023, still provisional as Poste Italiane has made use of the option provided for in paragraphs 45 et seq. of IFRS 3 to complete the valuation of the business combination within twelve months of the acquisition date.

Below are the total economic values of the acquired company included in the consolidated statement of profit or loss from the date of first-time consolidation

(€m)	From 1 April to 31 December 2023
Revenue	23.7
Operating income	19.2
Profit/(loss) for the period	13.3

### **Sender**

On 3 April 2023, as a result of the capital increase reserved for the shareholder sender Technologies GmbH ("sender Tech"), the Poste Italiane stake in the subsidiary went from 65% to 60%. Moreover, on 30 May 2023, Poste Italiane's Board of Directors approved the renegotiation of the current partnership with sender Technologies GmbH. As part of the renegotiation, Poste Italiane contributed 35% of its shares in sender Italia to sender Tech, increasing its stake in the latter from 1.7% to 10.2% on a fully diluted basis. It should be noted that following the completion of the transaction in June 2023, Poste Italiane holds a 25% stake in sender Italia, which, therefore, has lost its status as a subsidiary and assumed that of an associate with the consequent recognition of the investment under the equity method pursuant to IAS 28. In accordance with IFRS 10, at the time of the loss of control, the retained stake in sender Italia was measured at fair value. The transaction resulted in the recognition of a total capital gain of about €109 million classified in revenue due to the sale of the controlling stake in the investment, with a positive impact on the Poste Group's EBIT.

By virtue of the option provided for in paragraphs 45 et seq. of IFRS 3 to complete the valuation of the business combination within twelve months from the date of the transaction, the difference between the fair value of the residual equity investment in sender Italia and the portion of its net assets, amounting to approximately €19 million, was provisionally allocated to goodwill and is included in the carrying amount of the equity investment.

### **Sourcesense Platforms S.r.l**

On 24 January 2023, Sourcesense finalised the acquisition of Eco Mind Ingegneria Informatica S.r.l. and its subsidiary HeadApp S.r.l. for a consideration, including the price adjustment under the contractual agreements, of approximately €1 million. The two acquired companies were merged into the NewCo called Sourcesense Platforms S.r.l. with accounting and tax effects from 1 July 2023.

The difference that emerged between the transaction price and the portion of the net assets acquired, amounting to approximately €1 million, was recognised as Goodwill under Intangible Assets pending completion of the valuation process of the individual components of the acquired assets.

### **Cronos**

On 3 August 2023, as part of a system-wide transaction to take over the policy portfolio of Eurovita S.p.A. ("Eurovita") following the latter's crisis, Poste Vita contributed to the establishment of the corporate vehicle Cronos Vita S.p.A. ("Cronos"), invested in by, in addition to Poste Vita itself, Allianz, Generali Italia, Intesa Sanpaolo Vita and UnipolSai Assicurazioni, with the purpose of acquiring a business unit consisting essentially of the assets and liabilities relating to the Eurovita insurance business, following the latter's admission to compulsory liquidation proceedings.

In September 2023, the insurance companies involved, Cronos, the banks distributing Eurovita products and certain system banks signed the final agreements within their respective competences to regulate their rights and obligations in relation to the transaction. As part of the aforementioned transaction, on 18 September 2023, Poste Vita participated in the first capital increase of Cronos, with a stake of approximately €1.7 million.

On 17 October 2023, IVASS authorised Cronos to carry out insurance business (resulting in a change of company name from "Cronos Vita S.p.A" to "Cronos Vita Assicurazioni S.p.A."). On 27 October 2023, Poste Vita participated, together with the other shareholders of Cronos, in proportion to its 22.5% stake, in the second capital increase of this company of approximately €212.5 million, of which approximately €47.8 million was attributable to Poste Vita. To complete the transaction, on 30 October 2023 IVASS authorised the sale of the business unit from Eurovita to Cronos, effective from 27 October 2023.

The stake in Cronos was classified as an asset held for sale (IFRS 5) in consideration of the intention to hold the stake for a limited period of time and the agreements made at the conclusion of the transaction regarding the stipulation of a firm purchase commitment within 12 months for the transfer of the business assets between the insurance companies involved in the transaction and Cronos Vita.

It was also verified that the fair value of the investment, net of selling costs, was not lower than its carrying amount.

### **CONCLUSION OF THE ASSESSMENT OF BUSINESS COMBINATIONS OF THE PREVIOUS YEAR**

With reference to the acquisitions occurred in the course of 2022 for which Poste Italiane availed itself of the option set forth in paragraphs 45 et seq. of IFRS 3 to complete the valuation of the business combination within twelve months from the date of acquisition, at 31 December 2023 the process was concluded, confirming the results already represented at 31 December 2022. A summary of them is provided below.

#### **LIS**

Based on the valuation activities performed, an adjustment to the fair value of the net assets acquired totalling €136.9 million was recognised, of which:

- intangible assets in the amount of €192.4 million relating to existing contractual relationships with points of sale;
- deferred tax effects related to the higher value of intangible assets in the amount of €55.4 million.

The remaining difference between the consideration transferred (€700 million) and the fair value of the adjusted net assets acquired, (€241 million) was allocated to Goodwill in the amount of €458.9 million.

#### **Plurima**

Based on the valuation activities performed to date, an adjustment to the fair value of the net assets acquired totalling €22 million was recognised, of which:

- €30.5 million related to customer contracts and customer-related intangible assets
- €8.5 million related to deferred taxation effects connected to the higher value of identified assets

The remaining difference between the consideration transferred (€135.2 million) and the fair value of the portion of the adjusted net assets acquired (€34.5 million) was allocated to Goodwill in the amount of €100.7 million.

#### **Sourcesense**

The difference between the consideration transferred (€30.2 million) and the fair value of the portion of the net assets acquired, (€6.2 million) was allocated to Goodwill in the amount of €23.9 million.

#### **Agile**

The difference between the consideration transferred (€18 million) and the fair value of the portion of the net assets acquired (€4 million) was allocated to Goodwill in the amount of €14 million.

## CONVERSION OF THE FINANCIAL STATEMENTS INTO FOREIGN CURRENCIES

For the purposes of preparing the Consolidated Financial Statements, the statement of financial position and statement of profit or loss of all consolidated companies are expressed in euro, which is the functional currency used by the Parent Company.

The financial statements of companies that operate in a functional currency other than the euro are translated into the presentation currency using the closing rate at the reporting date for assets and liabilities, including goodwill and consolidation adjustments, and the average exchange rate for the year (if this reasonably approximates the exchange rate at the date of the respective transactions) for revenue and costs. All the resulting exchange rate differences are recognised in other comprehensive income and shown separately in a specific equity reserve; this reserve is reversed proportionally to the statement of profit or loss at the time of the (total or partial) disposal of the relevant investment.

The exchange rates used to convert the financial statements of consolidated companies in foreign currencies are those published by the Bank of Italy and the European Central Bank and presented in the table below:

Currency	2023		2022	
	Exact change on 31 December	Average annual exchange rate	Exact change on 31 December	Average annual exchange rate
Chinese Yuan Renminbi	7.851	7.66	7.358	7.079
US dollar	1.105	1.081	1.067	1.053
British Pound Sterling	0.869	0.870	0.887	0.879(*)

(\*) The exchange rate shown relates to Sourcesense Limited and is calculated based on the period between the date of acquisition (1 October 2022) and 31 December 2022.

### 3. MATERIAL EVENTS DURING THE YEAR

#### 3.1 PRINCIPAL CORPORATE ACTIONS

Information is provided below on corporate transactions that took place during the year under review and which supplement what has already been reported in the section on main changes to the scope of consolidation in Note 2.8 - *Basis of consolidation*.

The following corporate actions also took place during 2023.

- On 24 November 2022, binding agreements were signed for Poste Italiane to participate, with an investment of approximately €3 million, in a capital increase promoted by **Moneyfarm** in order to finance part of the purchase price of 100% of **Profile Financial Solutions Ltd**, a company active in the pension fund consolidation business in the UK under the Profile Pensions brand. Following receipt of the necessary approvals from the UK regulator (FCA)<sup>216</sup> on 5 July 2023, the closing of the transaction was formalised at the end of July.

- On 29 September 2022, the reverse merger of **Plurima Bidco S.r.l.** into Plurima was approved by the shareholders' meetings of the two companies. The transaction, which provided for the application of the regulatory simplifications for mergers of wholly-owned companies, became effective as of 1 January 2023.

- On 29 June 2023, Poste Italiane notified **Milkman S.p.A. ("Milkman")** of its intention to exercise its call option on the shares held by the latter in **MLK Deliveries S.p.A. ("MLK")**, equal to approximately the remaining 30% of the share capital of MLK itself (the "**Milkman Stake**"). Based on the criteria originally agreed upon in the contractual agreements signed in 2020, the exercise price of the option was estimated at €19.6 million. Following the transfer of the Milkman Stake, formalised in July, Poste Italiane acquired full control of MLK.

On 31 January 2024, through the establishment of the NewCo named "**MLK Fresh S.r.l.**" ("**MLK Fresh**"), the partnership in the Fresh Food sector between MLK and **Mazzocco S.r.l. ("Mazzocco")**, an Italtrans Group company operating as a national refrigerated courier, was formalised.

MLK Fresh, 70% owned by MLK and 30% by Mazzocco, will be the vehicle through which the parties will offer advanced delivery services in Italy dedicated to the fresh food segment in the B2C e-commerce and/or scheduled deliveries market.

- On 26 April 2023, Plurima S.p.A. finalised the purchase of a further 40% of the share capital of **Bridge Technologies S.p.A.** for a consideration of approximately €0.9 million, thus achieving 100% ownership.
- In June and July, respectively, the Boards of Lis Holding and PostePay approved the project for the **Partial demerger of Lis Holding in favour of PostePay**, with direct assignment of the 100% stake in LIS Pay to the EMI PostePay RFC. In this regard, on 28 June 2023, Poste Italiane's Board of Directors authorised the participation of Poste Italiane in the extraordinary shareholders' meeting of PostePay S.p.A. to approve the demerger transaction and the amendment of the rules of the EMI RFC, in order to allow the allocation to the latter of investments in other payment institutions and the removal of the restriction on the allocation to the EMI RFC of the investment in LIS Holding. On 31 December 2023, the demerger became effective.
- On 12 October 2023, Postel S.p.A. acquired the shares in **Address Software S.r.l.** held by third-party shareholders amounting to 49% of the company's capital. Consequently, from that date and until 24 January, Postel S.p.A. held 100% of the shares in Address Software S.r.l. In addition, on 24 January 2024 Postel sold its entire shareholding in Address Software S.r.l. to Poste Italiane S.p.A. This transaction was in preparation for the start of the merger by incorporation of Address Software S.r.l. into Poste Italiane S.p.A., which will become

<sup>216</sup>

Financial Conduct Authority



effective in 2024.

- On 28 November 2023, the reorganisation of the Agile Group was finalised through the reverse merger of Agile Power Holding into Agile Lab, as well as the merger of AIM2, Agile Next and Agile Skill into the reverse merged company. The transaction was legally effective as of 1 December 2023, while the accounting and tax effects are backdated to 1 July 2023.
- In June and July 2023, **Volante Technologies Inc** ("Volante") issued in two tranches a convertible loan totalling \$16.6 million, which was subscribed by some of the company's shareholders, including PostePay, in the amount of \$508 thousand. In September 2023, Volante also carried out a senior debt refinancing transaction, as part of which the warrants to be assigned to subscribers of the convertible loan became exercisable. PostePay exercised its warrants, converting them into newly issued ordinary shares. Therefore, as a result of the transactions described, PostePay's stake in Volante went from 2.9% to 2.4% (on a fully diluted basis).  
As part of the agreements to restructure its debt, Volante implemented a corporate reorganisation that saw PostePay and all other shareholders become partners in the new entity Volante Technologies Holdco Inc. with the same stakes already held in Volante Technologies Inc, a wholly-owned subsidiary of Volante Technologies Holdco, Inc that changed its name to Volante Technologies LLC.
- On 28 February 2024, PostePay signed an agreement to acquire 20% of N&TS GROUP Networks & Transactional Systems Group S.p.A. ("N&TS GROUP"), a leading Italian company in software solutions for electronic payments. The transaction, whose closing is subject to the fulfilment of conditions precedent, aims to enhance PostePay's technological expertise in order to support its expansion strategy in the digital payments market.
- On 4 March 2024, Poste Logistics S.p.A. ("NewCo") was established, whose share capital is wholly owned by Poste Italiane S.p.A. NewCo will focus on integrated logistics activities for the Italian Postal Group, benefiting from the business unit of SDA Express Courier S.p.A. ("SDA") concerning the integrated logistics business, through a partial demerger transaction. The transaction - whose partial demerger project has already been approved in March by the Boards of Directors of the companies involved in the transaction and will also be subject to resolution by the relevant extraordinary shareholders' meetings - will be formalised by the second half of 2024.

### 3.2 OTHER MATERIAL EVENTS

The following material events also occurred in 2023:

#### **Russia-Ukraine Conflict**

The year 2023 was characterised by the continuation of the crisis between the European countries Russia and Ukraine.

In order to assess the impacts of the conflict for the Group, as requested by the national and international Authorities (ESMA and CONSOB)<sup>217</sup>, and in line with the previous financial statements, an assessment was carried out on the current and future impacts and on the sanctions imposed on Russia by state and supranational authorities, on the activities, on the financial situation and on the economic results of the Group, in consideration of the available evidence and the scenarios that can be constructed at the date of preparation of the following financial statements.

The potential impacts, although at present random and uncertain also in relation to the pressure on inflation driven by sharp increases in energy and raw material prices, appear limited in relation to the fact that the Group's operations are almost entirely located within the national territory and without branches in the value chain with the countries involved.

<sup>217</sup> Public statement ESMA32-63-1320 "European common enforcement priorities for 2022 annual financial reports" of 28 October 2022 and CONSOB Warning notice no. 3/22 of 19 May 2022

In addition, monitoring of the existing relations between the Group and the parties directly or indirectly involved was carried out, which led to the following findings:

- with reference to the Parent Company, the relations with the corresponding foreign postal administrations of Russia, Belarus and Ukraine have credit and debit balances of insignificant amounts;
- with reference to Poste Vita, within the Multi-asset funds, there are some indirect exposures to the countries involved in the aforementioned events that represent a non-significant portion of the relevant NAV.

#### **Purchase of treasury shares**

In execution of the authorisation to purchase treasury shares resolved by Poste Italiane's Shareholders' Meeting of 8 May 2023, aimed at acquiring a supply of shares to service the Group's long-term incentive plans benefiting members of management, on 9 May 2023, the market was informed of the launch of a share buyback programme under which, between 10 May 2023 and 31 May 2023, Poste Italiane purchased 3,500,000 treasury shares (equal to 0.268% of the share capital), at an average price of €9.709971 per share, for a total countervalue of €33,984,897.83.

Following the transaction, considering also the treasury shares in the portfolio deriving from previous buy-back transactions and the delivery to the beneficiaries of the incentive plans, Poste Italiane holds 10,675,798 treasury shares, equal to 0.817% of the share capital.

#### **Interim dividend**

On 6 November 2023, Poste Italiane's Board of Directors, in light of the financial position and results of operations of the Company at 30 June 2023, the performance for the following months, the business outlook and the related expected economic prospects at 31 December 2023, and in line with the Group's dividend policy, resolved to bring forward, as an interim dividend, part of the ordinary dividend for 2023. To this end, the Company has prepared a Report and Financial Statements pursuant to article 2433-bis of the Italian Civil Code, which show that the Company's financial position, results of operations and cash flows allow such distribution. The opinion of the independent auditors was obtained on these documents.

The interim dividend of €0.237 per share, gross of any legal withholding taxes, was paid with effect from 22 November 2023, with "ex-dividend date" of coupon no. 13 coinciding with 20 November 2023 and record date (i.e. the date on which the dividend was entitled to be paid) coinciding with 21 November 2023.

Based on the number of shares outstanding at 6 November 2023, which amounted to 1,295,434,202, the total amount of the interim dividend was €307 million.

#### **Ancillary Own Fund**

At its meeting of 28 June 2023, Poste Italiane S.p.A.'s Board of Directors, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 27 June 2023, approved the Renewal of the Ancillary Own Fund transaction in favour of Poste Vita S.p.A. for a maximum amount of €1,750 million. On 5 July 2023, the relevant Information Document was made available to the public at the Company's registered office, at Borsa Italiana S.p.A., on the Company's website, as well as on the website of the authorised storage mechanism "eMarket Storage".

**4 POSTE ITALIANE GROUP**

# **FINANCIAL STATEMENTS AT 31 DECEMBER 2023**

## 4.1 CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (€m)	Notes	31 December 2023	<i>of which related parties</i>	31 December 2022	<i>of which related parties</i>
<b>Non-current assets</b>					
Property, plant and equipment	[A1]	2,546	-	2,404	-
Investment property	[A2]	28	-	31	-
Intangible assets	[A3]	2,062	-	1,817	-
Right-of-use assets	[A4]	1,265	-	1,334	-
Investments accounted for using the equity method	[A5]	294	294	267	267
Financial assets	[A6]	205,656	3,067	191,850	3,578
Trade receivables	[A8]	3	-	3	-
Deferred tax assets	[C12]	2,109	-	2,601	-
Other receivables and assets	[A9]	4,084	2	4,119	2
Tax credits Law no. 77/2020	[A10]	6,534	-	7,458	-
Assets for outward reinsurance	[A11]	233	-	44	-
<b>Total</b>		<b>224,814</b>		<b>211,928</b>	
<b>Current assets</b>					
Inventories	[A7]	172	-	157	-
Trade receivables	[A8]	2,404	681	2,179	435
Current tax assets	[C12]	167	-	140	-
Other receivables and assets	[A9]	1,051	15	986	10
Tax credits Law no. 77/2020	[A10]	1,784	-	1,563	-
Financial assets	[A6]	31,503	9,000	34,290	11,986
Cash and deposits attributable to BancoPosta	[A12]	4,671	-	5,848	-
Cash and cash equivalents	[A13]	4,211	874	4,983	1,991
<b>Total</b>		<b>45,963</b>		<b>50,146</b>	
<b>Non-current assets and disposal groups held for sale</b>	[A14]	<b>50</b>	-	-	-
<b>TOTAL ASSETS</b>		<b>270,827</b>		<b>262,074</b>	

LIABILITIES AND EQUITY (€m)	Notes	31 December 2023	<i>of which related parties</i>	31 December 2022	<i>of which related parties</i>
<b>Equity</b>					
Share capital	[B2]	1,306	-	1,306	-
Reserves	[B4]	1,083	-	(509)	-
Treasury shares		(94)	-	(63)	-
Retained earnings		8,027	-	7,100	-
<b>Total equity attributable to owners of the Parent</b>		<b>10,322</b>		<b>7,834</b>	
Equity attributable to non-controlling interests		117	-	44	-
<b>Total</b>		<b>10,439</b>		<b>7,878</b>	
<b>Non-current liabilities</b>					
Liabilities under insurance contracts	[B5]	155,338	-	141,380	-
Provisions for risks and charges	[B6]	782	50	804	55
Employee termination benefits	[B7]	637	-	705	-
Financial liabilities	[B8]	10,243	209	10,939	201
Deferred tax liabilities	[C12]	900	-	815	-
Other liabilities	[B10]	2,058	-	2,004	-
<b>Total</b>		<b>169,958</b>		<b>156,647</b>	
<b>Current liabilities</b>					
Provisions for risks and charges	[B6]	554	10	551	12
Trade payables	[B9]	2,252	113	2,234	72
Current tax liabilities	[C12]	189	-	60	-
Other liabilities	[B10]	2,285	90	1,998	69
Financial liabilities	[B8]	85,150	5,525	92,706	4,377
<b>Total</b>		<b>90,430</b>		<b>97,549</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>270,827</b>		<b>262,074</b>	

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€m)	Notes	FY 2023	of which related parties	FY 2022	of which related parties
Revenue from Mail, Parcels and other	[C1]	3,746	1,007	3,651	893
Net revenue from Financial Services	[C2]	5,229	2,305	4,938	2,048
Revenue from Financial Services		5,795	2,317	5,125	2,052
Expenses from financial activities		(566)	(12)	(187)	(4)
Net revenue from insurance services	[C3]	1,567	18	1,650	16
Revenue from insurance contracts issued		2,550	-	2,456	-
Costs arising from insurance contracts issued		(1,058)		(805)	
Revenue/(costs) from outward reinsurance		(15)		(8)	
Income and (expenses) from financial operations and other income/expenses		6,458	18	(1,532)	16
Net financial (costs)/revenue relating to insurance contracts issued		(6,373)	-	1,539	-
Net financial revenue/(costs) related to outward reinsurance		5	-	(0)	-
Revenue from Payments and Mobile	[C4]	1,586	54	1,147	51
<b>Net operating revenue</b>		<b>12,128</b>		<b>11,386</b>	
Cost of goods and services	[C5]	3,237	308	2,827	167
Personnel expenses	[C6]	5,170	74	4,823	71
Depreciation, amortisation and impairments	[C7]	811	-	769	-
Capitalised costs and expenses	[C8]	(56)	-	(41)	-
Other operating costs	[C9]	275	3	508	5
<i>of which non-recurring costs</i>		-		320	
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	[C10]	71	(0)	104	1
<b>Operating profit/(loss)</b>		<b>2,620</b>		<b>2,396</b>	
Finance costs	[C11]	119	1	126	2
Finance income	[C11]	181	15	169	1
Impairment losses/(reversals of impairment losses) on financial assets	[A9]	(25)	-	(0)	-
Profit/(Loss) on investments accounted for using the equity method	[A5]	20	-	(6)	-
<b>Profit/(Loss) before tax</b>		<b>2,727</b>		<b>2,433</b>	
Income tax expense	[C12]	794	-	850	-
<b>PROFIT FOR THE YEAR</b>		<b>1,933</b>		<b>1,583</b>	
of which attributable to owners of the Parent		1,922		1,578	
of which attributable to non-controlling interests		11		5	
<b>Earnings per share</b>	[B1]	<b>1.483</b>		<b>1.214</b>	
<b>Diluted earnings per share</b>		<b>1.483</b>		<b>1.214</b>	

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€m)	Notes	FY 2023	FY 2022
<b>Profit/(Loss) for the year</b>		<b>1,933</b>	<b>1,583</b>
<b>Items to be reclassified in the Statement of profit or (loss) for the year</b>			
FVOCI debt instruments			
Increase/(decrease) in fair value during the year	[tab. B4]	7,694	(27,742)
Transfers to profit or loss from realisation	[tab. B4]	223	(286)
Increase/(decrease) for expected losses		5	4
Cash flow hedges			
Increase/(decrease) in fair value during the year	[tab. B4]	80	279
Transfers to profit or loss	[tab. B4]	(318)	(409)
Financial revenue or costs relating to insurance contracts issued		(5,532)	22,784
Financial revenue or costs related to outward reinsurance		2	(1)
Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit or (loss) for the year		(565)	1,542
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method		0	1
Change in translation reserve		(0)	(1)
After-tax increase/(decrease) in reserves related to group of assets and liabilities held for sale (net of tax effect)	[tab. B4]	-	-
<b>Items not to be reclassified in the Statement of profit or (loss) for the year</b>			
Equity instruments measured at FVOCI - increase/(decrease) in fair value during the period		(5)	(315)
Actuarial gains /(losses) on employee termination benefits	[tab. B7]	(8)	127
Financial revenue or costs relating to insurance contracts issued		-	-
Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit or loss for the year		2	(31)
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method		(0)	0
Actuarial gains /(losses) on employee termination benefits related to disposal groups and liabilities held for sale (net of tax effect)		-	-
<b>Total other comprehensive income</b>		<b>1,578</b>	<b>(4,048)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>3,511</b>	<b>(2,465)</b>
of which attributable to owners of the Parent		3,500	(2,471)
of which attributable to non-controlling interests		11	6

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€m)	Equity														Total equity
	Reserves											Total equity attributable to owners of the Parent	Capital and reserves attributable to non-controlling interests		
	Share capital	Treasury shares	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Reserve for insurance contracts issued and outward reinsurance	Translation reserve	Reserve for investments accounted for using equity method	Incentive plans reserve			Retained earnings	
<b>Balance at 1 January 2022</b>	1,306	(40)	299	1,210	800	1,307	(33)	-	1	3	13	7,236	12,102	8	12,110
Adjustment for first-time adoption of IFRS 17	-	-	-	-	-	7,945	-	(7,868)	-	-	-	(974)	(897)	-	(897)
<b>Adjusted balance at 1 January 2022</b>	1,306	(40)	299	1,210	800	9,251	(33)	(7,868)	1	3	13	6,262	11,205	8	11,213
Total comprehensive income for the year	-	-	-	-	-	(19,789)	(93)	15,744	(1)	1	-	1,668	(2,471)	6	(2,465)
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(526)	(526)	(3)	(529)
Interim dividend	-	-	-	-	-	-	-	-	-	-	-	(273)	(273)	-	(273)
Purchase of treasury shares	-	(25)	-	-	-	-	-	-	-	-	-	(0)	(25)	-	(25)
Transactions with minority shareholders	-	-	-	-	-	-	-	-	-	-	-	(69)	(69)	-	(69)
Incentive plans	-	2	-	-	-	-	-	-	-	-	6	0	8	-	8
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	-	-	(16)	(16)	-	(16)
Other changes	-	-	-	-	-	(54)	-	-	-	2	-	54	2	-	2
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)	33	33
<b>Balance at 31 December 2022</b>	1,306	(63)	299	1,210	800	(10,592)	(128)	7,876	(0)	5	19	7,100	7,834	44	7,878
Total comprehensive income for the year	-	-	-	-	-	5,529	(169)	(3,774)	0	0	-	1,914(*)	3,500	11	3,511
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(570)	(570)	(6)	(576)
Interim dividend	-	-	-	-	-	-	-	-	-	-	-	(307)	(307)	-	(307)
Purchase of treasury shares	-	(34)	-	-	-	-	-	-	-	-	-	(0)	(34)	-	(34)
Transactions with minority shareholders	-	-	-	-	-	-	-	-	-	-	-	(101)	(101)	-	(101)
Incentive plans	-	3	-	-	-	-	-	-	-	-	8	(0)	10	-	10
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	-	-	(16)	(16)	-	(16)
Other changes	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)	-	(1)
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-	6	6	68	74
<b>Balance at 31 December 2023</b>	1,306	(94)	299	1,210	800	(5,063)	(297)	4,102	(0)	4	27	8,027	10,322	117	10,439

\* This item includes profit for the year (Group portion) of €1,922 million and actuarial gains on provisions for employee termination benefits of €6 million, after the related current and deferred taxation.



## CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	Notes	FY 2023	FY 2022
<b>Cash and cash equivalents at beginning of year</b>		<b>4,983</b>	<b>7,958</b>
Profit/(Loss) before tax		2,727	2,433
Depreciation, amortisation and impairments	[tab. C7]	882	830
Net provisions for risks and charges	[tab. B6]	348	439
Use of provisions for risks and charges	[tab. B6]	(371)	(354)
Provisions for employee termination benefits	[tab. B7]	3	2
Employee termination benefits	[tab. B7]	(106)	(118)
(Gains)/Losses on disposals		(112)	(1)
Impairment losses/(reversals of impairment losses) on financial assets		(25)	(1)
(Dividends)	[tab. C11.1]	(4)	-
Dividends received		4	-
(Finance income realised)	[tab. C11.1]	-	(1)
(Finance income in form of interest)	[tab. C11.1]	(169)	(158)
Interest received		168	146
Interest expense and other finance costs	[tab. C11.2]	110	118
Interest paid		(45)	(78)
Losses and impairment losses/(reversals of impairment losses) on receivables	[tab. C10]	64	97
Income tax paid	[tab. C12.2]	(191)	(509)
Other changes		(11)	6
<b>Cash flow generated by operating activities before movements in working capital</b>	<b>[a]</b>	<b>3,272</b>	<b>2,851</b>
<i>Movements in working capital:</i>			
(Increase)/decrease in Inventories	[tab. A7]	(15)	2
(Increase)/decrease in Trade receivables		(696)	261
(Increase)/decrease in Other receivables and assets		399	253
Change in tax credits Law no. 77/2020		(352)	11
Increase/(decrease) in Trade payables		25	91
Increase/(decrease) in Other liabilities		279	230
<b>Cash flow generated by /(used in) movements in working capital</b>	<b>[b]</b>	<b>(360)</b>	<b>848</b>
Increase/(Decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance		(9,441)	5,077
Net cash generated by/(used for) financial assets and tax credits Law no. 77/2020 attributable to financial activities, payments, cards and acquiring and insurance		2,852	(17,954)
(Increase)/decrease in cash and deposits attributable to BancoPosta	[tab. A12]	1,177	1,810
Increase/(Decrease) in net liabilities under insurance contracts		8,033	3,913
(Income)/Expense and other non-cash components		(4,119)	3,635
<b>Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payments, cards and acquiring and insurance</b>	<b>[c]</b>	<b>(1,498)</b>	<b>(3,519)</b>
<b>Net cash flow from /(for) operating activities</b>	<b>[d]=[a+b+c]</b>	<b>1,414</b>	<b>180</b>
- of which related party transactions		<b>4,420</b>	<b>1,981</b>
<i>Investing activities:</i>			
Property, plant and equipment	[tab. A1]	(373)	(341)
Investment property	[tab. A2]	-	-
Intangible assets	[tab. A3]	(473)	(469)
Investments		(50)	(3)
Other financial assets		(17)	(132)
Investments in consolidated companies net of cash acquired		(95)	(678)
<i>Disposals:</i>			
Property, plant and equipment, investment property, intangible assets and assets held for sale		13	5
Investments		-	-
Other financial assets		1	12
<b>Net cash flow from /(for) investing activities</b>	<b>[e]</b>	<b>(994)</b>	<b>(1,606)</b>
- of which related party transactions		<b>14</b>	<b>(18)</b>
Proceeds from/(Repayments of) long-term borrowings	[tab. B8.4]	126	110
(Increase)/decrease in loans and receivables		-	-
Increase/(decrease) in short-term borrowings	[tab. B8.4]	(380)	(812)
(Purchase)/sale of treasury shares		(34)	(25)
Dividends paid	[B3]	(883)	(801)
Equity instruments - perpetual hybrid bonds		(21)	(21)
<b>Net cash flow from/(for) financing activities and shareholder transactions</b>	<b>[f]</b>	<b>(1,192)</b>	<b>(1,549)</b>
- of which related party transactions		<b>(564)</b>	<b>(512)</b>
<b>Effect of exchange rate differences on cash and cash equivalents</b>	<b>[g]</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash</b>	<b>[h]=[d+e+f+g]</b>	<b>(772)</b>	<b>(2,975)</b>
<b>Cash and cash equivalents at end of year</b>	<b>[tab. A13]</b>	<b>4,211</b>	<b>4,983</b>
Restricted cash and cash equivalents at end of year		(2,576)	(3,755)
<b>Unrestricted cash and cash equivalents at end of year</b>		<b>1,635</b>	<b>1,228</b>

## 4.2 NOTES TO THE STATEMENT OF FINANCIAL POSITION

### ASSETS

#### A1 - PROPERTY, PLANT AND EQUIPMENT (€2,546 million)

The following table shows movements in property, plant and equipment in 2023:

tab. A1 - Movements in property, plant and equipment

Description (€m)	Land	Properties used in operations	Plant and machinery	Industrial and commercial equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
Cost	77	3,278	2,542	363	707	2,056	145	9,167
Accumulated depreciation	-	(2,107)	(1,952)	(328)	(464)	(1,877)	-	(6,728)
Impairment losses	(0)	(16)	(10)	(1)	(1)	(7)	(0)	(35)
<b>Balance at 1 January 2023</b>	<b>76</b>	<b>1,155</b>	<b>580</b>	<b>34</b>	<b>241</b>	<b>173</b>	<b>145</b>	<b>2,404</b>
<b>Changes during the year</b>								
Acquisitions	-	47	66	10	48	56	144	373
Adjustments	-	-	-	-	-	-	-	-
Reclassifications	-	35	28	0	14	7	(84)	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(3)	(4)
Change in scope of consolidation	8	8	(0)	0	(0)	(0)	-	15
Depreciation	-	(34)	(71)	(11)	(48)	(75)	-	(239)
(Impairment losses)/Reversals	-	(0)	-	(0)	-	(3)	(0)	(3)
<b>Total changes</b>	<b>8</b>	<b>56</b>	<b>23</b>	<b>(0)</b>	<b>13</b>	<b>(15)</b>	<b>58</b>	<b>143</b>
Cost	85	3,371	2,630	372	765	2,098	203	9,525
Accumulated depreciation	-	(2,143)	(2,018)	(337)	(511)	(1,933)	-	(6,941)
Impairment losses	(0)	(16)	(10)	(1)	(1)	(8)	(0)	(37)
<b>Total</b>	<b>85</b>	<b>1,211</b>	<b>603</b>	<b>34</b>	<b>253</b>	<b>157</b>	<b>202</b>	<b>2,546</b>

At 31 December 2023, property, plant and equipment includes assets belonging to the Parent Company located on land held under concession or sub-concession, which are to be handed over free of charge at the end of the concession term. These assets have a total carrying amount of €52 million.

Investments of €373 million in 2023 consists largely of:

- €47 million relating mainly to extraordinary maintenance of Post Offices and local head offices around the country (€27 million), personnel and management offices (€10 million) and mail and parcel sorting offices (€9 million);
- €66 million for plants, with the most significant expenditure made by the Parent Company, of which €33 million for the construction of plants related to buildings, €14 million for the construction and extraordinary maintenance of connectivity and video-surveillance systems, €8 million for the creation and extraordinary maintenance of systems for mail sorting and parcel processing at industrial facilities and €4 million for the installation of ATMs (automated teller machines);
- €48 million invested mainly in the upgrade of plants (€20 million) and the structural part (€26 million) of leased properties;
- €56 million relating to Other assets, of which €33 million incurred by the Parent Company mainly for the purchase of hardware for the renewal of technological equipment at the Post Offices and head offices and the strengthening of storage systems, €10 million for the purchase of furniture and fittings and €11 million incurred by PostePay SpA mainly for the purchase of devices for the range of "PosteMobile Casa" and "PosteCasa Ultraveloce" (€9 million) offers and, to a residual degree, the purchase of mobile phones and mobile telephone equipment intended for rental;
- €144 million relating to Assets under construction and advances, of which €122 million incurred by the Parent Company and relating, for €93 million, to extraordinary maintenance works and the infrastructural equipment of the

sales and production network and €23 million for the purchase of computer hardware and other equipment yet to enter service.

Reclassifications from property, plant and equipment under construction amounted to €84 million and refer mainly to the purchase cost of assets that became available and ready for use during the year; in particular, they relate to the Parent Company for the conclusion of extraordinary renovations of properties owned and improvements of leased properties (€65 million) and the activation of hardware and other technological equipment (€5 million).

Within the framework of the Polis Project - Home of Digital Services, with reference to the two lines of action envisaged in the project, the investments for the financial year 2023 totalling €92 million are shown below:

**tab. A1.1 - Polis Project-Investments**

Lines of Intervention	Properties used in operations	Plant and machinery	Leasehold improvements	Other assets	Assets under construction and advances	Total
One-stop shop	12	8	20	12	28	80
Spaces for Italy	2	3	0	0	10	15
<b>Total</b>	<b>14</b>	<b>11</b>	<b>20</b>	<b>12</b>	<b>38</b>	<b>95</b>

In detail, the investments are related:

- for €14 million to extraordinary maintenance of Post Offices around the country;
- for €11 million to the construction of plants related to buildings;
- for €20 million to investments in the upgrade of plant and the structure of properties held under lease;
- for €12 million to the purchase of hardware for the upgrade of technological equipment of Post Offices and head offices and the purchase of furniture and fittings;
- for €38 million to investments in progress, of which €33 million for extraordinary maintenance of both owned and leased premises and €5 million for the purchase of hardware.

Lastly, it should be noted that during the year under review, investments for about €31 million classified as "green", i.e., aimed at reducing the impact that the Poste Italiane Group has on the environment in which it operates, were made by the parent company Poste Italiane SpA and only to a residual extent by the subsidiary Postel SpA. The main projects include the installation of photovoltaic systems and electricity columns, as well as energy efficiency measures on real estate.

**A2 - INVESTMENT PROPERTY** (€28 million)

Investment property relates to service accommodation owned by Poste Italiane SpA in accordance with Law 560 of 24 December 1993 and residential accommodation previously used by post office directors. Movements in provisions for risks and charges are as follows:

**tab. A2 - Movements in investment property**

(€m)

Description (€m)	FY 2023
Cost	88
Accumulated depreciation	(57)
Impairment losses	(0)
<b>Balance at 1 January</b>	<b>31</b>
<b>Changes during the year</b>	
Acquisitions	0
Reclassifications	-
Disposals	(3)
Depreciation	(1)
<b>Total changes</b>	<b>(3)</b>
Cost	81
Accumulated depreciation	(53)
Impairment losses	(0)
<b>Balance at 31 December</b>	<b>28</b>
<i>Fair value at 31 December</i>	66

The fair value of investment property at 31 December 2023 includes €54 million representing the sale price applicable to the Parent Company's service accommodation in accordance with Law 560 of 24 December 1993, while the remaining balance reflects market price estimates calculated internally by the Company<sup>218</sup>.

Most of the properties included in this category are subject to lease agreements classifiable as operating leases, given that the Group retains substantially all of the risks and rewards of ownership of the properties. Under the relevant agreements, tenants usually have the right to break off the lease with six-month notice. Given the resulting lack of certainty, the expected revenue flows from these leases are not referred to in these notes.

<sup>218</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, service accommodation and other investment property qualify for Level 3.

**A3 - INTANGIBLE ASSETS** (€2,062 million)

The following table shows movements in intangible assets in 2023:

**tab. A3 - Movements in intangible assets**

Description (€m)	Industrial patents and intellectual property rights, concessions, licences, trademarks and similar rights	Assets under construction and advances	Goodwill	Other	Total
Cost	4,689	258	773	231	5,952
Accumulated amortisation and impairments	(4,021)	0	(102)	(12)	(4,135)
<b>Balance at 1 January 2023</b>	<b>668</b>	<b>258</b>	<b>672</b>	<b>219</b>	<b>1,817</b>
<b>Changes during the year</b>					
Acquisitions	245	227	-	1	473
Reclassifications	209	(209)	-	0	(0)
Transfers and disposals	(0)	(5)	-	-	(5)
Change in scope of consolidation	17	2	125	-	144
Amortisation and impairments	(354)	(0)	-	(12)	(366)
Foreign exchange differences	-	-	-	-	-
<b>Total changes</b>	<b>117</b>	<b>15</b>	<b>125</b>	<b>(11)</b>	<b>245</b>
Cost	5,166	274	898	232	6,570
Accumulated amortisation and impairments	(4,381)	(1)	(102)	(24)	(4,508)
<b>Total</b>	<b>785</b>	<b>273</b>	<b>796</b>	<b>208</b>	<b>2,062</b>

Investments in Intangible assets during 2023 amounted to €473 million, including about €54 million in software development activities and the related additional expenses recorded within the Group, primarily relating to personnel expenses (€39 million). Development costs, other than those incurred directly to produce identifiable software used, or intended for use, within the Group, are not capitalised.

The increase in **Industrial patents and intellectual property rights, concessions, licences, trademarks and similar rights** totals €245 million, before amortisation for the period, and relates primarily to the purchase and entry into service of new software programmes and the acquisition of software licences.

The acquisitions of **intangible assets under construction** include activities mainly regarding the development for software relating to the infrastructure platform (€105 million), for BancoPosta services (€50 million), for support to the sales network (€29 million), for the postal products platform (€26 million) and for the engineering of reporting processes for other Business and personnel functions (€13 million).

The balance of **intangible assets under construction** includes activities of the Parent Company mainly regarding the development for software relating to the infrastructure platform (€119 million), for BancoPosta services (€61 million), for support to the sales network (€41 million), for the postal products platform (€32 million) and for the engineering of reporting processes for other Business and personnel functions (€17 million).

During the year, reclassifications were made from Intangible assets under construction to Industrial patents and intellectual property rights amounting to €209 million, mainly due to the completion and start-up of new software programs and the development of existing ones, relating to the infrastructure platform (€93 million), BancoPosta services (€58 million), support for the sales network (€30 million), the postal products platform (€14 million) and the engineering of reporting processes for other Business and personnel functions (€12 million).

Lastly, during the year 2023, as part of the Energy Project, the Parent Company made investments in application software for about €43 million, of which €9 million has not yet entered into production, and as part of the Polis Project - Home of Digital Services, with reference to the "One-stop shop" line of intervention, it made investments of about €3 million, of which €2 million has not yet entered into production.

The breakdown of the item **Goodwill** is as follows:

**tab. A3.1 - Goodwill**

Description (€m)	31.12.2023	31.12.2022	Changes
<b>Mail, Parcels and Distribution SBU</b>	<b>213</b>	<b>213</b>	<b>1</b>
Plurima	101	101	(0)
Poste Italiane	33	33	-
Sourcesense	24	24	-
Poste Welfare Servizi	18	18	-
Sengi Express Limited	16	16	-
Agile Lab	14	14	-
MLK Deliveries	5	5	-
Nexive Network	3	3	-
Sourcesense Platforms	1	-	1
sennder Italia	-	0	(0)
<b>Payments and Mobile SBU</b>	<b>459</b>	<b>459</b>	<b>-</b>
LIS	459	459	-
<b>Insurance Services SBU</b>	<b>124</b>	<b>-</b>	<b>124</b>
Net Insurance	124	-	124
<b>Total</b>	<b>796</b>	<b>672</b>	<b>125</b>

The balance of €796 million refers to goodwill allocated to the Mail, Parcels and Distribution SBU, the Payments and mobile SBU and the Insurance Services SBU. The change during the year is essentially attributable to the acquisition by Net Holding (a corporate vehicle directly controlled by Poste Vita) of 97.8% of Net Insurance (which in turn holds 100% of Net Insurance Life S.p.A.). The remaining difference between the consideration recognised and the fair value of the net assets acquired by the Group, adjusted following the Purchase Price Allocation ("PPA") process performed in application of IFRS 3, was recognised as goodwill (see also Note 2.8 - Basis of consolidation).

In addition, with reference to the impairment test on goodwill and cash generating units, please refer to paragraph 2.6 - Use of estimates.

**A4 – RIGHT-OF-USE ASSETS (€1,265 million)**

**tab. A4 - Movements in right-of-use assets**

Description (€m)	Properties used in operations	Company fleet	Vehicles for mixed use	Other assets	Total
Cost	1,680	373	31	54	<b>2,138</b>
Accumulated amortisation and impairments	(596)	(150)	(18)	(40)	<b>(804)</b>
<b>Balance at 1 January 2023</b>	<b>1,084</b>	<b>224</b>	<b>13</b>	<b>14</b>	<b>1,334</b>
<b>Changes during the year</b>					
New contract acquisitions	114	54	10	16	<b>194</b>
Adjustments	40	9	5	0	<b>54</b>
Reclassifications	-	-	-	-	<b>-</b>
Contract terminations	(42)	(0)	(1)	(0)	<b>(43)</b>
Change in scope of consolidation	(2)	(0)	0	0	<b>(3)</b>
Depreciation, amortisation and impairments	(166)	(88)	(8)	(10)	<b>(272)</b>
<b>Total changes</b>	<b>(57)</b>	<b>(25)</b>	<b>6</b>	<b>7</b>	<b>(69)</b>
Cost	1,777	385	37	50	<b>2,249</b>
Accumulated amortisation and impairments	(750)	(186)	(18)	(30)	<b>(984)</b>
<b>Total</b>	<b>1,027</b>	<b>199</b>	<b>18</b>	<b>20</b>	<b>1,265</b>

Acquisitions during the year mainly related to the Parent Company (€134 million) and related to new contracts (€39 million),

renewals of contracts existing at the beginning of the year of a real estate nature (€18 million), the rental of company vehicles used for mail and parcel delivery activities (€53 million) and mixed-use vehicles (€8 million), the rental of IT equipment (€16 million) and to the subsidiary SDA Express Courier for the stipulation of real estate lease contracts for new operating headquarters and warehouses intended for the management of specific orders in the "integrated logistics" segment (€54 million).

The item "Adjustments" refers to contractual changes during the period in question, e.g. for changes in duration due to extension, revision of economic conditions, etc.

The item terminations refers to the early termination of existing contracts with respect to their natural maturity.

The increase in Right-of-Use Assets recognised during the year and related to lease contracts for electric, hybrid and endothermic vehicles considered to be "green" amounted to approximately €39 million, exclusively referring to the Parent Company Poste Italiane SpA.

**tab. A4.1 - Economic effects of lease agreements**

(€m)

Description	FY 2023	FY 2022
Depreciation, impairments and adjustments of right-of-use assets	272	249
Financial charges on lease payables	28	24
Costs related to short-term leases	35	38
Costs related to lease of low-value assets	14	15
Costs related to lease of intangible assets	102	72
<b>Total</b>	<b>451</b>	<b>397</b>

**tab. A4.2- Movements in lease liability**

(€m)	FY 2023
<b>Balance at 1 January</b>	<b>1,407</b>
New contract increases	194
Payments	(298)
Finance costs	28
Change in scope	(3)
Other changes	12
<b>Balance at 31 December</b>	<b>1,341</b>
of which current	295
of which non-current	1,045

**A5 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (€294 million)****tab. A5 - Investments**

Description (€m)	31.12.2023	31.12.2022	Changes
Investments in associates	290	263	27
Investments in subsidiaries	4	3	1
<b>Total</b>	<b>294</b>	<b>267</b>	<b>27</b>

tab. A5.1 - Investments accounted for using the equity method\*

Description (€m)	Balance at 01. 01. 2023	Increases / (Decreases)	Impairment losses			Balance at 31.12.2023
			accounted for using the equity method	Dividend adjustments	Other changes	
<b>in associates</b>						
Anima Holding SpA	213	(1)	15	(8)	-	219
Conio Inc	1	0	(0)	-	-	1
Eurizon Capital Real Asset SGR	4	0	0	-	-	4
Financit SpA	36	(0)	3	(4)	-	35
ItaliaCamp Srl	1	-	0	-	-	1
Replica Sim SpA	9	-	(0)	-	-	9
Consorzio Italia Cloud	0	-	-	-	-	0
sennder Italia Srl	-	0	1	-	21	22
<b>Total associates</b>	<b>263</b>	<b>(1)</b>	<b>19</b>	<b>(13)</b>	<b>21</b>	<b>290</b>
<b>in subsidiaries</b>						
Address Software Srl	1	0	0	-	-	1
Ecomind Srl	-	1	0	-	(1)	-
Kipoint SpA	2	-	1	(0)	-	3
Indabox Srl	0	-	0	-	-	1
<b>Total subsidiaries</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>(0)</b>	<b>(1)</b>	<b>4</b>
<b>Total</b>	<b>267</b>	<b>1</b>	<b>20</b>	<b>(13)</b>	<b>20</b>	<b>294</b>

\* The values shown in the table are rounded in millions of euros (without decimal places). It follows that the sum of the amounts may not coincide with the rounded totals.

The item Investments in associates (valued using the equity method) mainly refers to the companies Anima Holding, Financit, Replica SIM and sennder Italia. The most significant changes during the year are shown below:

- net positive adjustment of the carrying amount of the investment in Anima Holding S.p.A; approximately €6 million, of which: an increase of approximately €15 million for the share of the economic results achieved by the investee between 30 September 2022 and 30 September 2023, the date of the last available financial statements, and a decrease of €8 million due to the effect of dividends received from the result for 2022;
- registration of the stake in sennder Italia worth €21 million. The company was classified as an investment in associates following the loss of control in the renegotiation of the partnership with sennder Technologies. In



accordance with IFRS 10, the residual associated stake in sender Italia was recognised at fair value at the time of loss of control.

As required by IFRS, equity investments were subjected to an impairment test in order to verify whether there is objective evidence that their carrying amount is not fully recoverable, and no need for value adjustments emerged.

The method applied and the criteria used in conducting impairment tests of Anima Holding at 31 December 2023, are described in note 2.6 – Use of estimates, with regard to the impairment testing of goodwill, cash generating units and investments.

A list of subsidiaries, joint ventures and associates accounted for using the equity method is provided in Additional information – Scope of companies and key information on investments (note 13).

## A6 - FINANCIAL ASSETS (€237,159 million)

tab. A6 - Financial assets

Description (€m)	Balance at 31.12.23			Balance at 31.12.22			
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	Changes
Financial assets at amortised cost	32,049	13,054	45,103	29,483	16,812	46,295	(1,192)
Financial assets at FVTOCI	122,369	17,226	139,594	114,031	16,204	130,235	9,359
Financial assets at FVTPL	47,058	1,147	48,205	42,573	929	43,501	4,704
Derivative financial instruments	4,180	77	4,257	5,764	346	6,110	(1,853)
<b>Total</b>	<b>205,656</b>	<b>31,503</b>	<b>237,159</b>	<b>191,850</b>	<b>34,290</b>	<b>226,141</b>	<b>11,018</b>
<i>of which Financial Activities</i>	<i>64,414</i>	<i>15,642</i>	<i>80,056</i>	<i>61,914</i>	<i>21,327</i>	<i>83,241</i>	<i>(3,185)</i>
<i>of which Insurance Activities</i>	<i>140,588</i>	<i>15,556</i>	<i>156,145</i>	<i>129,390</i>	<i>12,765</i>	<i>142,155</i>	<i>13,990</i>
<i>Of which Postal and Business Activities</i>	<i>647</i>	<i>6</i>	<i>653</i>	<i>539</i>	<i>1</i>	<i>540</i>	<i>113</i>
<i>Of which Payment Services and Card Payments Activities</i>	<i>7</i>	<i>299</i>	<i>306</i>	<i>8</i>	<i>198</i>	<i>206</i>	<i>100</i>

Financial assets by operating segment break down as follows:

## FINANCIAL ACTIVITIES

tab. A6.1 - Financial assets - Financial Services

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
<b>Financial assets at amortised cost</b>	<b>30,124</b>	<b>12,549</b>	<b>42,673</b>	<b>27,473</b>	<b>16,428</b>	<b>43,901</b>	<b>(1,228)</b>
Loans	-	1,769	1,769	-	1,358	1,358	411
Receivables	0	10,505	10,505	0	14,844	14,844	(4,339)
Deposits with the MEF	0	8,932	8,932	0	11,902	11,902	(2,970)
Receivables	-	8,937	8,937	-	11,907	11,907	(2,970)
Provisions for doubtful amounts deposited with MEF	0	(5)	(5)	0	(5)	(5)	0
Other financial receivables	-	1,574	1,574	-	2,942	2,942	(1,368)
Fixed income instruments	30,124	274	30,398	27,473	226	27,699	2,700
<b>Financial assets at FVTOCI</b>	<b>30,083</b>	<b>3,017</b>	<b>33,100</b>	<b>28,638</b>	<b>4,552</b>	<b>33,190</b>	<b>(90)</b>
Fixed income instruments	30,083	3,017	33,100	28,638	4,552	33,190	(90)
<b>Financial assets at FVTPL</b>	<b>26</b>	<b>-</b>	<b>26</b>	<b>40</b>	<b>-</b>	<b>40</b>	<b>(14)</b>
Equity instruments	26	-	26	40	-	40	(14)
<b>Derivative financial instruments</b>	<b>4,180</b>	<b>77</b>	<b>4,257</b>	<b>5,764</b>	<b>346</b>	<b>6,109</b>	<b>(1,853)</b>
<b>Total</b>	<b>64,414</b>	<b>15,642</b>	<b>80,056</b>	<b>61,914</b>	<b>21,327</b>	<b>83,241</b>	<b>(3,185)</b>

## Financial assets at amortised cost

Movements in financial assets measured at amortised cost are shown below:

tab. A6.1.1 - Movements in financial assets at amortised cost

Description (€m)	Loans and receivables	Fixed income instruments	Total
<b>Balance at 1 January 2023</b>	<b>16,203</b>	<b>27,699</b>	<b>43,901</b>
Purchases		2,754	2,754
Changes in amortised cost	-	(52)	(52)
Transfers to equity reserves	-	(76)	(76)
Changes in fair value through profit or loss	0	340	341
Changes in cash flow hedges (*)	-	53	53
Changes due to impairment		(5)	(5)
Net changes	(4,813)		(4,813)
Effects of sales on profit or loss	-	48	48
Accruals	5	233	238
Sales, redemptions and settlement of accruals		(595)	(595)
Other changes	881	-	881
<b>Balance at 31 December 2023</b>	<b>12,275</b>	<b>30,398</b>	<b>42,673</b>

(\*) The item, "Changes in cash flow hedges", relates to the purchase of forward contracts in relation to cash flow hedge transactions and reflects changes in the fair value of these forward contracts between the date of purchase of the derivative contract and the settlement date, with a matching entry in equity, in the cash flow hedge reserve.

## Loans and receivables

The item **Loans** refers to reverse repurchase agreements of €4,106 million (€4,575 million at 31 December 2022) mainly entered into with Cassa di Compensazione e Garanzia SpA (hereinafter CC&G) for the temporary use of liquidity from private funding. These transactions are guaranteed by securities for a total notional amount of €3,874 million. Financial assets and liabilities relating to repurchase agreements managed through the CC&G that meet the requirements of IAS 32

are offset. The effect of netting at 31 December 2023, already included in the exposure to net balances, amounted to €2,337 million (€3,217 million at 31 December 2022). At 31 December 2023, the fair value<sup>219</sup> of said item was €1,769 million.

**Receivables** include:

- **Deposits with the MEF**, for €8,937 million, including public customers' postal current account deposits, which earn a variable rate of return, calculated on a basket of government bonds<sup>220</sup>. The deposit has been adjusted to reflect accumulated impairments of approximately €5 million, to reflect the risk of counterparty default (unchanged compared to 31 December 2022). The decrease in deposits of €2,970 million was mainly due to the typical operations of some customers in the Public Administration, which generated a contraction in deposits from postal current accounts. During the financial year 2023, hedging (management) derivative contracts were concluded on the 10-year index-linked remuneration component. The hedging transaction (Cash flow hedge) was carried out through forward purchases of the 10-year BTP with settlement of the differential between the pre-set price of the security and its market value. These transactions, completed at 31 December 2023, generated positive effects of €5 million, which was recognised in profit or loss under the item Income from investment in postal current accounts and free cash.
- **Other financial receivables**, relating for €1,223 million to collateral deposits - of which €772 million for sums paid to counterparties for repo transactions on fixed income instruments (collateral under specific Global Master Repurchase Agreements), €323 million for sums paid to CC&G (€234 million for outstanding repo transactions and €89 million as a pre-funded contribution to the Default Fund<sup>221</sup>), €82 million for amounts paid to counterparties for interest rate swap transactions (collateral provided for in specific Credit Support Annexes) and €46 million in sums paid as collateral in relation to clearing systems with central counterparties for over-the-counter transactions in derivatives<sup>222</sup>.

The year-on-year decrease in guarantee deposits is mainly due to the reduction in amounts paid to counterparties with whom repo transactions are in place as a result of the combined effect of the change in the interest rate curve, which generated an increase in the fair value of the securities as collateral, and the lower amount of transactions outstanding at the date.

### Fixed income instruments

These are Eurozone fixed income instruments held by BancoPosta RFC, consisting of government securities issued by the Italian government and securities guaranteed by the Italian government with a nominal value of €30,877 million. Their carrying amount of €30,398 million reflects the amortised cost of unhedged fixed income bonds, totalling €19,325 million, the amortised cost of fair-value hedged fixed income bonds, totalling €13,017 million, decreased by €1,944 million to take into account the effects of the hedge (€2,714 in 2022). Fixed income instruments measured at amortised cost are adjusted to take into account the related impairments. Accumulated impairments at 31 December 2023 amount to approximately

<sup>219</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

<sup>220</sup> The variable rate in question is calculated as follows: 40% is based on the average return on six-month BOTs recognised monthly and the remaining 60% is based on the average ten-year BTP return recognised monthly.

<sup>221</sup> A guarantee fund established with payments from participants in the derivative, equity and bond markets, as a further guarantee for the transactions carried out. The fund can be used to meet the charges arising from any participant default.

<sup>222</sup> These are transactions carried out outside the regulated securities markets and therefore not subject to any specific regulation concerning the organisation and operation of the market itself.

€18 million (€13 million at 31 December 2022).

At 31 December 2023, the fair value<sup>223</sup> of these securities was €28,318 million (including €233 million in accrued income).

This category of financial asset includes fixed rate instruments, amounting to nominal €3,000 million, issued by Cassa Depositi e Prestiti SpA and guaranteed by the Italian government (at 31 December 2023, their carrying amount totals €2,889 million).

### Financial assets at fair value through other comprehensive income

Movements in financial assets at fair value through other comprehensive income (FVTOCI) are shown below:

**tab. A6.1.2 - Movements in financial assets at FVTOCI**

Description (€m)	Fixed income instruments	Total
<b>Balance at 1 January 2023</b>	<b>33,190</b>	<b>33,190</b>
Purchases	3,841	3,841
Transfers to equity reserves	0	0
Changes in amortised cost	36	36
Changes in fair value through equity	1,940	1,940
Changes in fair value through profit or loss	383	383
Changes in cash flow hedges (*)	242	242
Effects of sales on profit or loss	110	110
Accruals	254	254
Sales, redemptions and settlement of accruals	(6,895)	(6,895)
<b>Balance at 31 December 2023</b>	<b>33,100</b>	<b>33,100</b>

(\*) The item, "Changes in cash flow hedges", relates to the purchase of forward contracts in relation to cash flow hedge transactions and reflects changes in the fair value of these forward contracts between the date of purchase of the derivative contract and the settlement date, with a matching entry in equity, in the cash flow hedge reserve.

### Fixed income instruments

These are Eurozone fixed income Government securities, consisting of government bonds, especially issued by the Italian government, held mainly by BancoPosta RFC, with a nominal value of €34,892 million.

Total fair value fluctuation for the year in question was positive for €2,323 million, with €1,940 million recognised in the relevant equity reserve in relation to the portion of the portfolio not hedged by fair value hedges, and €383 million recognised through profit or loss in relation to the hedged portion.

Accumulated impairments at 31 December 2023 amount to €19 million (€16 million at 31 December 2022). The decrease in this item is mainly due to higher sales/reimbursements made during the year compared to purchases, partially offset by the positive change in fair value mentioned above.

Certain securities are encumbered as they have been delivered to counterparties for use as collateral in connection with loans and hedging transactions, as described in note 13 – *Additional information*.

<sup>223</sup> In terms of the fair value hierarchy, which reflects the relevance of the sources used to measure assets, €25,231 million of the total amount qualifies for inclusion in Level 1 and €3,087 million for inclusion in Level 2.

## Financial assets at fair value through profit or loss

### Equity instruments

The item in question refers to the fair value of 32,059 Visa Incorporated preference shares (Series C Convertible Participating Preferred Stock). These shares are convertible at the rate of 3.634<sup>224</sup> ordinary shares for each C share, minus a suitable illiquidity discount.

Net fair value gains in the year under review, amounting to €6 million, have been recognised in profit or loss in the items Income and Expenses from financial activities.

In addition, two separate forward sales contracts were concluded during the financial year 2023:

- the forward sale of 101,900 Visa Incorporated ordinary shares<sup>225</sup>, settled on 3 April 2023, for a total consideration of €20.8 million with insignificant effects on the statement of profit or loss;
- the outstanding forward sale of 95,000 Visa Incorporated ordinary shares with a total consideration of €20.5 million and a settlement date of 3 March 2025<sup>226</sup>. Fair value fluctuations in the year under review, amounting to a negative €2.6 million, have been recognised in profit or loss in "Expenses from financial activities".

## Derivative financial instruments

### A6.1.3 - Derivative financial instruments

Description (€m)	Balance at 31.12.2023		Balance at 31.12.2022	
	Nominal	Fair value	Nominal	Fair value
Cash flow hedges				
Forward purchases of securities	-	-	3,433	(92)
Forward sales	-	-	1,099	346
Interest rate swaps	3,287	(513)	2,943	(531)
Fair value hedges				
Interest rate swaps on securities at FVTOCI and AC	25,031	3,718	27,940	5,571
Interest rate swaps on repos	3,996	(83)	3,996	(155)
FVTPL				
Forward sales	0	(3)	0	(4)
<b>Derivative financial instruments</b>	<b>32,314</b>	<b>3,119</b>	<b>39,411</b>	<b>5,135</b>
Of which:				
Derivative assets	19,665	4,257	27,404	6,109
Derivative liabilities	12,649	(1,138)	12,007	(975)

Interest rate swap cash flow hedges relate exclusively to securities valued at FVTOCI.

Interest rate risk cash flow hedges recorded a net negative change of €236 million during the year, of which €80 million related to the net positive change in fair value of the effective component of the hedge, reflected in the cash flow hedge reserve, and €316 million related to the net negative change in completed transactions<sup>227</sup> during the year and the ineffective component of hedging contracts.

<sup>224</sup> Until the assigned shares are fully converted into ordinary shares, the share exchange ratio may be reduced if Visa Europe Ltd. incurs liabilities that, at the reporting date, were considered as merely contingent.

<sup>225</sup> On 20 March 2023, the 1,019 shares of Series A Preferred Stock held at 31 December 2022 were converted into ordinary shares, based on the conversion ratio of 100 ordinary shares for every share of Class A Preferred Stock.

<sup>226</sup> The ordinary shares involved in the forward sale amount to approximately 26,207 Visa Incorporated (series C) preference shares held in portfolio at the applicable conversion rate at 31 December 2023.

<sup>227</sup> Transactions settled include forward transactions settled, accrued differentials and the settlement of interest rate swaps linked to securities sold.

Fair value hedges in interest rate swaps are used to hedge:

- securities measured at amortised cost with a nominal value of €12,011 million and securities measured at FVTOCI with a nominal value of €13,020 million; in total, they underwent a net negative change of €1,853 million during the year, of which €538 million related to the net negative change in fair value of the effective component of the hedge and €1,315 million related to the net negative change in transactions completed during the year and the ineffective component of hedging contracts;
- repurchase agreements classified at amortised cost with a nominal value of €3,996 million, whose net positive change was €72 million, of which €32 million related to the net positive change in fair value of the effective hedging component and €40 million related to the net positive change in completed transactions.

In the year under review, the Parent Company carried out the following transactions:

- settlement of forward purchases of securities outstanding at 1 January 2023 for a nominal value of €3,433 million;
- forward purchases of securities to hedge, as of 1 January 2023, the yield of the MEF Deposit and settlement for a nominal amount of €290 million;
- settlement of forward sales of securities outstanding at 1 January 2023 for a nominal value of €1,099 million;
- the stipulation of new cash flow interest rate swaps with a nominal value of €484 million and the adjustment of those outstanding on 1 January 2023 for a nominal amount of €140 million;
- the stipulation of new fair value interest rate swaps to hedge the securities portfolio with a nominal value of €3,596 million;
- early settlements of fair value hedge interest rate swaps with a nominal value of €6,505 million (of which: €980 million related to hedging transactions for which the underlying security was also sold, €3,015 million related to hedging transactions without sale of the underlying security, and €2,510 million related to hedging transactions for which new asset swaps were entered into) with the aim of consolidating a fixed yield in line with the market situation, while at the same time improving the income profile of a portion of the portfolio for subsequent years.

## INSURANCE ACTIVITIES

**tab. A6.2 - Financial assets - Insurance Services**

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	1,922	200	2,123	2,008	185	2,193	(70)
Receivables	0	54	55	-	34	34	21
Fixed income instruments	1,922	146	2,068	2,008	151	2,159	(91)
Financial assets at FVTOCI	91,643	14,209	105,852	84,850	11,651	96,501	9,351
Fixed income instruments	91,638	14,209	105,847	84,348	11,651	95,999	9,848
Other investments	-	-	-	501	0	502	(502)
Equity instruments	5	-	5	-	-	-	5
Financial assets at FVTPL	47,023	1,147	48,170	42,532	929	43,461	4,709
Receivables	-	-	-	-	110	110	(110)
Fixed income instruments	2,211	353	2,564	1,959	326	2,285	279
Units of mutual investment funds	44,790	308	45,098	40,552	229	40,781	4,318
Equity instruments	1	485	486	-	264	264	222
Other investments	21	1	22	21	0	21	1
<b>Total</b>	<b>140,588</b>	<b>15,556</b>	<b>156,145</b>	<b>129,390</b>	<b>12,765</b>	<b>142,155</b>	<b>13,990</b>

## Financial assets at amortised cost

Movements in financial assets measured at amortised cost are shown below:

**tab. A6.2.1 - Movements in financial assets at amortised cost**

Description (€m)	Loans and receivables	Fixed income instruments	Total
<b>Balance at 1 January 2023</b>	<b>34</b>	<b>2,159</b>	<b>2,193</b>
Purchases		38	38
Changes in amortised cost	-	5	5
Changes in fair value through profit or loss	-	(0)	(0)
Changes in cash flow hedges	-	-	-
Changes due to impairment	-	-	-
Net changes	20		20
Effects of sales on profit or loss	-	(0)	(0)
Accruals	-	18	18
Sales, redemptions and settlement of accruals		(151)	(151)
<b>Balance at 31 December 2023</b>	<b>55</b>	<b>2,068</b>	<b>2,123</b>

## Receivables

Financial receivables of €55 million mainly regard receivables for management commissions of Poste Vita internal funds.

## Fixed income instruments

Fixed income instruments at amortised cost at 31 December 2023 have a carrying amount of €2,068 million. These instruments mainly relate to the free capital of Poste Vita SpA and Poste Assicura SpA. At 31 December 2023, the fair value<sup>228</sup> of these securities amounted to €1,888 million.

Fixed income instruments measured at amortised cost are adjusted to take into account the related impairments. Accumulated impairments at 31 December 2023 amount to approximately €0.9 million (€0.9 million at 31 December 2022).

<sup>228</sup> In terms of the fair value hierarchy, which reflects the relevance of the sources used to conduct the measurements, €1,831 million of the total amount qualifies for inclusion in Level 1, €55 million for inclusion in Level 2 and €2 million in Level 3.

## Financial assets at fair value through other comprehensive income

Movements in financial assets at fair value through other comprehensive income are shown below:

**tab. A6.2.2 - Movements in financial assets at FVTOCI**

Description (€m)	Fixed income instruments	Other investments	Equity instruments	Total
<b>Balance at 1 January 2023</b>	<b>95,999</b>	<b>502</b>	<b>0</b>	<b>96,501</b>
Change in scope of consolidation	198	0	2	201
Purchases	18,353	0	3	18,356
Transfers to equity reserves	2	(1)	0	1
Changes in amortised cost	630	(0)	0	630
Changes in fair value through equity	5,749	0	(0)	5,748
Effects of sales on profit or loss	(34)	0	0	(34)
Accruals	899	0	0	899
Sales, redemptions and settlement of accruals	(15,948)	(501)	0	(16,449)
<b>Balance at 31 December 2023</b>	<b>105,847</b>	<b>0</b>	<b>5</b>	<b>105,852</b>

These financial instruments recorded a positive change in fair value of €5,749 million, of which €5,532 million contributed to the revaluation of insurance liabilities.

### Fixed income instruments

At 31 December 2023, these securities relate to investments held by Poste Vita SpA for €105,087 million (a nominal value of €113,663 million) represented by instruments by European governments and leading European companies. These securities are used to hedge products related to Separately Managed Accounts in the amount of €101,779 million. The item in question comprises bonds issued by CDP SpA, with a fair value of €121 million. Accumulated impairment at 31 December 2023 amounts to approximately €55 million, almost entirely reflected in insurance liabilities.

In addition, following the consolidation of Net Insurance and Net Insurance Life, fixed income instruments increased by about €246 million, mainly relating to listed instruments issued by European states and leading European companies.

### Other investments

At 31 December 2023, this item was nil as the private placement of the Constant Maturity Swap from Cassa Depositi e Prestiti was fully repaid in December.

## Financial assets at fair value through profit or loss

Below are the movements in financial assets at fair value through profit or loss:



**tab. A6.2.3 - Movements in financial assets at FVTPL**

Description (€m)	Receivables	Fixed income instruments	Other investments	Units of mutual investment funds	Equity instruments	Total
<b>Balance at 1 January 2023</b>	<b>110</b>	<b>2,285</b>	<b>21</b>	<b>40,781</b>	<b>264</b>	<b>43,461</b>
Change in scope of consolidation	-	3	-	25	2	30
Purchases		349	-	3,866	367	4,583
Changes in fair value through profit or loss	-	156	1	2,379	62	2,598
Net changes	(110)					(110)
Effects of sales on profit or loss	-	5	-	75	38	118
Accruals	-	38	1	-	-	39
Sales, redemptions and settlement of accruals		(273)	(0)	(2,027)	(248)	(2,548)
<b>Balance at 31 December 2023</b>	<b>-</b>	<b>2,564</b>	<b>22</b>	<b>45,098</b>	<b>486</b>	<b>48,170</b>

**Fixed income instruments**

At 31 December 2023, fixed income instruments amounting to €2,564 million were held almost exclusively by Poste Vita and mainly consisted of corporate instruments issued by primary issuers and used to hedge products linked to Separately managed accounts amounting to €2,118 million.

**Units of mutual investment funds**

At 31 December 2023, units of mutual investment funds amounting to €45,098 million include around €33,165 million to cover Class I separately managed account products and €11,908 million to cover Class III policies. The remainder relates to investment of Poste Vita's free capital (see note 13 – *Additional information - Unconsolidated structured entities*). Net investment in the funds during the period in question amounts to €1,839 million and the fair value has increased by approximately €2,379 million, an effect that almost contributed entirely to the revaluation of insurance liabilities. At 31 December 2023, the investments in UCITS (including multi-asset funds) amounted to €40,810, units in mutual real estate funds totalled €2,251 million, while mutual funds that primarily invest in bonds came to €2,017 million.

In addition, following the consolidation of Net Insurance and Net Insurance Life, the item increased by approximately €21 million, mainly related to units in private debt mutual funds.

Of the total amount of mutual funds in which Poste Vita SpA invests, an amount of around €7 billion refers to funds whose investment policies consider environmental, social and governance factors (ESG factors).

**Equity instruments**

Equity instruments amounted to €486 million, and are held primarily by the company Poste Vita and pledged primarily to cover Class I products linked to separately managed accounts and Class III policies. The change over the period reflects the combined effect of net investments of approximately €120 million and the registration of income of €100 million.

**Other investments**

Other investments of €22 million relate to a Constant Maturity Swap placed by Cassa Depositi e Prestiti and held by Poste Vita (a nominal value of €22 million) and covering products linked to separately managed accounts.

**Derivative financial instruments**

At 31 December 2023, there were no derivative transactions.

## POSTAL AND BUSINESS ACTIVITIES

tab. A6.3 - Financial assets - Postal and Business Services

Description (€m)	Balance at 31.12.23			Balance at 31.12.22			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	2	6	8	2	1	3	6
Loans	-	1	1	-	(0)	(0)	1
Receivables	2	1	3	2	1	3	0
Due from the purchasers of service accommodation	2		2	2	1	3	(1)
Due from Others	-	20	20	-	20	20	0
Provisions for doubtful financial debts	(0)	(20)	(20)	(0)	(20)	(20)	(0)
Financial assets at FVTPL	9	-	9	(0)	-	(0)	9
Bond	9	-	9	(0)	-	(0)	9
Financial assets at FVTOCI	636	0	636	536	0	536	100
Fixed income instruments	99	0	99	91	0	91	8
Equity instruments	537	-	537	445	-	445	92
Derivative financial instruments	0	0	0	0	0	0	(0)
<b>Total</b>	<b>647</b>	<b>6</b>	<b>653</b>	<b>539</b>	<b>1</b>	<b>540</b>	<b>113</b>

## Financial assets at amortised cost

Amounts due from others, with a nominal value of €20 million, regard the remaining amount due from Invitalia S.p.A. as a result of the sale of Banca del Mezzogiorno-MedioCreditoCentrale S.p.A. (BoM).

## Financial assets at fair value through other comprehensive income

tab. A6.3.1 - Movements in financial assets at FVTOCI

Description (€m)	Fixed income instruments	Equity instruments	Total
<b>Balance at 1 January 2023</b>	91	445	<b>536</b>
Purchases	-	3	3
Transfers to equity reserves	-	-	-
Changes in amortised cost	2	-	2
Changes in fair value through equity	6	(4)	2
Effects of sales on profit or loss	-	-	-
Accruals	0	-	0
Extraordinary transactions	-	93	93
Sales, redemptions and settlement of accruals	(0)	-	(0)
<b>Balance at 31 December 2023</b>	<b>99</b>	<b>537</b>	<b>636</b>

## Fixed income instruments

This item includes one Italian government bond with a nominal value of €110 million purchased during 2022. The fluctuation in fair value at 31 December 2023 was positive for €6 million and recognised in the specific equity reserve.

## Equity instruments

**tab. A6.3.2 - Shares at FVTOCI**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.22	Changes
Moneyfarm Holding L.t.d.	55	57	(1)
sennder Technologies GmbH	112	19	93
Scalapay Limited	25	25	-
Nexi	345	343	2
Milkman S.p.A	-	2	(2)
<b>Total</b>	<b>537</b>	<b>445</b>	<b>92</b>

The shares at FVTOCI amounted to €537 million and, compared to the previous year (€445 million), changed due to the recognition of the additional share of sennder Technologies GmbH for €93 million acquired as part of the renegotiation of the partnership, for details of which see section 2.8. Main changes to the scope of consolidation.

In July 2023, Poste Italiane participated in a new capital increase promoted by MFM Holding Ltd with an investment of €3 million.

The overall fluctuation in fair value of the item in question was negative for €4 million and recognised in the specific equity reserve.

Lastly, the item includes, for €75 million the investment in CAI SpA (formerly Alitalia CAI SpA), acquired in 2013 and fully written off in 2014.

Further details of the corporate transactions during the year are provided in note 3.1 – *Principal corporate actions*.

### Financial assets at fair value through profit or loss

The item includes a portion of the convertible bond issued by sennder Technologies GmbH and subscribed by Poste Italiane in July 2023 for about €8.5 million, representing the fair value at 31 December 2023, as well as participating financial instruments (pursuant to Article 2346, paragraph 6, of the Italian Civil Code) arising from the conversion of Contingent Convertible Notes<sup>229</sup> - issued by Midco SpA - whose value, at 31 December 2023, was zero.

### Derivative financial instruments

The following transactions took place during the year:

- stipulation and settlement of three commodity swaps for the operational hedging of fuel costs relating to the air transport of mail carried out via the subsidiary, Poste Air Cargo Srl;
- stipulation and settlement of forty-two non-deliverable forward contracts to operationally hedge the currency risk (euro/dollar) mainly related to aircraft leasing fees for air mail transport carried out through the subsidiary Poste Air Cargo Srl.

Finally, in October 2023, a cash flow hedge interest rate swap contract entered into in 2013 to hedge the cash flows of a €50 million bond issued on 25 October 2013 (note B.8 Financial liabilities) reached maturity. The closing of the derivative resulted in the release to the statement of profit or loss, recognised under Finance Income, of the cash flow hedge reserve

<sup>229</sup> These are Contingent Convertible Notes with an original value of €75 million, a twenty-year term to maturity and issued by Midco SpA, which in turn owns 51% of the company Alitalia SAI SpA. The Notes were subscribed by Poste Italiane SpA in December 2014, as part of the transaction aimed at Etihad Airways' acquisition of an equity interest in Alitalia SAI. On the fulfilment of certain negative pledge conditions, in 2017 the loan was converted into participating financial instruments (as defined by art. 2346, paragraph 6 of the Italian Civil Code), carrying the same rights associated with the Notes.

of approximately €6 million, which was established as of 25 October 2015, the date from which the cash flow hedge became operative.

## PAYMENT SERVICES AND CARD PAYMENTS ACTIVITIES

**tab. A6.4 - Financial assets - Payment Services and Card Payments Services**

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Change s
	Non-current assets	Current assets	Tota l	Non-curren t assets	Curren t assets	Tota l	
Financial assets at amortised cost	0	299	299	0	198	198	101
Receivables	0	299	299	0	198	198	101
Financial assets at FVTOCI	7	0	7	8	0	8	(1)
Equity instruments	7	0	7	8	0	8	(1)
Financial assets at FVTPL	1	0	1	0	0	0	1
Convertible bond	1	0	1	0	0	0	1
<b>Total</b>	<b>7</b>	<b>299</b>	<b>306</b>	<b>8</b>	<b>198</b>	<b>206</b>	<b>100</b>

### Financial assets at amortised cost

Financial assets at amortised cost mainly refer to receivables from international settlement circuits for the acquiring service and to items in progress to be settled on prepaid cards of the EMI assets.

### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income refer entirely to the investment in the company Volantè.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss refer entirely to the convertible bond loan entered into with Volantè Technologies Inc. in July 2023.

For further information in this regard, see Note 3.1 - *Principal corporate actions*.

## A7 - INVENTORIES (€172 million)

**tab. A7 - Inventories**

Description (€m)	Balance at 31.12.2022	Changes recognised in profit or loss	Balance at 31.12.2023
Properties held for sale	129	8	136
Work in progress, semi-finished and finished goods and goods for resale	20	8	28
Raw, ancillary and consumable materials	9	(1)	8
<b>Total</b>	<b>157</b>	<b>15</b>	<b>172</b>

Properties held for sale refer entirely to the portion of EGI SpA's real estate portfolio to be sold, whose fair value<sup>230</sup> at 31 December 2023 amounts to approximately €280 million.

At the closing date of these financial statements, work in progress, semi-finished and finished goods and merchandise included about €4 million of final inventories related to environmental certificates held by Poste Air Cargo SpA and Postepay SpA that were previously purchased and not used during the reporting period.

## A8 - TRADE RECEIVABLES (€2,407 million)

tab. A8 - Trade receivables

Description	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Due from customers	3	2,150	2,152	3	1,916	1,919	233
Due from Parent Company (MEF)	-	249	249	-	257	257	(7)
Due from subsidiaries, associates and joint ventures	-	6	6	-	5	5	2
Prepayments to suppliers	-	0	0	-	0	0	(0)
<b>Total</b>	<b>3</b>	<b>2,404</b>	<b>2,407</b>	<b>3</b>	<b>2,179</b>	<b>2,182</b>	<b>225</b>

### Due from customers

tab. A8.1 - Due from customers

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Ministries and Public Administration entities	-	563	563	-	581	581	(18)
Cassa Depositi e Prestiti	-	247	247	-	21	21	226
Due from private individuals for parcel delivery services	-	505	505	-	493	493	12
Due from private individuals for mail services	-	379	379	-	395	395	(16)
Overseas counterparties	-	323	323	-	386	386	(64)
Overdrawn current accounts	-	45	45	-	40	40	5
Amounts due for other BancoPosta services	-	58	58	-	62	62	(4)
Other amounts due from customers	3	558	561	3	453	457	104
Provisions for doubtful debts due from customers	(0)	(529)	(529)	(0)	(517)	(517)	(13)
<b>Total</b>	<b>3</b>	<b>2,150</b>	<b>2,152</b>	<b>3</b>	<b>1,916</b>	<b>1,919</b>	<b>233</b>

The increase in Due from customers is mainly attributable to the increase in amounts due from Cassa Depositi e Prestiti for amounts accrued to be invoiced at the relevant date, based on the Supplementary and Amending Deed of 30 January 2024, effective retroactively from 1 January 2023 to 31 December 2023, to the Agreement with Cassa Depositi e Prestiti renewed on 23 December 2021 for the period 2021-2024.

Specifically<sup>231</sup>:

- Amounts due from **Ministries and Public Administration entities** refer mainly to the following services:

<sup>230</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

<sup>231</sup> At 31 December 2023, the balance of trade receivables includes €8 million, net of the related provisions for doubtful debts, relating to rental income falling within the scope of IFRS 15 – Revenue from Contracts with Customers.

- Compensation for Publisher tariff subsidies, due from the Cabinet Office – Publishing Department, amounting to €215 million, of which €55 million accrued during the year. At 31 December 2023, these receivables are shown gross of the collection of an unavailable amount of €195 million, relating to the tariff subsidies applied in 2020, 2021, 2022 and until the third quarter of 2023, deposited by the Cabinet Office - Publishing Department, in a non-interest-bearing account held by the Company with the State Treasury and for this reason recorded under Payables for advances received. On 29 January 2024, the European Commission, in the matter of State aid, anticipated the formal decision to authorise the compensatory mechanism in favour of Poste Italiane for the tariff subsidies granted to publishing companies; consequently, with the communication of 31 January 2024, the Cabinet Office, in consideration of the need to guarantee the economic sustainability of the postal service for the delivery of publishing publications at subsidised rates, authorised the release of the credited sums. In December 2023, €13 million was collected related to tariff subsidies charged in the years 2018-2019.
  - Integrated Notification and mailroom services rendered to central and local government authorities, amounting to €51 million.
  - Reimbursement of building, vehicle and security costs, postage and other services incurred on behalf of the Ministry of Enterprise and Made in Italy (MIMIT)<sup>232</sup> in the amount of €51 million. This receivable is made up for the remaining €28 million of the original €62 million receivable for charges arising from the use of real estate and other services provided until 2012. This position, which was the subject of a legal dispute between the parties, in compliance with the first instance ruling, was partially collected in 2021 for €34 million. The supplement to the balance consists of €23 million and, during 2022, following joint audits, the charges arising from the use of real estate by MIMIT, in the period 2013 - 2021, for a total value of approximately €15 million, were defined.
  - Mail forwarding and notification services provided following a tender procedure for a total of €49 million.
  - Market Registered Mail services, totalling €33 million, provided to central and local government entities.
  - Unfranked mail services, totalling €18 million, provided to central and local Public Administrations.
  - The payment of pensions and vouchers on behalf of INPS (the National Institute of Social Security), totalling €11 million.
- Amounts due from **Cassa Depositi e Prestiti** refer to fees for BancoPosta RFC's Postal savings deposits service and still not paid.
  - Amounts due for **parcel delivery services** relate mainly to shipments carried out by the Parent Company and services provided by the subsidiary SDA Express Courier SpA.
  - Amounts due for **mail services** refer to receivables mainly owed to the Parent Company from private customers who use the "delivery and mailing" range of services.
  - Amounts due from **overseas counterparties** primarily relates to postal services carried out for overseas postal operators.
  - Amounts due for **overdrawn current accounts** derive almost exclusively from overruns due to the debiting of BancoPosta's periodic fees.
  - Amounts due for **other BancoPosta services** mainly refer to intermediation services (banking, personal loans, mortgages) provided.

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Former Ministry of Economic Development.

## Due from the Parent Company

This item relates to trade receivables due to the Parent Company from the Ministry of the Economy and Finance.

**tab. A8.2 - Due from the Parent Company**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Remuneration of current account deposits	218	227	(8)
Universal Service	31	31	-
Delegated services	30	30	(1)
Publisher tariff and electoral subsidies	1	1	-
Others	2	1	0
Provision for doubtful debts due from the Parent Company	(33)	(33)	(0)
<b>Total</b>	<b>249</b>	<b>257</b>	<b>(8)</b>

Specifically:

- The **remuneration of current account deposits** refers almost entirely to amounts accrued in 2023 and entirely relates to the deposit of funds deriving from accounts opened by Public Administration entities and attributable to BancoPosta RFC. The increase compared to 31 December 2022 is mainly due to the rise in the interest rate curve.
- Receivables for **Universal Service** compensation includes:

**tab. A8.2.1 - Universal Service compensation receivable**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Remaining balance for 2012	23	23	-
Remaining balance for 2005	9	9	-
<b>Total</b>	<b>31</b>	<b>31</b>	<b>-</b>

In the year under review, the Group received €262 million in accrued compensation for the period. The amount of compensation was recognised based on the terms of the new 2020-2024 Service Contract, effective 1 January 2020.

With reference to the amount receivable for 2012, AGCom has recognised a net cost incurred by the Company of €327 million, compared with compensation of €350 million originally recognised. Provision has not been made in the state budget for the remaining €23 million. On 13 November 2014, the Company appealed AGCom's decision before the Regional Administrative Court (TAR).

The outstanding receivable relating to compensation for 2005 was subject to cuts in the budget laws for 2007 and 2008.

Provisions for doubtful debts have been made for the full amount of the above receivables.

- Amounts due for **delegated services** refer exclusively to the amount accrued in 2023 and relating to the remuneration of services performed by BancoPosta on behalf of the state in accordance with a special agreement with the MEF, expired on 19 May 2023 for the two-year period 2023-2024.
- Receivables arising from **electoral subsidies** refer to compensation for previous years, for which no provision has been made in the state budget.

## Impairment of trade receivables

Movements in the **expected provisions for doubtful debts** (due from customers and the Parent Company) are as follows:

**tab. A8.3 - Movements in provisions for doubtful debts due from customers**

Description (€m)	Balance at 31.12.2022	Net provisions	Uses	Balance at 31.12. 2023
Private customers	333	34	(25)	342
Public administration entities	84	(2)	(3)	79
Overseas postal operators	12	(1)	-	11
	<b>429</b>	<b>30</b>	<b>(28)</b>	<b>432</b>
Interest on late payments	88	26	(17)	98
Due from the Parent Company	33	0	-	33
<b>Total</b>	<b>550</b>	<b>57</b>	<b>(44)</b>	<b>562</b>

Net provisions of €34 million mainly refer to receivables subject to bankruptcy proceedings and receivables entrusted to the legal department for recovery. Utilisations for the year mainly refer to the write-off of receivables following the conclusion of bankruptcy proceedings and agreements, and to the write-off of receivables for current accounts with a debtor balance, for which it was ascertained that recovery actions were not cost effective, also taking into account the small amount of the individual credit positions.

The provisions for doubtful debts due from the MEF reflect the absence of funds in the state budget, meaning it is not possible to collect certain amounts receivable, recognised on the basis of legislation or contracts and agreements in effect at the time of recognition, largely relating to the Universal Service.

For the sake of completeness, the following tables present details of the gross carrying amount and the provision to cover expected losses for each class of **trade receivables**. This detail is provided separately depending on whether the model used to estimate the ECL is based on an analytical or a lump-sum valuation. For more details on the inputs, assumptions and estimation techniques used to calculate the impairment of financial assets, as well as for information on how collateral and other credit risk mitigation instruments are considered in the calculation of the provisions for doubtful trade debts, see *Note 2.6 - Use of estimates - Impairment and stage allocation for financial instruments*.

**Poste Italiane Group - Credit risk - Trade receivables impaired on the analytical basis**

(€m)

Description	31.12.2023		31.12.2022	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Trade receivables				
Due from customers	1,503	(234)	1,065	(231)
Cassa Depositi e Prestiti	248	(0)	22	(0)
Ministries and Public Administration entities	416	(55)	411	(53)
Overseas counterparties	217	(0)	97	(0)
Private customers	623	(179)	535	(178)
Due from the Parent Company	279	(33)	288	(33)
Due from others	6	-	4	-
<b>Total</b>	<b>1,788</b>	<b>(268)</b>	<b>1,357</b>	<b>(265)</b>



### Poste Italiane Group - Credit risk - Trade receivables impaired on the basis of the provision matrix

Range of past due (€m)	31.12.2023		31.12.2022	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Not past due trade receivables	661	(16)	770	(14)
Past due 0 - 1 year	122	(15)	216	(12)
Past due 1 - 2 years	61	(15)	71	(13)
Past due 2 - 3 years	51	(12)	48	(8)
Past due 3 - 4 years	29	(8)	27	(16)
Past due > 4 years	53	(45)	64	(63)
Positions subject to legal recovery and/or insolvency proceedings	204	(183)	177	(159)
<b>Total</b>	<b>1,181</b>	<b>(295)</b>	<b>1,374</b>	<b>(285)</b>

### A9 - OTHER RECEIVABLES AND ASSETS (€5,135 million)

tab. A9 - Other receivables and assets

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Substitute tax paid	4,033	625	4,658	4,060	585	4,645	13
Due from social security agencies and pension funds (excl. fixed-term contract settlements)	-	73	73	-	138	138	(65)
Receivables relating to fixed-term contract settlements	33	73	107	36	76	112	(5)
Receivables for amounts that cannot be drawn on due to court rulings	-	58	58	-	71	71	(13)
Accrued income and prepaid expenses from trading transactions	-	62	62	-	32	32	30
Tax assets	-	78	78	-	88	88	(9)
Interest accrued on IRES refund	-	46	46	-	46	46	(0)
Interest accrued on IRAP refund	-	0	0	-	0	0	-
Sundry receivables	22	142	164	25	126	151	16
Provisions for doubtful debts due from others	(4)	(108)	(111)	(3)	(173)	(177)	62
<b>Total</b>	<b>4,084</b>	<b>1,051</b>	<b>5,135</b>	<b>4,118</b>	<b>986</b>	<b>5,106</b>	<b>29</b>

Specifically:

- **Substitute tax paid** refers mainly to:
  - €2,206 million on non-current receivables paid in advance by Poste Vita SpA for the financial years 2015-2021, relating to withholding and substitute tax paid on capital gains on life policies<sup>233</sup>;
  - €1,752 million charged to holders of Interest-bearing Postal Certificates in circulation and Class III and V insurance policies for stamp duty at 31 December 2023<sup>234</sup>; this amount is balanced by a matching entry in "Other taxes payable" until expiration or early settlement of the Interest-bearing Postal Certificates or the insurance policies, i.e. the date on which the tax is payable to the tax authorities (tab. B10.3);
  - €407 million relating to advances paid to the Tax authorities in relation to stamp duty to be paid in virtual form in 2024 and to be recovered from customers by Poste Italiane;
  - €96 million relating to stamp duty charged to holders of Postal Savings Books, which Poste Italiane SpA pays in virtual form as required by law;

<sup>233</sup> Of the total amount, a portion of €420 million, assessed on the basis of provisions at 31 December 2021, has yet to be paid and is accounted for in "Other taxes payable" (tab. B10.3).

<sup>234</sup> Introduced by article 19 of Law Decree 201/2011 converted with amendments by Law 214/2011 in the manner provided for by the MEF Decree of 24 May 2012: Manner of implementation of paragraphs from 1 to 3 of article 19 of Law Decree no. 201 of 6 December 2011, on stamp duty on current accounts and financial products (Official Journal 127 of 1 June 2012).

- €30 million in advances on withholding tax on interest paid to current account holders for 2023, which is to be recovered from customers.
- Due from **social security agencies and pension funds** totalling €73 million decreased compared to 31 December 2022, mainly as a result of the derecognition of receivables related to past items and the recovery of the residual amounts related to the periods of suspension or reduction of work for Covid-19 by means of a reconciliation with the contributions due to the Social Security Institute.
- **Receivables relating to fixed-term contract settlements** consist of salaries to be recovered following the agreements of 13 January 2006, 10 July 2008, 27 July 2010, 18 May 2012, 21 March 2013, 30 July 2015 and 19 June 2018 between Poste Italiane SpA and the labour unions, regarding the re-employment by court order of personnel previously employed on fixed-term contracts. This item refers to receivables with a present value of €102 million from personnel, from INPS and pension funds recoverable in the form of variable instalments, the last of which is due in 2042. The item also includes amounts due from INPS (formerly IPOST) of €42 million, covered by a specific agreement with IPOST dated 23 December 2009. Payment of this amount consists of six instalments of €6.9 million each, falling due between 30 June 2012 and 31 December 2014; negotiations are in progress with the debtor for their recovery.
- Receivables for **amounts that cannot be drawn on due to court rulings** refer to amounts attached and not assigned to creditors, which are in the process of being recovered. In January 2023, following the signing of a settlement agreement, the receivable of €12 million relating to sums embezzled from the Parent Company in December 2007 as a result of an attempted fraud and held at a foreign bank was collected.
- **Interest accrued on IRES refund**, refers to interest accruing up to 31 December 2023 on the IRES receivable arising from the failure to deduct personnel expenses for IRAP purposes, almost entirely attributable to the Parent Company. For the recovery of said receivable, two disputes were brought before the Provincial Tax Tribunal of Rome, which upheld Poste Italiane's appeals, ordering the Agenzia delle Entrate in Rome to refund the amounts claimed. The Agenzia delle Entrate have appealed both judgements before the Regional Tax Tribunal and, on 23 March 2018, the Tribunal upheld the Agenzia delle Entrate's appeal against one of the judgements (proceedings pursuant to Law Decree no. 201/2011). Poste Italiane has appealed this ruling before the Supreme Court of Cassation. On 5 July 2023, the judgement of the Court of Cassation in the case pursuant to Law Decree no. 201/2011 was published, in which the most relevant grounds of Poste Italiane's appeal were upheld concerning the starting date of the interest accrued on the IRES credit resulting from the non-deduction of labour costs for IRAP purposes. As a result of this ruling, the case will have to be resumed before the Tax Court of Second Instance to settle the amount of interest actually due to the Group. The judgement concerning Law Decree no. 185/2008 is currently pending before the Supreme Court of Cassation. Elements of uncertainty about the final outcome of the case are taken into account in the provision for doubtful debts due from others.
- **Accrued income and prepaid expenses from trading transactions** increased by €30 million compared to last year, mainly to the higher purchases by the subsidiary Postel of software licences.

Movements in the **provisions for doubtful debts due from others** are shown below:

**tab. A9.1 - Movements in Provisions for doubtful debts due from others**

Description (€m)	Balance at 31.12.2022	Net provisions	Uses	Balance at 31.12.2023
Interest accrued on IRES refund	45	(25)	-	20
Public Administration entities for sundry services	-	-	-	-
Receivables relating to fixed-term contract settlements	24	0	-	24
Other receivables	107	(0)	(40)	67

<b>Total</b>	<b>177</b>	<b>(25)</b>	<b>(40)</b>	<b>111</b>
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At 31 December 2023, the provisions for doubtful debts due from others included the release of about €25 million following the decision of the Court of Cassation relating to the proceedings pursuant to Law Decree no. 201/2011.

In addition, during the year under review, having ascertained the non-recoverability of certain prior items referring to labour costs, credit items were written off by using the provision.

## A10 - TAX CREDITS LAW NO. 77/2020 (€8,318 million)

### tab.A10 - Tax credits Law no. 77/2020

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Tax credits at amortised cost	6,534	1,784	8,318	7,458	1,563	9,021	(703)
<b>Total</b>	<b>6,534</b>	<b>1,784</b>	<b>8,318</b>	<b>7,458</b>	<b>1,563</b>	<b>9,021</b>	<b>(703)</b>
<i>of which Financial Activities</i>	6,246	1,665	7,911	7,127	1,473	8,600	(689)
<i>Of which Postal and Business Activities</i>	288	119	407	331	90	421	(14)

This item refers to tax credits acquired by Poste Italiane SpA against free capital resources or transferred to BancoPosta RFC for resources subject to and not subject to the restriction on their use, in accordance with the provisions of the Relaunch Decree (Law Decree no. 34/2020 converted with amendments by Law no. 77/2020) by which tax breaks were introduced to support Citizens and Businesses to encourage economic recovery following the Covid-19 health emergency.

These receivables are measured at amortised cost as they are acquired to be used primarily for the purpose of offsetting social security or tax payables, based on the provisions of the regulations issued with reference to the characteristics of the individual receivables.

Changes in these tax credits during 2023 are shown below:

Description (€m)	Carrying amount
<b>Balance at 1 January 2023</b>	<b>9,021</b>
Purchases	691
Changes in amortised cost	320
Other changes	(1,714)
<b>Balance at 31 December 2023</b>	<b>8,318</b>

The main changes in the year under review refer to:

- Purchases of €691 million, of which €518 million pertaining to BancoPosta RFC<sup>235</sup>;
- accrued income for the year amounting to €320 million, of which €309 million pertaining to BancoPosta RFC;
- other changes of €1,714 million, of which €1,682 million related to offsets during the year.

<sup>235</sup> With the conversion into Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021, BancoPosta RFC is allowed, as part of the 50% of its funding from private customers that can be invested in securities guaranteed by the Italian State, to use up to 30% of this portion to purchase transferable tax credits.

At 31 December 2023, the fair value<sup>236</sup> of tax credits at amortised cost is €7,823 million.

As part of the actions aimed at combating tax fraud perpetrated by third parties through the monetisation of tax credits, starting from the end of the 2021 financial year, a number of Public Prosecutors' Offices have implemented preventive seizures that, in some cases also involved tax credits acquired by Poste Italiane (some of which were subsequently released from seizure during the course of 2022) for a total nominal value of approximately €530 million at the date of preparation of these financial statements, against a value paid of roughly €451 million.

The Company has put in place an operational process aimed at constantly analysing the potential economic, financial and equity risks to which it could be exposed in the event that, following legal proceedings involving third parties, it is ascertained that part of the tax credits acquired over time are the result of fraudulent conduct perpetrated by the aforementioned third parties. In particular, a legal and accounting analysis was conducted to generally assess said risks and determine the accounting impact related to these potential risks, making reference to the provisions of IAS 37 - Provisions, Contingent Assets and Contingent Liabilities (as better illustrated in the section Use of estimates), as the possible non-recovery of the carrying amount of the tax credits would not derive from a characteristic of the asset being measured or from significant increases in the credit risk after the initial recognition of the asset or, more simply, from the ascertained default of the debtor, as envisaged by the impairment model set forth in IFRS 9, but rather from the possibility that, for those ascertained cases of fraud, the liability of the assignee - even if a third party in good faith or an offended party to the crime - will also be called to account for assumptions other than the possible irregular use of the tax credit or for a use in excess of the tax credit received. On the basis of the analyses carried out of all facts and circumstances known at the date of preparation of these financial statements, including, inter alia, requests for information received from the authorities (Public Prosecutor's Office and Agenzia delle Entrate) and orders issued by them, also with the support of external consultants, a provision of €80 million was recognised in the year 2023, bringing the provision - liability item "Provisions for risks and charges" - to €400 million.

It should be noted, however, that the current situation of significant uncertainty as to the possible outcome of the proceedings and initiatives under way by the Judicial Authorities and the Agenzia delle Entrate and the actions undertaken by the Company to protect its interests, necessarily entailed the use of a significant degree of professional judgement in determining the aforesaid provision; therefore, it cannot be excluded that it may be necessary to recognise further charges in the future.

## A11 – ASSETS FOR OUTWARD REINSURANCE (€233 million)

tab. A11- Assets for outward reinsurance

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022		
	GMM	PAA	Total	GMM-VFA	PAA	Total
Asset for remaining coverage	170	8	177	22	0	22
Asset for incurred claims	23	32	56	11	11	22
<b>Total</b>	<b>193</b>	<b>40</b>	<b>233</b>	<b>33</b>	<b>11</b>	<b>44</b>

This item relates to assets for outward reinsurance of the Group's insurance companies; the increase in assets of €189 million during the year is mainly attributable to the acquisition of the Net Group companies.

<sup>236</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 3.

The following table presents the reconciliation of the asset for remaining coverage and incurred claims related to outward reinsurance measured by the GMM method:

**tab. A11.1 - Assets/(liabilities) for outward reinsurance GMM**

Description (€m)	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding the loss recovery component	Loss recovery component		
Assets for outward reinsurance	22	-	11	33
Liabilities for outward reinsurance	-	-	-	-
<b>Net carrying amount at 1 January</b>	<b>22</b>	<b>-</b>	<b>11</b>	<b>33</b>
<b>Change in scope of consolidation</b>	<b>140</b>	<b>-</b>	<b>18</b>	<b>158</b>
Reinsurance premiums paid	(46)	-	-	(46)
Amounts recoverable from reinsurers				
<i>Recovery for incurred claims and Other insurance expenses</i>	(1)	-	43	41
<i>Losses and loss recovery on onerous contracts</i>	-	0	-	0
<i>Changes in the asset for incurred claims</i>	-	-	(2)	(2)
Effects of the change in default risk by reinsurers	0	-	(0)	0
<b>Result of insurance services</b>	<b>(48)</b>	<b>0</b>	<b>40</b>	<b>(7)</b>
Investment and premium refund components	-	-	-	-
Net financial revenue/costs	7	-	0	8
Effects associated with exchange rate changes	-	-	-	-
<b>Total changes recognised in the Statement of profit or loss and OCI</b>	<b>(40)</b>	<b>0</b>	<b>40</b>	<b>0</b>
Cash flows				
<i>Premiums paid net of amounts not related to claims recovered by reinsurers</i>	46	-	-	46
<i>Amount of claims recovered by reinsurers</i>	2	-	(47)	(45)
Other changes	-	-	-	-
<b>Net carrying amount at 31 December</b>	<b>170</b>	<b>0</b>	<b>23</b>	<b>193</b>
Assets for outward reinsurance	170	0	23	193
Liabilities for outward reinsurance	-	-	-	-

Again with regard to assets for outward reinsurance measured by the GMM method, a reconciliation is provided below, broken down by the elements underlying the measurement:

**tab. A11.2 - Assets/(Liabilities) for outward reinsurance GMM - Dynamics of elements underlying the measurement**

Description (€m)	Present value of cash flows	Adjustment for non- financial risks	Contractual service margin	Total
Assets for outward reinsurance	32	0	1	33
Liabilities for outward reinsurance	-	-	-	-
<b>Net carrying amount at 1 January</b>	<b>32</b>	<b>0</b>	<b>1</b>	<b>33</b>
<b>Change in scope of consolidation</b>	<b>136</b>	<b>13</b>	<b>8</b>	<b>158</b>
Changes in current services				
<i>Contractual service margin recognised in the statement of profit or loss</i>	-	-	(6)	(6)
<i>Change for overdue non-financial risks</i>	-	(4)	-	(4)
<i>Adjustments based on past experience</i>	2	-	4	6
Changes in future services				
<i>Changes in estimates that alter the contractual service margin</i>	2	(2)	(0)	0
<i>Effects of contracts initially recognised in the reporting period</i>	(19)	6	12	-
<i>CSM adjustment related to recoveries on initial recognition of onerous underlying insurance contracts</i>	-	-	0	0
<i>Release of loss recovery component other than changes in cash flows of outward reinsurance contracts</i>	-	-	-	-
<i>Change in cash flows of outward reinsurance from onerous underlying insurance contracts</i>	-	-	0	0
Changes in past services				
<i>Adjustments to the asset for incurred claims</i>	(2)	(0)	-	(2)
Effect of changes in default risk by reinsurers	0	-	-	0
<b>Result of insurance services</b>	<b>(17)</b>	<b>(1)</b>	<b>10</b>	<b>(7)</b>
Net financial revenue/costs	7	-	1	8
Effects associated with exchange rate changes	-	-	-	-
<b>Total changes in the Statement of profit or loss and OCI</b>	<b>(8)</b>	<b>(1)</b>	<b>11</b>	<b>2</b>
Cash flows				
<i>Premiums paid net of amounts not related to claims recovered by reinsurers</i>	46	-	-	46
<i>Amounts recovered from reinsurers</i>	(45)	-	-	(45)
Other changes	-	-	-	-
<b>Net carrying amount at 31 December</b>	<b>160</b>	<b>13</b>	<b>20</b>	<b>193</b>
Assets for outward reinsurance	160	13	20	193
Liabilities for outward reinsurance	-	-	-	-

The following table presents, instead, the reconciliation of the asset for remaining coverage and incurred claims related to outward reinsurance measured by the PAA method:

Finally, the following table shows the increase in assets for outward reinsurance broken down according to the type of event that generated them:

**tab. A11.3 - Assets/(liabilities) for outward reinsurance PAA**

Description (€m)	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding the loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risks	
Assets for outward reinsurance	0	-	10	1	11
Liabilities for outward reinsurance	-	-	-	-	-
<b>Net carrying amount at the beginning of the period</b>	<b>0</b>	<b>-</b>	<b>10</b>	<b>1</b>	<b>11</b>
Reinsurance premiums paid	(41)	-	-	-	(41)
Amounts recoverable from reinsurers					
<i>Recovery for incurred claims and Other insurance expenses</i>	-	-	10	-	10
<i>Losses and loss recovery on onerous contracts</i>	-	2	-	-	2
<i>Changes in the asset for incurred claims</i>	-	-	21	1	21
Effects of the change in default risk by reinsurers	-	-	0	-	0
<b>Result of insurance services</b>	<b>(41)</b>	<b>2</b>	<b>31</b>	<b>1</b>	<b>(8)</b>
Investment and premium refund components	-	-	-	-	-
Net financial revenue/costs related to outward reinsurance	-	-	0	-	0
Effects associated with exchange rate changes	-	-	-	-	-
<b>Total changes recognised in the Statement of profit or loss and OCI</b>	<b>(41)</b>	<b>2</b>	<b>31</b>	<b>1</b>	<b>(8)</b>
Cash flows					
<i>Premiums paid net of amounts not related to claims recovered by reinsurers</i>	47	-	-	-	47
<i>Amount of claims recovered by reinsurers</i>	-	-	(10)	-	(10)
Other changes	-	-	-	-	-
<b>Net carrying amount at 31 December</b>	<b>6</b>	<b>2</b>	<b>31</b>	<b>1</b>	<b>40</b>
Assets for outward reinsurance	6	2	31	1	40
Liabilities for outward reinsurance	-	-	-	-	-

**tab. A11.4 - Outward reinsurance held and initially recognised in the reporting period**

Description (€m)	Originated contracts		Contracts acquired in business combinations	Total
	Contracts without loss recovery component	Contracts with loss recovery component	Contracts without loss recovery component	
Estimation of the present value of future cash outflows				
<i>Cash flows related to the acquisition of insurance contracts</i>				
<i>Amount of claims and other directly attributable costs</i>	105	0	154	260
Estimation of the present value of future cash inflows	(123)	(1)	(18)	(142)
Estimated adjustment for non-financial risks	6	0	13	20
Contractual service margin	12	1	8	21
Other	(0)	(0)	(0)	(0)
<b>Increase in the asset for new outward reinsurance</b>	<b>(0)</b>	<b>0</b>	<b>158</b>	<b>158</b>

**A12 - CASH AND DEPOSITS ATTRIBUTABLE TO BANCOPOSTA (€4,671 million)****tab. A12 - Cash and deposits attributable to BancoPosta**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Cash and cash equivalents in hand	3,909	3,960	(52)
Bank deposits	762	1,888	(1,126)
<b>Total</b>	<b>4,671</b>	<b>5,848</b>	<b>(1,177)</b>

The cash and cash equivalents on hand are derived from deposits made in postal current accounts and postal savings products (subscription of Interest-bearing Postal Certificates and payments into post office savings books), or from advances withdrawn from the State Treasury to guarantee the operations of Post Offices. These funds, which are held at Post Offices (€1,298 million) and at service<sup>237</sup> companies (€2,611 million), may not be used for purposes other than to repay obligations contracted in the transactions described above.

**A13 - CASH AND CASH EQUIVALENTS (€4,211 million)****tab. A13 - Cash and cash equivalents**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Bank deposits and amounts held at the Italian Treasury	3,270	2,962	308
Deposits with the MEF	873	1,991	(1,117)
Cash and cash equivalents in hand	68	31	37
<b>Total</b>	<b>4,211</b>	<b>4,983</b>	<b>(772)</b>

The balance of cash and cash equivalents at 31 December 2023 includes restricted cash of approximately €2,576 million, of which €2,312 million relates to liquidity used to cover insurance technical provisions, €195 million deposited by the Cabinet Office - Publishing Department in a non-interest-bearing account with the State Treasury as an advance on payments for reductions in publisher fees granted by the Parent Company (note A8 - Trade receivables), €39 million in liquidity to be transferred to principals as part of the management of collections and payments of the subsidiary LIS Pay, €14 million restricted as a result of judicial provisions relating to various disputes and €16 million for management of cash on hand and other restrictions.

The decrease in **deposits with the MEF** compared to the previous year is mainly due to a change in the allocation of loans, in order to optimise the yields on deposits.

**A14 - NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE (€50 million)**

The balance of €50 million refers to the investment in Cronos Vita Assicurazioni, held 22.5% by Poste Vita and classified as an asset held for sale (IFRS 5) as reported in Section 2.8 - Basis of consolidation to which reference should be made.

With regard to the valuation of the investment, it is recorded at its purchase value, as defined by *IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations*. The Group believes that any deviations in value, compared to initial recognition, may be affected by the trend in lapses. Given the trend of the requests received from 1 November 2023 to the closing date of the accounts by Eurovita's former policyholders, no significant deviations from those estimated have emerged, such as to suggest that the value of the investment may be subject to impairment; for this reason, the Group currently considers this risk to be insignificant and, consequently, also considering the small exposure, has not deemed it necessary to perform stress analyses.

<sup>237</sup> They carry out transport and custody of valuables awaiting payment to the State Treasury.



## EQUITY

### B1 – EQUITY (€10,439 million)

The following table shows a reconciliation of the Parent Company's equity and net profit/(loss) for the year with the consolidated amounts:

**tab. B1 - Reconciliation of equity**

Description (€m)	Equity at 31.12.2023	Changes in equity during 2023	Net profit/(loss) for 2023	Equity at 31.12.2022
<b>Financial statements of Poste Italiane SpA</b>	<b>5,653</b>	<b>456</b>	<b>1,390</b>	<b>3,808</b>
Balance of profit (loss) of consolidated subsidiaries	9,640	-	1,445	8,196
Investments accounted for using the equity method	162	(1)	20	142
Balance of valuation reserves of investee companies	(135)	206	-	(342)
First-time adoption of IFRS 17	(290)	-	(13)	(277)
Effects from corporate actions	(416)	6	(25)	(397)
Derecognition of infra-group dividends	(4,612)	-	(873)	(3,739)
Derecognition of adjustments to value of consolidated companies	573	-	(13)	586
Amortisation/Impairment of goodwill	(156)	-	-	(156)
Purchase Price Allocation Adjustments	(10)	-	(7)	(3)
Impairments of disposal groups held for sale	(40)	-	-	(40)
Recognition of liabilities for call options	(191)	(101)	(3)	(88)
Other consolidation adjustments	145	(1)	2	144
<b>Equity attributable to owners of the Parent</b>	<b>10,322</b>	<b>566</b>	<b>1,922</b>	<b>7,834</b>
Equity attributable to non-controlling interests (excluding profit/(loss))	106	67	-	38
Net profit/(loss) attributable to non-controlling interests	11	(5)	11	6
<b>Equity attributable to non-controlling interests</b>	<b>117</b>	<b>62</b>	<b>11</b>	<b>44</b>
<b>TOTAL CONSOLIDATED EQUITY</b>	<b>10,439</b>	<b>628</b>	<b>1,933</b>	<b>7,878</b>

At 31 December 2023, earnings per share were €1.483 (€1.214 at 31 December 2022), calculated as the ratio of the Group profit for the year of €1,922 million to the weighted average of the number of outstanding ordinary shares.

### B2 - SHARE CAPITAL (€1,306 million)

Poste Italiane SpA's share capital consists of 1,306,110,000 no-par value ordinary shares, of which Cassa Depositi e Prestiti SpA (CDP) holds 35% and the Ministry of the Economy and Finance holds 29.3%, while the remaining shares are held by institutional and retail investors.

At 31 December 2023, the Company held 10,675,798 treasury shares (representing approximately 0.817% of the share capital) with a total value of approximately €94 million. All the shares in issue are fully subscribed and paid up. No preference shares have been issued.

### B3 – SHAREHOLDER TRANSACTIONS

As approved by the Shareholders' Meeting of 8 May 2023, on 21 June 2023, the Parent Company distributed dividends of €570 million (dividend per share equal to €0.44) as the balance for 2022, taking into account the interim dividend of €273 million (dividend per share equal to €0.21) already paid in November 2022. In addition, on 6 November 2023, the Poste Italiane's Board of Directors resolved to advance part of the ordinary dividend for 2023 as an interim dividend. The interim dividend of €307 million was distributed on 22 November 2023 (dividend per share of €0.237).

**B4 – RESERVES** (€1,083 million)

tab. B4 - Reserves

Description (€m)	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Reserve for insurance contracts issued and outward reinsurance	Translation reserve	Reserve for investments accounted for using equity method	Incentive plans reserve	Total
<b>Balance at 1 January 2023</b>	<b>299</b>	<b>1,210</b>	<b>800</b>	<b>(10,592)</b>	<b>(127)</b>	<b>7,876</b>	<b>(0)</b>	<b>5</b>	<b>19</b>	<b>(509)</b>
Increase/(Decrease) in fair value during the year	-	-	-	7,689	80	(5,529)	-	-	-	2,239
Tax effect of changes in fair value	-	-	-	(2,324)	(23)	1,755	-	-	-	(591)
Transfers to profit or loss from realisation	-	-	-	223	(318)	-	-	-	-	(95)
Tax effect of transfers to profit or loss	-	-	-	(63)	90	-	-	-	-	27
Increase/(decrease) for expected losses	-	-	-	5	-	-	-	-	-	5
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method	-	-	-	-	-	-	-	0	-	0
Other changes	-	-	-	-	-	-	(0)	-	-	(0)
Gains/(losses) recognised in equity	-	-	-	5,530	(170)	(3,774)	(0)	0	-	1,586
Incentive plans	-	-	-	-	-	-	-	-	8	8
Other changes	-	-	-	-	-	-	-	(1)	-	(1)
<b>Balance at 31 December 2023</b>	<b>299</b>	<b>1,210</b>	<b>800</b>	<b>(5,062)</b>	<b>(297)</b>	<b>4,102</b>	<b>(0)</b>	<b>4</b>	<b>27</b>	<b>1,083</b>

The reserve for Equity instruments - perpetual hybrid bonds includes the issue of the perpetual hybrid bond for an amount of €800 million.

The **fair value reserve** regards changes in the value of financial assets at fair value through other comprehensive income.

The increase of €7,689 million in fair value during 2023 reflects:

- a net increase of €1,940 million in financial assets attributable to the Group's Financial Services segment;
- a net increase of €5,749 million in financial assets attributable to the Group's Insurance Services segment;
- a net increase of €2 million in financial assets attributable to the Group's Postal and Business Services segment;
- a net decrease of €1 million in financial assets attributable to the Group's Payments and Mobile segment.

The fair value reserve related to insurance contracts measured with the VFA model showed a negative balance of €4,234 million at 31 December 2023, including expected credit losses on financial instruments related to Separately Managed Accounts (negative €8,084 million at 31 December 2022). The following is a reconciliation of the balance of the reserve related to insurance contracts:

Description (€m)	2023 VFA fair value reserve
<b>Balance at 1 January</b>	(8,084)
Changes in fair value	5,578
Net change in amounts reclassified in the statement of profit or loss	-
Effect related to market operations	(12)
Taxation	(1,715)
<b>Balance at 31 December</b>	<b>(4,234)</b>

the **cash flow hedge reserve**, attributable to the Parent Company, reflects changes in the fair value of the effective portion of cash flow hedges. In 2023, positive changes in fair value totalling €80 million related entirely to the net positive change in the value of derivative financial instruments of Financial activities;

The **reserve for insurance contracts issued and outward reinsurance** includes the change in the fair value of instruments within the Group's Insurance activities, attributable to policyholders and allocated to insurance liabilities as a result of the adoption of the OCI option on the IFRS 17 liability portfolio, with the intention of aligning the financial and mirroring effects between the OCI reserve and the effects on the statement of profit or loss.

the **Incentive plans reserve** includes the estimate of the valuations for the year relating to the long-term "Performance Share LTIP" and "Deliver" incentive plans and the MBO short-term incentive plans, carried out on the basis of the provisions of IFRS 2.

**LIABILITIES****B5 - LIABILITIES FOR INSURANCE CONTRACTS (EUR 155,338 million)****tab. B5 - Liabilities under insurance contracts**

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022		
	GMM-VFA	PAA	Total	GMM-VFA	PAA	Total
Liability for remaining coverage	154,106	(8)	154,098	140,380	(33)	140,348
Liability for incurred claims	980	261	1,240	824	208	1,032
<b>Total</b>	<b>155,086</b>	<b>252</b>	<b>155,338</b>	<b>141,205</b>	<b>175</b>	<b>141,380</b>
<i>of which:</i>						
<i>Future cash flows</i>	138,578	240	138,818	125,242	159	125,401
<i>Contractual service margin</i>	13,743	-	13,743	12,902	-	12,902
<i>Adjustment for non-financial risk</i>	2,765	12	2,777	3,061	16	3,077

This item refers to liabilities within the scope of the Group's Insurance activities, and includes:

- the **liability for remaining coverage** of €154,098 million, which includes the Contractual Service Margin (CSM) of €13,743 million, the present value of future cash flows of €137,774 million, and the adjustment for non-financial risk of €2,765 million;
- the **liability for incurred claims** amounting to €1,240 million.

The following table presents a reconciliation of the liability for remaining coverage and incurred claims of insurance contracts measured by GMM or VFA methods:

**tab. B5.1 - Movement in liabilities under insurance contracts GMM-VFA**

Description (€m)	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
Liabilities under insurance contracts	140,371	9	824	141,205
Assets under insurance contracts	-	-	-	-
<b>Net carrying amount at 1 January</b>	<b>140,371</b>	<b>9</b>	<b>824</b>	<b>141,205</b>
<b>Change in scope of consolidation</b>	<b>370</b>	<b>2</b>	<b>11</b>	<b>383</b>
Insurance revenue	(2,137)	-	-	(2,137)
Costs for insurance services				
<i>Incurred claims and other directly attributable costs</i>	-	-	346	346
<i>Changes in the liability for incurred claims</i>	-	-	146	146
<i>Losses and related recoveries on onerous contracts</i>	-	(3)	-	(3)
<i>Amortisation of contract acquisition costs</i>	214	-	-	214
<b>Result of insurance services</b>	<b>(1,923)</b>	<b>(3)</b>	<b>492</b>	<b>(1,434)</b>
Investment and premium refund components	(14,319)	-	14,319	-
Financial costs/revenue relating to insurance contracts issued	11,900	0	0	11,901
Effects associated with exchange rate changes	-	-	-	-
<b>Total changes recognised in the Statement of profit or loss and OCI</b>	<b>(4,342)</b>	<b>(3)</b>	<b>14,812</b>	<b>10,467</b>
Cash flows				
<i>Premiums received</i>	18,004	-	-	18,004
<i>Payments related to contract acquisition costs</i>	(305)	-	-	(305)
<i>Paid claims and other cash outflows</i>	-	-	(14,668)	(14,668)
Other changes	-	-	-	-
<b>Net carrying amount at 31 December</b>	<b>154,098</b>	<b>8</b>	<b>980</b>	<b>155,086</b>
Liabilities under insurance contracts	154,098	8	980	155,086
Assets under insurance contracts	-	-	-	-

The value of insurance liabilities increased during the course of the year, mainly as a result of inflows for the period and as a result of positive market trends that generated capital gains. The Liability for remaining coverage includes the balance of Assets related to the acquisition of insurance contracts, which amounted to €3 million at 31 December 2023. This amount will be fully released by 31 December 2029.

Again, with reference to insurance liabilities measured using the GMM or VFA methods, a reconciliation is provided below, broken down by elements underlying measurement:

tab. B5.2 - Liabilities/(assets) under insurance contracts GMM VFA

Description (€m)	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin	Total
Liabilities under insurance contracts	125,242	3,061	12,902	141,205
Assets under insurance contracts	-	-	-	-
<b>Net carrying amount at 1 January</b>	<b>125,242</b>	<b>3,061</b>	<b>12,902</b>	<b>141,205</b>
<b>Change in scope of consolidation</b>	<b>263</b>	<b>23</b>	<b>97</b>	<b>383</b>
Changes in current services				
<i>Contractual service margin recognised in the statement of profit or loss</i>	-	-	(1,285)	(1,285)
<i>Change for overdue non-financial risks</i>	-	(120)	-	(120)
<i>Adjustments based on past experience</i>	(1,808)	-	1,807	(2)
Changes in future services				
<i>Changes in contractual service margin</i>	1,796	(347)	(1,450)	(1)
<i>Losses on groups of onerous contracts and related recoveries</i>	(4)	(0)	-	(5)
<i>Effects of contracts initially recognised in the period</i>	(1,095)	148	949	2
Changes in past services				
<i>Adjustments to the liability for incurred claims</i>	143	(0)	-	143
Experience-related changes	(167)	-	-	(167)
<b>Result of insurance services</b>	<b>(1,136)</b>	<b>(319)</b>	<b>21</b>	<b>(1,434)</b>
Financial costs/revenue	11,179	-	723	11,901
Effects associated with exchange rate changes	-	-	-	-
<b>Total changes recognised in the Statement of profit or loss and OCI</b>	<b>10,042</b>	<b>(319)</b>	<b>744</b>	<b>10,467</b>
Cash flows				
<i>Premiums received</i>	18,004	-	-	18,004
<i>Payments related to contract acquisition costs</i>	(305)	-	-	(305)
<i>Paid claims and other cash outflows</i>	(14,668)	-	-	(14,668)
Other changes	-	-	-	-
<b>Net carrying amount at 31 December</b>	<b>138,578</b>	<b>2,765</b>	<b>13,743</b>	<b>155,086</b>
Liabilities under insurance contracts	138,578	2,765	13,743	155,086
Assets under insurance contracts	-	-	-	-

The **present value of future cash flows** increased by €13,336 million from the value recorded at the end of 2022. The change is mainly attributable to the result of financial operations in the amount of €11,179 million and actual cash flows in the amount of €3,031 million, which were slightly offset by experience-related adjustments on future performance.

The component of **Adjustment for non-financial risk** decreased by €296 million compared to the balance at 31 December 2022. This was mainly due to the release of this component for the period in the amount of €120 million and the change in the Group's exposure to non-financial risks, which resulted in a revision of estimates for future services in the amount of €347 million, partially offset by the effect of new production in the amount of €148 million.

The **Contractual service margin** recorded a pre-release growth of €2,126 million, mainly related to the contribution of new production on future margins of €949 million, of which €852 million related to the actual new production recorded in the period and €97 million from the contribution to CSM resulting from the change in scope following the acquisition of the Net Group companies. The Contractual service margin also increased due to the positive performance of the markets, which generated a growth in the fair value of the underlying assets that was more than proportional to the growth in the related liabilities, generating a profit of €723 million.

The release of the Contractual service margin for the period amounted to €1,285 million, of which €116 million related to the additional release and €28 million related to the release of Net Group companies.

The Group expects to release the Contractual service margin, at 31 December 2023, in future years as depicted below:

**tab. B5.3 Contractual service margin GMM**

Description (€m)	Insurance contracts issued	Reinsurance contracts held
1 – 3 years old	3,377	15
4 – 6 years old	2,951	3
Over 6 years	7,415	1

Below is a reconciliation of the liability for remaining coverage and incurred claims of insurance contracts measured according to the PAA method:

**tab. B5.4 Liabilities/(assets) under insurance contracts PAA**

Description (€m)	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of cash flows	Adjustment for non-financial risks	
Liabilities under insurance contracts	(46)	13	192	16	175
Assets under insurance contracts	-	-	-	-	-
<b>Net carrying amount at 1 January</b>	<b>(46)</b>	<b>13</b>	<b>192</b>	<b>16</b>	<b>175</b>
Insurance revenue	(413)	-	-	-	(413)
Costs for insurance services					
<i>Incurring claims and other directly attributable costs</i>	-	-	255	-	255
<i>Changes in the liability for incurred claims</i>	-	-	52	(4)	49
<i>Losses and related recoveries on onerous contracts</i>	-	4	-	-	4
<i>Amortisation of contract acquisition costs</i>	48	-	-	-	48
<b>Result of insurance services</b>	<b>(388)</b>	<b>4</b>	<b>307</b>	<b>(4)</b>	<b>(80)</b>
Investment and premium refund components	-	-	-	-	-
Financial costs/revenue relating to insurance contracts issued	(0)	-	4	-	4
Effects associated with exchange rate changes	-	-	-	-	-
<b>Total changes recognised in the Statement of profit or loss and OCI</b>	<b>(388)</b>	<b>4</b>	<b>311</b>	<b>(4)</b>	<b>(76)</b>
Cash flows					
<i>Premiums received</i>	460	-	-	-	460
<i>Payments related to contract acquisition costs</i>	(50)	-	-	-	(50)
<i>Paid claims and other cash outflows</i>	-	-	(255)	-	(255)
Other changes	-	-	-	-	-
<b>Net carrying amount at 31 December</b>	<b>(26)</b>	<b>17</b>	<b>249</b>	<b>12</b>	<b>252</b>
Liabilities under insurance contracts	(26)	17	249	12	252
Assets under insurance contracts					

With regard to liabilities under insurance contracts measured using the PAA method, these increased by approximately €78 million as a result, primarily, of placements during the financial year, a portion of which will be attributable to the next financial year.

For the sake of full disclosure, the increase in liabilities arising from insurance contracts is detailed below, broken down according to the type of event that generated them.

**tab. B5.5 - Insurance contracts issued and initially recognised in the reporting period**

Description (€m)	Originated contracts		Contracts acquired in business combinations		Contracts transferred by third parties		Total
	Onerous contracts	Non-onerous contracts	Onerous contracts	Non-onerous contracts	Onerous contracts	Non-onerous contracts	
Estimation of the present value of future cash outflows							
<i>Contract acquisition costs</i>	1	(140)	0	2	-	-	(137)
<i>Amount of claims and other directly attributable costs</i>	(58)	(11,237)	4	233	-	-	(11,058)
Estimation of the present value of future cash inflows	59	12,334	(0)	21	-	-	12,413
Estimated adjustment for non-financial risks	1	(122)	3	21	-	-	(97)
Contractual service margin	-	(836)	-	100	-	-	(736)
Other	-	-	-	-	-	-	-
<b>Increase in liability for new insurance contracts issued</b>	<b>3</b>	<b>0</b>	<b>7</b>	<b>376</b>	<b>-</b>	<b>-</b>	<b>386</b>

Finally, the table below represents the dynamics of the Contractual service margin of insurance contracts issued broken down by contracts existing at the time of transition to IFRS 17, and insurance contracts issued and initially recognised in the reporting period:

**tab. B5.6 Dynamics of insurance revenue and Contractual service margin of insurance contracts issued broken down by contracts existing at the time of transition to IFRS 17**

Description (€m)	New contracts and contracts measured on the transition date with full retroactive application method	Contracts measured on the transition date using the modified retroactive application method	Contracts measured on the transition date using the fair value method	Carve-out contracts	Total
<b>Contractual service margin - Opening balances</b>	<b>11</b>	<b>-</b>	<b>115</b>	<b>12,776</b>	<b>12,902</b>
<b>Change in scope of consolidation</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97</b>
<b>Changes related to current services</b>					
Contractual service margin recognised in the statement of profit or loss to reflect services rendered	(33)	-	(18)	(1,233)	(1,285)
<b>Changes related to future services</b>					
Changes in estimates that modify the Contractual service margin	(25)	-	(8)	390	357
Effects of contracts initially recognised in the reporting period	64	-	-	885	949
<b>Financial revenue/costs</b>	<b>5</b>	<b>-</b>	<b>(0)</b>	<b>718</b>	<b>723</b>
<b>Total changes recognised in the statement of profit or loss and in the statement of comprehensive income</b>	<b>10</b>	<b>-</b>	<b>(27)</b>	<b>761</b>	<b>744</b>
<b>Contractual service margin - Closing balances</b>	<b>117</b>	<b>-</b>	<b>89</b>	<b>13,537</b>	<b>13,743</b>

**B6 - PROVISIONS FOR RISKS AND CHARGES (€1,336 million)**

Movements in provisions for risks and charges are as follows:

tab. B6 - Movements in provisions for risks and charges for FY 2023

Description (€m)	Balance at 01.01.2023	Provisions	Finance costs	Transfers to profit or loss	Uses	Change in scope of consolidation	Balance at 31.12.2023
Provisions for operational risks	120	6	-	(7)	(17)	-	102
Provisions for disputes with third parties	298	30	4	(42)	(43)	0	248
Provisions for disputes with staff (1)	35	13	-	(0)	(9)	-	38
Provisions for personnel expenses	109	128	-	(32)	(64)	-	141
Provisions for early retirement incentives	354	159	-	-	(229)	-	285
Provisions for operational risks - tax credits Law no. 77/2020	320	80	-	-	-	-	400
Provisions for taxation/social security contributions	20	3	0	(0)	(0)	-	23
Other provisions for risks and charges	98	15	-	(4)	(10)	(0)	99
<b>Total</b>	<b>1,355</b>	<b>434</b>	<b>4</b>	<b>(86)</b>	<b>(371)</b>	<b>0</b>	<b>1,336</b>
Overall analysis of provisions:							
- non-current portion	804						782
- current portion	551						554
	<b>1,355</b>						<b>1,336</b>

(1) Net provisions for Personnel expenses amount to €9 million. Service costs (legal assistance) total €3 million.

Specifically:

- **Provisions for operational risks**, which mainly relate to liabilities arising from BancoPosta's operations, mainly reflect risks related to the distribution of postal savings products issued in past years, estimated risks for charges and expenses to be incurred as a result of foreclosures suffered by BancoPosta mainly in its capacity as a third party, impairments and adjustments to income from previous years and fraud. Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.
- **Provisions for disputes with third parties** regard the present value of expected liabilities deriving from different types of legal and out-of-court disputes with suppliers and third parties, the related legal expenses, and penalties and indemnities payable to customers. Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.
- **Provisions for disputes with staff** regard liabilities that may arise following labour litigation and disputes of various types. The changes in the year refer to the update of the estimate of the liabilities and the related legal expenses, taking account of both the overall value of negative outcomes in terms of litigation.
- **Provisions for personnel expenses** are made to cover expected liabilities arising in relation to the cost of labour, which are certain or likely to occur but whose estimated amount is subject to change. They have increased by €128 million during the year to reflect the estimate value of new liabilities and decreased as a result of past contingent liabilities that failed to materialise (€32 million) and settled disputes (€64 million).
- **Provisions for early retirement incentives** reflect the estimated costs to be incurred as a result of the Company's binding commitment to pay early retirement incentives on a voluntary basis, under the current redundancy scheme agreed with the labour unions for a determinate number of employees who will leave the Company by 31 December 2025. The provisions made at 31 December 2022 were utilised for €229 million.
- The **provisions for risks - tax credits Law no. 77/2020** were established to cover probable liabilities analytically described in Note A10 - Tax Credits Law no. 77/2020.
- **Provisions for taxation/social security contributions** have been made to cover potential future tax and social security liabilities.
- **Other provisions for risks and charges** cover probable liabilities of various type, including: estimated liabilities deriving from the risk that specific legal actions undertaken in order to reverse seizures of the Parent Company's assets may be unable to recover the related amounts, claims for rent arrears on properties used free of charge by the Parent Company, claims for payment of accrued interest expense due to certain suppliers and frauds.



**B7 – EMPLOYEE TERMINATION BENEFITS (€637 million)**

The following movements in employee termination benefits took place in 2023:

**tab. B7 - Movements in provisions for employee termination benefits**

(€m)	FY 2023
<b>Balance at 1 January</b>	<b>705</b>
Current service cost	3
Interest component	26
Effect of actuarial (gains)/losses	8
Uses for the period	(106)
<b>Balance at 31 December 2023</b>	<b>637</b>

The current service cost is recognised in personnel expenses, whilst the interest component is recognised in finance costs.

**B7.1 - Actuarial gains and losses**

	31.12.2023
	Employee termination benefits
Change in demographic assumptions	0
Change in financial assumptions	15
Other experience-related adjustments	(6)
<b>Total</b>	<b>8</b>

The sensitivity of employee termination benefits to changes in the principal actuarial assumptions is analysed below.

**tab. B7.2 - Sensitivity analysis**

	31.12.2023
	Employee termination benefits
Inflation rate +0.25%	644
Inflation rate -0.25%	630
Discount rate +0.25%	626
Discount rate -0.25%	648
Turnover rate +0.25%	639
Turnover rate -0.25%	635

The following table provides further information in relation to employee termination benefits.

**tab. B7.3 - Other information**

	31.12.2023
Expected service cost	2.5
Average duration of defined benefit plan	8.0
Average employee turnover per annum	2.0%

**B8 - FINANCIAL LIABILITIES (€95,393 million)****tab. B8 - Financial liabilities**

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	8,984	85,098	94,082	10,047	92,534	102,582	(8,500)
Financial liabilities at FVTPL	168	3	171	69	19	88	83
Derivative financial instruments	1,091	47	1,138	823	152	975	163
Financial liabilities vs Subsidiaries	-	2	2	-	1	1	1
<b>Total</b>	<b>10,243</b>	<b>85,150</b>	<b>95,393</b>	<b>10,939</b>	<b>92,706</b>	<b>103,644</b>	<b>(8,251)</b>
<i>of which Financial Activities</i>	<i>7,571</i>	<i>74,009</i>	<i>81,581</i>	<i>7,932</i>	<i>82,825</i>	<i>90,757</i>	<i>(9,177)</i>
<i>of which Insurance Activities</i>	<i>108</i>	<i>52</i>	<i>160</i>	<i>0</i>	<i>39</i>	<i>40</i>	<i>120</i>
<i>Of which Postal and Business Activities</i>	<i>2,556</i>	<i>814</i>	<i>3,370</i>	<i>2,999</i>	<i>380</i>	<i>3,379</i>	<i>(9)</i>
<i>Of which Payment Services and Card Payments Activities</i>	<i>8</i>	<i>10,275</i>	<i>10,283</i>	<i>8</i>	<i>9,460</i>	<i>9,468</i>	<i>815</i>

Financial liabilities by operating segment break down as follows:

**FINANCIAL ACTIVITIES****tab. B8.1 - Financial liabilities - Financial Services**

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	6,480	73,962	80,443	7,109	82,673	89,782	(9,340)
Postal current accounts	-	61,908	61,908	-	68,336	68,336	(6,428)
Loans	6,480	1,736	8,217	7,109	3,016	10,125	(1,909)
MEF account held at the Treasury	-	5,371	5,371	-	4,169	4,169	1,202
Other financial liabilities	0	4,946	4,946	0	7,153	7,153	(2,207)
Derivative financial instruments	1,091	47	1,138	823	152	975	164
<b>Total</b>	<b>7,571</b>	<b>74,009</b>	<b>81,581</b>	<b>7,932</b>	<b>82,825</b>	<b>90,757</b>	<b>(9,177)</b>

**Financial liabilities at amortised cost**

## Postal current accounts

They represent BancoPosta's direct deposits, and include interest accrued at 31 December 2023, which was settled with customers in January 2024. The decrease in this item with respect to 31 December 2022 is mainly due to the reduction in Public Administration stocks.

## Loans

At 31 December 2023, outstanding liabilities of €8,217 million relate to repurchase agreements entered into by the Parent Company with leading financial institutions and Central Counterparties, amounting to a total nominal value of €11,456 million. A total of €7,102 million of this amount regards Long Term Repos and €3,451 million regards ordinary loan operations, the resources from both invested in Italian fixed income government securities and as funding for deposits used as collateral. Repurchase agreements with a nominal value of €3,996 million were the subject of fair value hedge transactions executed to hedge interest rate risk.

Finally, financial assets and liabilities relating to repurchase agreements managed through the Central Counterparty that meet the requirements of IAS 32 are offset. The effect of netting at 31 December 2023, already included in the exposure to net balances, amounted to €2,337 million (€3,217 million at 31 December 2022).

The fair value<sup>238</sup> of the repurchase agreements in question at 31 December 2023 is €7,996 million.

## MEF account held at the Treasury

tab. B8.1.1 - MEF account held at the Treasury

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Balance of cash flows for advances	-	5,168	5,168	-	4,083	4,083	1,085
Balance of cash flows from management of postal savings	-	30	30	-	(84)	(84)	114
Amounts payable due to theft	-	157	157	-	155	155	2
Amounts payable for operational risks	-	16	16	-	14	14	2
<b>Total</b>	<b>-</b>	<b>5,371</b>	<b>5,371</b>	<b>-</b>	<b>4,169</b>	<b>4,169</b>	<b>1,202</b>

The **balance of cash flows for advances**, represents the net amount payable as a result of advances from the MEF to meet the cash requirements of BancoPosta. These break down as follows:

tab. B8.1.2 - Balance of cash flows for advances

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Net advances	-	5,167	5,167	-	4,083	4,083	1,084
MEF postal current accounts and other payables	-	670	670	-	670	670	(0)
Ministry of Justice - Orders for payment	-	1	1	-	0	0	0
MEF - State pensions	-	(670)	(670)	-	(670)	(670)	0

<sup>238</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

<b>Total</b>	-	<b>5,168</b>	<b>5,168</b>	-	<b>4,083</b>	<b>4,083</b>	<b>1,085</b>
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The **balance of cash flows from the management of postal savings**, amounting to a negative €30 million, represents the balance of withdrawals less deposits during the last two days of the year and cleared early in the following year. The balance at 31 December 2023 consists of €124 million payable to Cassa Depositi e Prestiti, and €94 million of amounts due from the MEF for Interest-bearing Postal Certificates issued on its behalf.

**Amounts payable due to thefts** from Post Offices of €157 million regard the Company's liability to the MEF on behalf of the Italian Treasury for losses resulting from theft and fraud. This liability derives from cash withdrawals from the Treasury to make up for the losses resulting from these criminal acts, in order to ensure that post offices can continue to operate.

**Amounts payable for operational risks** for €16 million regard the portion of advances obtained to fund the operations of BancoPosta, in relation to which asset under recovery is certain or probable.

### Other financial liabilities

Other financial liabilities have a fair value that approximates to their carrying amount.

tab. B8.1.3 - Other financial liabilities - Financial Services

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Domestic and international money transfers	-	1,071	1,071	-	1,108	1,108	(37)
Guarantee deposits	-	2,831	2,831	-	4,824	4,824	(1,993)
Cheques to be credited to savings books	-	230	230	-	183	183	47
Endorsed cheques	-	408	408	-	476	476	(68)
Amounts to be credited to customers	-	83	83	-	87	87	(4)
Other amounts payable to third parties	-	139	139	-	173	173	(33)
Other items in process	-	183	183	-	302	302	(119)
<b>Total</b>	<b>0</b>	<b>4,946</b>	<b>4,946</b>	<b>0</b>	<b>7,153</b>	<b>7,153</b>	<b>(2,207)</b>

**Payables for guarantee deposits** refer for €2,811 million to sums received from counterparties for interest rate swap transactions (collateral provided by specific Credit Support Annexes) and for €20 million to sums received from counterparties for repo transactions (collateral provided by specific Global Master Repurchase Agreements). The decrease in this item compared to 31 December 2022 is mainly attributable to the reduction of fair value hedge derivatives following early extinguishment transactions.

### Derivative financial instruments

Movements of the item in question during 2023 are described in note A6 – *Financial assets*.

## INSURANCE ACTIVITIES

tab. B8.2 - Financial liabilities - Insurance Services

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	10	49	59	0	39	40	19
Loans	10	0	10	-	-	-	10
Lease payables	0	1	1	0	1	1	0
Other financial liabilities	-	48	48	-	39	39	9
Financial liabilities at FVTPL	98	3	101	-	-	-	101
<b>Total</b>	<b>108</b>	<b>52</b>	<b>160</b>	<b>0</b>	<b>39</b>	<b>40</b>	<b>120</b>

Within the insurance activities, there are two 10-year subordinated bonds issued by Net Insurance in 2020 and 2021 respectively: the first, convertible, with a nominal value of €200 thousand (fair value at 31 December 2023 of €174 thousand) and the second with a nominal value of €12.5 million (fair value at 31 December 2023 of €10.9 million).

## POSTAL AND BUSINESS ACTIVITIES

tab. B8.3 - Financial liabilities - Postal and Business Services

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	2,486	814	3,300	2,931	361	3,291	9
Loans	1,446	502	1,948	1,823	53	1,876	73
Bonds	498	500	998	997	50	1,048	(50)
Due to financial institutions	948	2	950	825	2	827	123
Other borrowings	-	-	-	1	-	1	(1)
Lease payables	1,037	293	1,330	1,102	295	1,397	(67)
							-
Other financial liabilities	3	19	22	6	13	18	3
							-
Financial liabilities at FVTPL	70	-	70	69	19	88	(18)
<b>Total</b>	<b>2,556</b>	<b>814</b>	<b>3,370</b>	<b>2,999</b>	<b>380</b>	<b>3,379</b>	<b>(9)</b>

### Financial liabilities at amortised cost

#### Loans

Loans are unsecured and are not subject to financial covenants, which would require Group companies to comply with economic and financial ratios or maintain a certain minimum rating. For the EIB financing and the CEB financing, a minimum rating level of BBB- (or equivalent) by Moody's and S&P for the EIB and by at least two of the three rating agencies of Poste Italiane for CEB is required. In the event of a rating loss, this is without prejudice to the right of both banks to request additional collateral or, in the case of the EIB, an increase in the margin. If no agreement is reached, immediate early repayment of the loans may be demanded. Standard negative pledge provisions do apply, however<sup>239</sup>.

#### Bonds

The item **Bonds** refers to a senior unsecured loan with a total nominal value of €1 billion issued by Poste Italiane on 10 December 2020 in two tranches, placed in public form to institutional investors as part of the €2.5 billion Euro Medium Term Notes (EMTN) programme deposited with the Luxembourg Stock Exchange. The first tranche of €500 million matures on 10 December 2024, has an above-par issue price of 100.10 with fixed annual coupon of 0.00% and an effective yield to maturity of -0.025%; the second tranche of €500 million matures on 10 December 2028, with an issue price below par of 99.758, a fixed annual coupon of 0.50% and an effective yield to maturity of 0.531%. At 31 December 2023, the fair value<sup>240</sup> of the loan was €916 million.

A loan with a nominal value of €50 million, privately placed and issued at par on 25 October 2013 reached maturity in October 2023.

<sup>239</sup> A commitment given to creditors by which a borrower undertakes not to give senior security or other restrictions on assets to other lenders ranking pari passu with creditors, unless the same degree of protection is also offered to them.

<sup>240</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 1.

**Due to financial institutions****tab. B8.3.1 - Due to financial institutions**

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
EIB fixed rate loan maturing 12/03/26	173	-	173	173	-	173	-
EIB fixed rate loan maturing 16/10/26	400	-	400	400	-	400	-
EIB fixed rate loan maturing 19/05/2028	150	-	150	150	-	150	-
EIB fixed rate loan maturing 02/05/2028	100	-	100	100	-	100	-
CEB variable rate loan maturing 28/12/30	125	-	125	-	-	-	125
Other loans	-	1	1	2	1	3	(2)
Accrued interest expense	-	1	1	-	1	1	0
<b>Total</b>	<b>948</b>	<b>2</b>	<b>950</b>	<b>825</b>	<b>2</b>	<b>827</b>	<b>123</b>

TV: Variable-rate loan. TF: Fixed-rate loan

At 31 December 2023, no committed and uncommitted credit lines were used for short-term financing.

On 18 December 2023, a medium-/long-term credit line for a total of €250 million was signed with the CEB "Council of Europe Development Bank", to support projects and investments with the aims of social integration, support for public infrastructure and sustainability. On 28 December 2023, the first tranche of €125 million was disbursed, bearing interest at a variable rate (6-month Euribor rate plus spread), with repayment in constant principal instalments after a three-year grace period and maturity on 28 December 2030.

At 31 December 2023, the fair value<sup>241</sup> of the four EIB loans totalled €778 million and that of the CEB loan was €128 million.

**Lease payables**

Lease liabilities at 31 December 2023 amounted to €1,330 million. For more details on the change in this item, see Note A4 - *Right-of-use assets*.

**PAYMENT SERVICES AND CARD PAYMENTS ACTIVITIES****table B8.4 - Financial liabilities - Payment Services and Card Payments**

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Lease payables	8	1	9	8	1	9	(0)
Other financial liabilities	-	10,274	10,274	-	9,459	9,459	815
Management of prepaid cards and other EMI items	-	10,039	10,039	-	9,270	9,270	768
Amounts to be credited to customers	-	60	60	-	45	45	16
RAV, F23, F24 and road tax	-	93	93	-	105	105	(12)
Others	-	81	81	-	39	39	42
<b>Total</b>	<b>8</b>	<b>10,275</b>	<b>10,283</b>	<b>8</b>	<b>9,460</b>	<b>9,468</b>	<b>815</b>

Liabilities for **management of prepaid card** refer to the subsidiary PostePay SpA.

<sup>241</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

## NET DEBT/(FUNDS)

The following table provides an analysis of the net debt/(funds) at 31 December 2023, by operating segment:

## Net debt/(funds) at 31 December 2023

Balance at 31.12.2023 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations	Consolidated	of which related parties
<b>Financial liabilities</b>	<b>5,017</b>	<b>93,076</b>	<b>429</b>	<b>10,478</b>	<b>(13,606)</b>	<b>95,393</b>	
Financial liabilities at amortised cost	3,300	81,446	59	10,283	(1,004)	94,084	5,532
Postal current accounts	0	62,913	-	-	(1,004)	61,908.424	0
Bonds	998	-	10	-	-	1,008	-
Due to financial institutions	950	8,217	-	-	-	9,167	-
Other borrowings	-	-	-	-	-	-	-
Lease payables	1,330	0	1	9	-	1,341	9
Finance lease liabilities	-	-	-	-	-	-	-
MEF account held at the Treasury	-	5,371	-	-	-	5,371	5,371
Other financial liabilities	22	4,946	48	10,274	-	15,290	152
Financial liabilities at FVTPL	70	-	101	-	-	171	-
Derivative financial instruments	0	1,138	-	-	-	1,138	201
Intersegment financial liabilities	1,646	10,492	269	195	(12,602)	-	-
<b>Liabilities under insurance contracts</b>	<b>-</b>	<b>-</b>	<b>155,339</b>	<b>-</b>	<b>(1)</b>	<b>155,338</b>	<b>-</b>
<b>Financial assets</b>	<b>(1,205)</b>	<b>(80,636)</b>	<b>(156,394)</b>	<b>(11,507)</b>	<b>12,582</b>	<b>(237,159)</b>	
Financial instruments at amortised cost	(9)	(42,673)	(2,123)	(299)	(0)	(45,103)	(11,877)
Financial instruments at FVTOCI	(636)	(33,100)	(105,852)	(7)	-	(139,594)	-
Financial instruments at FVTPL	(9)	(26)	(48,170)	(1)	-	(48,205)	(22)
Derivative financial instruments	(0)	(4,257)	-	-	-	(4,257)	(167)
Intersegment financial assets	(552)	(581)	(249)	(11,201)	12,582	-	-
<b>Tax credits Law no. 77/2020</b>	<b>(407)</b>	<b>(7,912)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,318)</b>	
<b>Assets for outward reinsurance</b>	<b>-</b>	<b>-</b>	<b>(233)</b>	<b>-</b>	<b>-</b>	<b>(233)</b>	<b>-</b>
<b>Net debt/(net financial surplus)</b>	<b>3,405</b>	<b>4,528</b>	<b>(859)</b>	<b>(1,028)</b>	<b>(1,025)</b>	<b>5,021</b>	
<b>Cash and deposits attributable to BancoPosta</b>	<b>-</b>	<b>(4,671)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,671)</b>	<b>-</b>
<b>Cash and cash equivalents</b>	<b>(650)</b>	<b>(940)</b>	<b>(3,561)</b>	<b>(65)</b>	<b>1,004</b>	<b>(4,211)</b>	<b>(874)</b>
<b>Net debt/(funds)</b>	<b>2,755</b>	<b>(1,082)</b>	<b>(4,420)</b>	<b>(1,093)</b>	<b>(21)</b>	<b>(3,861)</b>	

## Net debt/(funds) at 31 December 2022

Balance at 31.12.2022 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations	Consolidated	of which related parties
<b>Financial liabilities</b>	<b>4,918</b>	<b>100,941</b>	<b>303</b>	<b>9,557</b>	<b>(12,074)</b>	<b>103,644</b>	
Financial liabilities at amortised cost	3,291	90,298	40	9,468	(515)	102,582	4,385
Postal current accounts	-	68,852	-	-	(515)	68,336	1
Bonds	1,048	-	-	-	-	1,048	-
Due to financial institutions	827	10,125	-	-	-	10,952	-
Other borrowings	1	-	-	-	-	1	-
Lease payables	1,397	0	1	9	-	1,407	8
Finance lease liabilities	0	-	-	-	-	0	-
MEF account held at the Treasury	-	4,169	-	-	-	4,169	4,169
Other financial liabilities	18	7,153	39	9,459	-	16,669	207
Financial liabilities at FVTPL	88	-	-	-	-	88	-
Derivative financial instruments	0	975	-	-	-	975	193

Intersegment financial liabilities	1,539	9,668	263	89	(11,559)	-	-
<b>Liabilities under insurance contracts</b>	-	-	<b>141,381</b>	-	<b>(1)</b>	<b>141,380</b>	-
<b>Financial assets</b>	<b>(1,083)</b>	<b>(83,701)</b>	<b>(142,351)</b>	<b>(10,545)</b>	<b>11,539</b>	<b>(226,141)</b>	
Financial instruments at amortised cost	(3)	(43,901)	(2,193)	(198)	(0)	(46,295)	(14,838)
Financial instruments at FVTOCI	(536)	(33,190)	(96,501)	(8)	-	(130,235)	(502)
Financial instruments at FVTPL	(1)	(40)	(43,461)	-	-	(43,501)	(21)
Derivative financial instruments	(0)	(6,109)	-	-	-	(6,110)	(203)
Intersegment financial assets	(543)	(460)	(196)	(10,339)	11,539	-	-
<b>Tax credits Law no. 77/2020</b>	<b>(420)</b>	<b>(8,601)</b>	-	-	-	<b>(9,021)</b>	-
<b>Assets for outward reinsurance</b>	-	-	<b>(44)</b>	-	-	<b>(44)</b>	-
<b>Net debt/(net financial surplus)</b>	<b>3,415</b>	<b>8,640</b>	<b>(710)</b>	<b>(988)</b>	<b>(537)</b>	<b>9,819</b>	
<b>Cash and deposits attributable to BancoPosta</b>	-	<b>(5,848)</b>	-	-	-	<b>(5,848)</b>	-
<b>Cash and cash equivalents</b>	<b>(575)</b>	<b>(2,018)</b>	<b>(2,732)</b>	<b>(172)</b>	<b>515</b>	<b>(4,983)</b>	<b>(1,991)</b>
<b>Net debt/(funds)</b>	<b>2,839</b>	<b>773</b>	<b>(3,442)</b>	<b>(1,161)</b>	<b>(22)</b>	<b>(1,012)</b>	

Total net debt/(funds) at 31 December 2023 showed funds of €3,861 million, up €2,848 million from 31 December 2022 (funds of €1,012 million). The change during the period is largely attributable to the positive valuation effects for the year of approximately €2.1 billion of the investments classified in the FVTOCI category, held mainly by the Financial Services Strategic Business Unit (approximately €1.9 billion) and residually by the Insurance Services Strategic Business Units (roughly €0.2 billion). The change also includes a positive operating result of €2.6 billion (of which €1.9 billion is attributable to profit for the period and €0.9 billion to amortisation/depreciation for the year), the positive effect of the change in working capital and taxes of approximately €0.2 billion, capital expenditure of €0.8 billion, dividend payments totalling €0.9 billion (of which €307 million relates to the interim dividend planned for 2023) and other decreases totalling €0.3 billion, mainly attributable to the increase in financial liabilities for leases falling under IFRS 16. Finally, the change includes the negative effect deriving essentially from the acquisition of Net Insurance (outlay of around €108 million) and Poste Vita's stake in Cronos (roughly €49.5 million including the second capital increase subscribed for approximately €47.8 million).

An analysis of the Net debt/(funds) of the Mail, Parcels and Distribution segment at 31 December 2023, in accordance with ESMA recommendation 32-382-1138, is provided below:

<b>Financial debt ESMA</b>		
<b>Description (€m)</b>	<b>At 31.12.2023</b>	<b>At 31.12.2022</b>
A. Cash and cash equivalents	(650)	(575)
B. Cash equivalents	-	-
C. Other current financial assets	(6)	(1)
<b>D. Liquidity (A + B + C)</b>	<b>(656)</b>	<b>(577)</b>
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	813	379
F. Current portion of the non-current financial payable	1	1
<b>G. Current financial debt (E + F)</b>	<b>814</b>	<b>381</b>
<b>H. Net current financial debt (G + D)</b>	<b>158</b>	<b>(196)</b>
I. Non-current financial debt (excluding current portion and debt instruments)	2,058	2,001
J. Debt instruments	498	997
K. Trade payables and other non-current payables	15	18
<b>L. Non-current financial debt (I + J + K)</b>	<b>2,571</b>	<b>3,017</b>
<b>M. Total financial debt (H + L)</b>	<b>2,729</b>	<b>2,821</b>
<b>Reconciliation of financial debt ESMA</b>		
<b>Description (€m)</b>	<b>At 31.12.2023</b>	<b>At 31.12.2022</b>
<b>M. Total financial debt (H + L)</b>	<b>2,729</b>	<b>2,821</b>
Non-current financial assets	(647)	(539)
K. Trade payables and other non-current payables	(15)	(18)
Tax credits Law no. 77/2020	(407)	(420)
<b>Net debt/(funds)</b>	<b>1,661</b>	<b>1,843</b>
Intersegment financial receivables and borrowings	1,094	996
<b>Net debt/(funds) including intersegment transactions</b>	<b>2,755</b>	<b>2,839</b>



For information regarding the Poste Group's credit lines and available liquidity at 31 December 2023, reference should be made to note 6 - *Risk management - Financial risks - Liquidity risk*.

### Changes in financial liabilities arising from financing activities

The following reconciliation of financial liabilities is provided in accordance with IAS 7, following the amendments introduced by EU Regulation 1990/2017 of 6 November 2017.

**tab. B8.4- Changes in liabilities arising from financing activities**

Description (€m)	Balance at 31.12.2022	Net cash flow from/(for) financing activities	Net cash flow from/(for) operating activities (*)	Non- cash flows	Balance at 31.12.2023
Loans	12,000	77	(2,822)	921	10,176
Bonds	1,048	(50)	-	10	1,008
Due to financial institutions	10,952	127	(2,823)	911	9,167
Other borrowings	1	-	1	(0)	2
Lease payables	1,407	(298)	-	231	1,341
Other financial liabilities	16,669	(33)	(190)	(1,160)	15,286
<b>Total</b>	<b>30,076</b>	<b>(254)</b>	<b>(3,012)</b>	<b>(8)</b>	<b>26,803</b>

**B9 - TRADE PAYABLES (€2,252 million)****tab. B9 - Trade payables**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Due to suppliers	1,625	1,655	(30)
Contract liabilities	563	553	11
Due to subsidiaries	3	3	(0)
Due to associates	61	23	37
<b>Total</b>	<b>2,252</b>	<b>2,234</b>	<b>19</b>

## Due to suppliers

**tab. B9.1 - Due to suppliers**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Italian suppliers	1,384	1,402	(18)
Foreign suppliers	106	79	27
Overseas counterparties <sup>(1)</sup>	135	173	(38)
<b>Total</b>	<b>1,625</b>	<b>1,655</b>	<b>(30)</b>

(1) The amount due to overseas counterparties relates to fees payable to overseas postal operators and companies in return for postal and telegraphic services received.

## Contract liabilities

**tab. B9.2 - Movements in contract liabilities**

Description (€m)	Balance at 01.01.2023	Change due to recognition of revenue for period	Other changes	Balance at 31.12.2023
Prepayments and advances from customers	434	-	11	445
Liabilities for volume discounts	1	-	(0)	0
Liabilities for fees to be refunded	52	35	(43)	43
Other contract liabilities	67	(22)	30	75
<b>Total</b>	<b>553</b>	<b>13</b>	<b>(2)</b>	<b>563</b>

**Prepayments and advances from customers** relate mainly to amounts received from customers for the following services to be rendered:

**tab. B9.2.1 - Prepayments and advances from customers**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Prepayments from overseas counterparties	179	223	(44)
Advances for Publishing from PCM [tab. A8.1]	195	125	71
Advances for shipments	59	67	(9)
Advances for other services	13	19	(6)
<b>Total</b>	<b>445</b>	<b>434</b>	<b>12</b>

**Liabilities for fees to be refunded** represent the estimated liability linked to the refund of fees on loan products sold after 1 January 2018, under the terms of which the related fees must be refunded if the customer opts for early cancellation of the agreement.

**Other contract liabilities** primarily regard Postamat and "Postepay Evolution" card fees collected in advance.

## B10 - OTHER LIABILITIES (€4,343 million)

tab. B10 - Other liabilities

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Due to staff	10	682	692	10	720	731	(38)
Social security payables	16	434	450	20	439	459	(8)
Other taxes payable	1,826	913	2,739	1,790	658	2,448	292
Sundry payables	55	199	254	52	136	187	67
Accrued liabilities and deferred income	150	56	207	133	46	179	28
<b>Total</b>	<b>2,058</b>	<b>2,285</b>	<b>4,343</b>	<b>2,004</b>	<b>1,998</b>	<b>4,002</b>	<b>340</b>

### Due to staff

These items primarily regard accrued amounts that have yet to be paid at 31 December 2023. The breakdown is as follows:

tab. B10.1 - Due to staff

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Fourteenth month salaries	-	211	211	-	208	208	3
Incentives	10	372	382	10	408	418	(36)
Accrued vacation pay	-	43	43	-	41	41	2
Other amounts due to staff	-	55	55	-	63	63	(8)
<b>Total</b>	<b>10</b>	<b>682</b>	<b>692</b>	<b>10</b>	<b>720</b>	<b>731</b>	<b>(38)</b>

The decrease in this item compared to the year 2022 is mainly attributable to the extraordinary component due to lower early retirement incentives.

## Social security payables

tab. B10.2 - Social security payables

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
INPS	2	333	334	1	330	332	2
Pension funds	-	87	87	-	89	89	(2)
INAIL	15	0	15	18	0	19	(4)
Other agencies	(0)	15	15	0	19	19	(4)
<b>Total</b>	<b>16</b>	<b>434</b>	<b>450</b>	<b>20</b>	<b>439</b>	<b>459</b>	<b>(8)</b>

## Other taxes payable

tab. B10.3 - Other taxes payable

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Stamp duty payable	1,826	132	1,958	1,790	21	1,810	148
Tax due on insurance provisions	-	496	496	-	420	420	76
Withholding tax on employees' and consultants' salaries	-	94	94	-	91	91	3
VAT payable	-	23	23	-	24	24	(1)
Substitute tax	-	40	40	-	32	32	8
Withholding tax on postal current accounts	-	74	74	-	29	29	45
Other taxes due	-	55	55	-	41	41	13
<b>Total</b>	<b>1,826</b>	<b>913</b>	<b>2,739</b>	<b>1,790</b>	<b>658</b>	<b>2,448</b>	<b>292</b>

Specifically:

- The **stamp duty payable** includes the balance due to the Treasury for the tax paid virtually in the financial year 2023. The non-current portion of the stamp duty mainly relates to the amount accrued at 31 December 2023 on Interest-bearing Postal Certificates outstanding and on Class III and V insurance policies pursuant to the new law referred to in Note A9 – *Other receivables and assets*.
- **Tax due on insurance provisions** relates to Poste Vita SpA and is described in note A9.

## Sundry payables

tab. B10.4 - Sundry payables

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Sundry payables attributable to BancoPosta	-	3	3	-	5	5	(2)
Security deposits	16	0	17	14	0	14	2
Other payables	39	195	234	38	130	168	66
<b>Total</b>	<b>55</b>	<b>199</b>	<b>254</b>	<b>52</b>	<b>135</b>	<b>187</b>	<b>67</b>

## Accrued liabilities and deferred income

**Accrued liabilities and deferred income**, which increased by €28 million compared to the year of comparison, include deferred income of €124 million for the non-repayable grant received in advance from the Parent Company for the implementation of the "Polis Project - Home of Digital Services".

## 4.3 NOTES TO THE STATEMENT OF PROFIT OR LOSS

### C1 – REVENUE FROM MAIL, PARCELS AND OTHER (€3,746 million)

This item breaks down as follows:

Description (€m)	FY 2023	FY 2022	Changes
Mail	1,753	1,749	3
Parcels	1,395	1,395	0
Other revenue	281	190	91
<b>Total external revenue</b>	<b>3,429</b>	<b>3,335</b>	<b>94</b>
Universal Service compensation	262	262	-
Publisher tariff subsidies	55	54	1
<b>Total revenue</b>	<b>3,746</b>	<b>3,651</b>	<b>95</b>
of which Revenue from contracts with customers	3,120	3,179	(59)
recognised at a point in time	376	371	5
recognised over time	2,744	2,808	(64)

**External revenue** showed an increase compared to the financial year 2022, largely attributable to the capital gain of approximately €109 million related to the sale of the controlling interest in the company sender (see Note 2.8 - Basis of consolidation).

**Universal Service** compensation relates to amounts paid by the MEF to cover the costs of fulfilling the USO. Annual compensation, amounting to €262 million, is established in the 2020-2024 Contratto di Programma (Service Contract) in force on 1 January 2020.

**Publisher tariff subsidies**<sup>242</sup> relate to the amount receivable by Poste Italiane from the Cabinet Office - Publishing department as compensation for the discounts applied to publishers and non-profit organisations when sending mail. The compensation is determined on the basis of the tariffs set in the decree issued by the Ministry of Enterprise and Made in Italy (former MiSE) in agreement with the Ministry of the Economy and Finance, on 21 October 2010 and Law Decree 63 of 18 May 2012, as converted into Law 103 of 16 July 2012. With AGCom Resolution 454/22/CONS of 30 December 2022, the new universal basic tariffs of the subsidised publishing products included in the Universal Service were defined. The Resolution provided for a gradual increase in the basic tariffs with a consequent increase in the compensation received by the Company per item sent at a subsidised rate. The amount of subsidies that the Company has granted is covered in the 2023 State Budget.

### C2 – NET REVENUE FROM FINANCIAL SERVICES (€5,229 million)

**Net revenue from financial services** regards services provided mainly within the Parent Company's BancoPosta RFC and the subsidiary BancoPosta Fondi SGR.

<sup>242</sup> Law no. 8 of 28 February 2020 - ordered that reimbursements of publishing tariff subsidies to Poste Italiane continue "for a duration equal to that of the universal postal service" (i.e. until April 2026). The application of the regulation is subject to approval by the European Commission.

This item breaks down as follows:

#### tab. C2 - Revenue from Financial Services

Description (€m)	FY 2023	FY 2022	Changes
Revenue from financial services	5,516	4,684	832
Income from financial activities	271	428	(157)
Other operating income	7	13	(6)
Expenses from financial activities	(566)	(187)	(379)
<b>Total</b>	<b>5,229</b>	<b>4,938</b>	<b>290</b>
of which Revenue from contracts with customers	2,643	2,520	123
recognised at a point in time	231	233	(2)
recognised over time	2,412	2,288	124

Revenue from financial services breaks down as follows:

#### tab. C2.1 - Revenue from financial services

Description (€m)	FY 2023	FY 2022	Changes
Income from investment of postal current account deposits and free cash	2,702	2,008	694
Fees for collection of postal savings deposits	1,740	1,600	140
Other revenue from current account services	426	426	1
Commissions on payment of bills by payment slip	208	216	(8)
Distribution of loan products	157	192	(35)
Income from delegated services	91	89	2
Mutual fund management fees	143	118	25
Money transfers	17	13	4
Other	32	22	10
<b>Total</b>	<b>5,516</b>	<b>4,684</b>	<b>832</b>

Revenue from financial services showed an increase compared to the year 2022, mainly due to income from investment of postal current account deposits and free cash and the remuneration of postal savings deposits.

Specifically:

- **Income from investment of postal current account deposits and free cash** breaks down as follows:

**tab. C2.1.1 - Income from investment of postal current account deposits and free cash**

Description (€m)	FY 2023	FY 2022	Changes
Income from investments in securities	1,962	1,482	480
Interest income on securities at amortised cost	780	677	103
Interest income on securities at FVOCI	936	821	115
Interest income (expense) on asset swaps of CFH on securities at FVOCI and AC	5	20	(15)
Interest income (expense) on asset swaps of FVH on securities at FVOCI and AC	171	(79)	250
Interest income on repurchase agreements	70	43	27
Income from investments in tax credits	309	273	36
Interest income on tax credits at AC	309	189	120
Interest income on tax credits at FVTOCI	-	84	(84)
Income from deposits held with the MEF	446	252	194
Remuneration of current account deposits (deposited with the MEF)	441	323	118
Differential on derivatives stabilising returns	5	(71)	76
Portion of interest income on own liquidity (finance income)	(15)	1	(6)
Other income	0	2	-
<b>Total</b>	<b>2,702</b>	<b>2,008</b>	<b>694</b>

The increase in this item compared to the previous year is mainly attributable to the income from investments in securities and the income from deposits held with the MEF.

*Income from investments in securities* relates to interest earned on investment of deposits paid into postal current accounts by private customers. The amount of income includes the impact of the interest rate hedge. The increase in this item compared to financial year 2022 was mainly due to the effects of the upward shift in the interest rate curve, which had a positive effect on the differentials exchanged in fair value hedge transactions, and to the higher profitability of both the new securities that entered the portfolio in financial year 2023, and those subject to the broader restructuring of fair value hedges as described in Note A6 - *Financial assets*.

*Income from investments in tax credits* relates to interest accrued during the year on the investments described in Note A10 - *Tax Credits Law no. 77/2020*.

*Income from deposits held with the MEF* primarily represents accrued interest for the year on amounts deposited at Public Administration entities, remunerated at a variable rate as described in Note A6 - *Financial assets*. The increase compared to 31 December 2022 is mainly due to the rise in the interest rate curve.

- **Fees for the collection of postal savings deposits** relates to remuneration for the provision and redemption of Interest-bearing Postal Certificates and payments into and withdrawals from Postal Savings Books. This service is provided by Poste Italiane SpA on behalf of Cassa Depositi e Prestiti. The increase in this item reflects the consideration accrued at the relevant date, under the Supplementary and Amending Deed of 30 January 2024, effective retroactively from 1 January 2023 to 31 December 2023, to the Agreement with Cassa Depositi e Prestiti renewed on 23 December 2021 for the period 2021-2024
- Revenue from **current account services** primarily relates to charges on current accounts, fees on amounts collected and on statements of account sent to customers, annual fees on debit cards and related transactions.
- Revenue from the **distribution of loan products** relates to commissions received by the Parent Company on the placement of personal loans and mortgages on behalf of third parties.

**Income from financial activities** breaks down as follows:

**tab. C2.2 - Income from financial activities**

Description (€m)	FY 2023	FY 2022	Changes
Income from financial instruments at FVTOCI	164	262	(98)
Realised gains	164	262	(98)
Income from financial instruments at amortised cost	48	129	(82)
Realised gains	48	129	(82)
Income from financial instruments at FVTPL	8	2	6
Fair value gains	7	1	6
Realised gains	1	-	1
Income from financial instruments - cash flow hedges	-	1	(1)
Fair value gains	-	1	(1)
Income from fair value hedges	0	17	(16)
Fair value gains	0	17	(16)
Foreign exchange gains	3	5	(2)
Fair value gains	1	1	(0)
Realised gains	2	4	(2)
Other income	48	12	36
<b>Total</b>	<b>271</b>	<b>428</b>	<b>(157)</b>

The decrease in **Other income from financial activities**, compared to the previous year, was mainly due to lower realised gains from financial instruments at FVTOCI and at amortised cost, partially offset by higher other income for interest accrued on guarantee deposits paid to counterparties .

**Expenses from financial activities** breaks down as follows:

tab. C2.3 - Expenses from financial activities

Description (€m)	FY 2023	FY 2022	Changes
Expenses from financial instruments at FVTOCI	54	4	50
Realised losses	54	4	50
Expenses from financial instruments at amortised cost	-	53	(53)
Realised losses	-	53	(53)
Expenses from financial instruments at FVTPL	7	2	5
Losses from valuation	4	1	3
Realised losses	3	0	2
Interest expense	505	127	378
Interest on customers' deposits	219	85	133
Interest expense on repurchase agreements	128	14	113
Due to the Parent Company	-	4	(4)
on guarantee deposits	158	24	134
Interest expense on own liquid funds (finance costs)	-	(1)	1
<b>Total</b>	<b>566</b>	<b>187</b>	<b>379</b>

**Expenses from financial activities** increased compared to the year 2022 mainly due to the effect of the change in the interest rate curve, which generated higher interest expenses on collateral deposits received from counterparties, on repurchase agreements and on postal current accounts of public customers.



**C3 – NET REVENUE FROM INSURANCE SERVICES (€1,567 million)****tab. C3 - Net revenue from Insurance Services**

Description (€m)	FY 2023	FY 2022	Changes
Revenue from insurance contracts issued	2,550	2,456	94
Costs arising from insurance contracts issued	(1,058)	(805)	(253)
Revenue/(costs) from outward reinsurance	(15)	(8)	(7)
Income and (expenses) from financial operations and other income/expenses	6,458	(1,532)	7,990
Net financial (costs)/revenue relating to insurance contracts issued	(6,373)	1,539	(7,911)
Net financial revenue/(costs) related to outward reinsurance	5	(0)	5
<b>Total</b>	<b>1,567</b>	<b>1,650</b>	<b>(83)</b>

Net revenue from insurance services decreased compared to 2022 from €1,650 million to €1,567 million, mainly due to the lower CSM release recognised during the period: €1,285 million compared to €1,515 million in the year of comparison; in particular, in the year 2022, the release had benefited from the additional yield related to the differential between the risk-neutral curve used to value the CSM and the actual real world curve. This decrease was only partly offset by the positive contribution of income, net of the portion reversed to policyholders, from financial operations (+€79 million compared to financial year 2022), given the improved financial dynamics and the higher release of the Adjustment for non-financial risk (+€31 million) compared to the same period of 2022.

The breakdown of revenue from insurance contracts and costs arising from insurance contracts is shown below.

The breakdown of Revenue from insurance contracts issued is as follows:

**tab. C3.1 - Revenue from insurance contracts issued**

Description (€m)	FY 2023	FY 2022	Changes
<b>Contracts measured according to GMM and VFA</b>	<b>2,137</b>	<b>2,139</b>	<b>(2)</b>
Change in Liability for remaining coverage	1,923	1,965	(41)
<i>Incurring claims and other insurance service costs expected</i>	516	360	156
<i>Changes in the adjustment for non-financial risks</i>	120	89	31
<i>Contractual service margin recognised in the statement of profit or loss for services provided</i>	1,285	1,515	(231)
<i>Other changes</i>	2	0	2
Acquisition costs of recovered insurance contracts	214	174	40
<b>Contracts measured according to the PAA</b>	<b>413</b>	<b>317</b>	<b>96</b>
<b>Total</b>	<b>2,550</b>	<b>2,456</b>	<b>94</b>

At the end of the reporting period, insurance revenue from contracts measured upon transition to IFRS 17 using the Fair Value Approach amounted to €58 million, for contracts subject to carve-out<sup>243</sup> amounted to €1,909 million, with the remainder relating to revenue from new contracts recognised in the period and contracts for which the Full Retrospective Approach was adopted.

<sup>243</sup> Contracts for which the *annual cohort* exemption was applied.

The breakdown of **Costs from insurance contracts issued** is as follows:

**tab. C3.2 - Costs from insurance contracts issued**

Description (€m)	FY 2023	FY 2022	Changes
<b>Contracts measured according to GMM and VFA</b>	<b>703</b>	<b>533</b>	<b>170</b>
Incurring claims and other directly attributable costs	346	360	(14)
Changes in the liability for incurred claims	146	(1)	147
Losses on onerous contracts and recovery of such losses	(3)	0	(3)
Amortisation of insurance contract acquisition costs	214	174	40
Other	(1)	-	(1)
<b>Contracts measured according to the PAA</b>	<b>355</b>	<b>271</b>	<b>84</b>
<b>Total</b>	<b>1,058</b>	<b>805</b>	<b>253</b>

The breakdown of revenue/(costs) from outward reinsurance is as follows:

**tab. C3.3– Revenue/(costs) from outward reinsurance**

Description (€m)	FY 2023	FY 2022	Changes
<b>Outward reinsurance measured under GMM</b>	<b>(48)</b>	<b>0</b>	<b>(48)</b>
Change in asset for remaining coverage	(48)	0	(48)
<i>Amount of claims and other recoverable costs expected</i>	(35)	0	(35)
<i>Changes in the adjustment for non-financial risks</i>	(4)	(0)	(4)
Contractual service margin recognised in the statement of profit or loss for services received	(6)	(0)	(6)
<i>Other</i>	(3)	0	(3)
Other costs directly attributable to outward reinsurance	0	0	0
<b>Outward reinsurance measured under PAA</b>	<b>(41)</b>	<b>(7)</b>	<b>(34)</b>
<b>Total costs from outward reinsurance</b>	<b>(89)</b>	<b>(7)</b>	<b>(82)</b>
Effects of changes in default risk by reinsurers	0	0	0
Amount of claims and other expenses recovered	0	0	(0)
Changes in the asset for incurred claims	38	(1)	39
Other recoveries	2	0	2
<b>Revenue from outward reinsurance measured under PAA</b>	<b>33</b>	<b>(0)</b>	<b>(33)</b>
<b>Total</b>	<b>(15)</b>	<b>(8)</b>	<b>(7)</b>

The breakdown of **Income and (Expenses) from financial operations and other income/expenses** is as follows:

**tab. C3.4 - Income and (expenses) from financial operations and other income/expenses**

Description (€m)	FY 2023	FY 2022	Changes
Income from financial operations and other income	6,982	4,434	2,549
Expenses from financial operations and other expenses	(525)	(5,966)	5,441
<b>Total</b>	<b>6,458</b>	<b>(1,532)</b>	<b>7,990</b>

**tab. C3.4.1 - Income from financial operations and other income**

Description (€m)	FY 2023	FY 2022	Changes
Income from financial instruments at FVTOCI	3,217	3,613	(396)
Interest	3,202	3,549	(347)
Realised gains	15	64	(49)
Dividends	0	-	-
Income from financial instruments at amortised cost	6	6	0
Interest	6	6	0
Realised gains	-	-	-
Income from financial instruments at FVPL	3,600	693	2,907
Interest	553	321	233
Fair value gains	2,893	335	2,557
Realised gains	154	37	117
Other income	160	122	38
<b>Total</b>	<b>6,982</b>	<b>4,434</b>	<b>2,549</b>

The increase in **Income from financial operations and other income** is mainly attributable to valuation gains from financial instruments at FVPL.

**tab. C3.4.2 - Expenses from financial operations and other expenses**

Description (€m)	FY 2023	FY 2022	Changes
Expenses from financial instruments at FVOCI	46	252	(206)
Interest	0	5	(5)
Realised losses	46	247	(202)
Expenses from financial instruments at FVPL	469	5,711	(5,242)
Losses from valuation	289	5,382	(5,093)
Realised losses	181	329	(149)
Impairment losses/(reversals of impairment losses) due to credit risk	7	(4)	11
Other expenses	3	(14)	17
			-
<b>Total</b>	<b>525</b>	<b>5,966</b>	<b>(5,441)</b>

The decrease in **Expenses from financial operations and other expenses** is mainly attributable to expenses from the valuation of financial instruments at FVPL.

These valuation gains and losses, related almost entirely to the investments included in the separately managed accounts, were almost entirely relegated to policyholders through the mirroring mechanism and included in the item "Net financial (costs)/revenue relating to insurance contracts issued".

**tab. C3.5 - Net financial (costs)/revenue relating to insurance contracts issued**

Description (€m)	FY 2023	FY 2022	Changes
Accrued interest	(12)	0	(12)
Effects of changes in interest rates and other financial assumptions	(1)	1	(2)
Change in fair value of underlying assets of contracts measured under VFA	(6,359)	1,538	(7,897)
Effects of exchange rate changes	0	0	0
Other	0	0	0
<b>Total</b>	<b>(6,373)</b>	<b>1,539</b>	<b>(7,911)</b>

**tab. C3.6 - Net financial revenue/(costs) related to outward reinsurance**

Description (€m)	FY 2023	FY 2022	Changes
Accrued interest	5	0	5
Effects of changes in interest rates and other financial assumptions	0	(0)	0
Effects of exchange rate changes	0	0	0
Other	0	0	0
<b>Total</b>	<b>5</b>	<b>(0)</b>	<b>5</b>

**C4 – REVENUE FROM PAYMENTS AND MOBILE SERVICES (€1,586 million)**

This item breaks down as follows:

**tab. C4 - Revenue from payments and mobile**

Description (€m)	FY 2023	FY 2022	Changes
Electronic money	623	581	42
Fees for issue and use of prepaid cards	409	423	(14)
Acquiring	60	47	13
Other fees	154	111	44
Mobile	327	317	11
Payments services	473	233	240
Payment Slips	280	68	212
Commissions for processing tax payments using forms F23/F24	46	48	(1)
Money transfers	147	109	38
Other products and services	(0)	9	(9)
Revenue from energy services	157	12	145
Other operating income	6	4	1
<b>Total</b>	<b>1,586</b>	<b>1,147</b>	<b>440</b>
of which Revenue from contracts with customers	1,306	1,127	179
recognised at a point in time	438	485	(47)
recognised over time	868	642	226

These consist of revenue from card payment products and payment services, revenue from mobile telephony services and revenue from the energy segment, which are mainly generated by PostePay SpA and its direct subsidiaries.

Revenue from payments and mobile services posted an increase of €440 million compared to the same period of last year, with a positive contribution from all segments. Of particular note is the growth in revenue from collection and reporting services, taking into account the full 2023 contribution of LIS Holding and Lis Pay (consolidated from September 2022), and revenue from the energy segment.

**C5 - COST OF GOODS AND SERVICES (€3,237 million)****tab. C5 - Cost of goods and services**

Description (€m)	FY 2023	FY 2022	Changes
Service costs	2,906	2,619	287
Lease expense	163	137	26
Raw, ancillary and consumable materials and goods for resale	303	190	113
Allocation of costs directly attributable to insurance contracts	(135)	(119)	(16)
<b>Total</b>	<b>3,237</b>	<b>2,827</b>	<b>410</b>

Costs of goods and services (adjusted for costs directly attributable to insurance contracts) increased by a total of €410 million compared to the financial year 2022, mainly due to the generalised increase in prices resulting from the international inflationary scenario and the expansion of the company perimeter that occurred mainly in the second half of the previous year.

**Service costs****tab. C5.1 - Service costs**

Description (€m)	FY 2023	FY 2022	Changes
Transport of mail, parcels and forms	1,146	1,084	62
Credit and debit card fees and charges	322	218	105
Outsourcing fees and external service charges	281	243	38
Routine maintenance and technical assistance	247	250	(3)
Mobile telecommunication services for customers	182	169	13
Personnel services	141	129	12
Energy and water	101	80	21
Cleaning, waste disposal and security	95	109	(15)
Advertising and promotions	78	62	16
Transport of cash	57	62	(5)
Exchange of mail and telegraphy	44	42	2
Asset management fees	43	43	(0)
Telecommunications and data transmission	40	43	(3)
Electricity and gas transmission costs	34	0	33
Consultants' fees and legal expenses	19	18	1
Electronic document management, printing and enveloping services	10	12	(1)
Remuneration and expenses of Statutory Auditors	2	1	0
Other	66	54	12
<b>Total</b>	<b>2,906</b>	<b>2,619</b>	<b>287</b>

The rise in service costs was mainly due to the increase in credit/debit card management fees and charges, costs for logistics and delivery services related to the parcels segment, fees related to the increased use of cloud technology, and electricity and gas transmission costs of the energy segment.

## Lease expense

tab. C5.2 - Lease expense

Description (€m)	FY 2023	FY 2022	Changes
Real estate leases and ancillary costs	113	86	27
Vehicle leases	33	36	(3)
Equipment hire and software licences	4	3	1
Other lease expense	13	12	1
<b>Total</b>	<b>163</b>	<b>137</b>	<b>26</b>

## Raw, ancillary and consumable materials and goods for resale

tab. C5.3 - Raw, ancillary and consumable materials and goods for resale

Description (€m)	FY 2023	FY 2022	Changes
Consumables, advertising materials and goods for resale	109	87	22
Fuels and lubricants	68	74	(6)
Electricity and gas costs	115	13	102
Printing of postage and revenue stamps	6	4	2
Electronic money card	15	9	6
SIM cards and scratch cards	1	1	(1)
Change in inventories of work in progress, semi-finished and finished goods and goods for resale	(8)	(5)	(3)
Change in inventories of raw, ancillary and consumable materials	1	6	(5)
Change in property held for sale	(7)	1	(7)
Others	3	0	3
<b>Total</b>	<b>303</b>	<b>190</b>	<b>113</b>

The increase compared to the financial year 2022 was mainly affected by the generalised increase in the purchase prices of fuel and raw materials, higher costs in the energy segment as a result of the launch of the commercial offer during the year, and the expansion of the company scope.

**C6 - PERSONNEL EXPENSES (€5,170 million)**

Personnel expenses include the cost of personnel seconded to other organisations. The recovery of such expenses is posted to Other operating income. Personnel expenses break down as follows:

**tab. C6 - Personnel expenses**

Description (€m)	Note	FY 2023	FY 2022	Changes
Wages and salaries		4,076	3,856	220
Social security contributions		1,157	1,099	58
Employee termination benefits: current service cost	[tab. B7]	3	2	1
Employee termination benefits: supplementary pension funds and INPS		238	234	4
Agency staff		4	3	1
Remuneration and expenses paid to Directors		5	3	1
Early retirement incentives		12	22	(11)
Net provisions (reversals) for disputes with staff	[tab. B6]	10	(3)	13
Allocations to the provisions for early retirement incentives	[tab. B6]	159	54	105
Amounts recovered from staff due to disputes		(3)	(4)	1
Share-based payments		12	9	3
Other personnel expenses/(cost recoveries)		(29)	(48)	19
Allocation of costs directly attributable to insurance contracts		(473)	(404)	(69)
<b>Total</b>		<b>5,170</b>	<b>4,823</b>	<b>347</b>

**Personnel expenses** (adjusted for costs directly attributable to insurance contracts) increased by €347 million compared to the year 2022 attributable, for the ordinary component, primarily to the increase in the unit cost and, for the extraordinary component, to higher early retirement incentives and the additional and extraordinary performance bonus, paid in November 2023, for approximately €130 million. The increase in the unit cost is mainly attributable to the increase on contractual minimums triggered in July 2022 in connection with the National Collective Labour Agreement renewed in June 2021 and the increase in the variable component driven by the share linked to commercial action.

Net provisions for disputes with staff and provisions for early retirement incentives are described in note B6 – *Provisions for risks and charges*.

The following table shows the Group's average and year-end headcount:

**tab. C6.1 - Number of employees**

Category	Average		Year end	
	FY 2023	FY 2022	31.12.23	31.12.22
Executives	692	660	688	679
Middle managers	15,338	15,136	15,279	15,161
Operational staff	88,540	89,871	86,349	89,896
Back-office staff	6,334	4,619	6,475	6,080
<b>Total employees on permanent contracts (*)</b>	<b>110,904</b>	<b>110,286</b>	<b>108,791</b>	<b>111,816</b>

(\*) Figures expressed in full time equivalent terms

Furthermore, taking account of personnel on flexible contracts, the average number of full-time equivalent personnel is 119,310 (in 2022: 119,806).

**C7 - DEPRECIATION, AMORTISATION AND IMPAIRMENTS** (€811 million)

This item breaks down as follows:

**tab. C7 - Depreciation, amortisation and impairments**

Description (€m)	FY 2023	FY 2022	Changes
Depreciation of property, plant and equipment	239	230	9
Impairments/recoveries/adjustments of property, plant and equipment	3	(4)	7
Depreciation of investment property	1	1	(0)
Amortisation and impairments of intangible assets	366	354	12
Depreciation of right-of-use assets	272	251	21
Allocation of costs directly attributable to insurance contracts	(72)	(61)	(11)
<b>Total</b>	<b>811</b>	<b>769</b>	<b>42</b>

Depreciation, amortisation and impairments (adjusted for costs directly attributable to insurance contracts) increased by €42 million compared to the financial year 2022. The increase is attributable to rights of use (€21 million) mainly for the expansion of the leased fleet held by the Parent Company, to intangible assets (€12 million) for investments in software applications that have become available for use and for assets identified as part of the purchase price allocation processes on acquisitions made during 2022, and to property, plant and equipment (€9 million).

**C8 - CAPITALISED COSTS AND EXPENSES** (€56 million)

Capitalised costs and expenses break down as follows:

**tab. C8 - Increases relating to assets under construction**

Description (€m)	FY 2023	FY 2022	Changes
<b>Property, plant and machinery:</b>	<b>2</b>	<b>3</b>	<b>(2)</b>
Cost of goods and services	2	3	(2)
			-
<b>Intangible assets:</b>	<b>54</b>	<b>38</b>	<b>16</b>
Cost of goods and services	14	3	12
Personnel expenses	39	33	5
Depreciation and amortisation	1	2	(1)
<b>Total</b>	<b>56</b>	<b>41</b>	<b>14</b>



**C9 - OTHER OPERATING COSTS** (€275 million)

Other operating costs break down as follows:

**tab. C9 - Other operating costs**

Description (€m)	FY 2023	FY 2022	Changes
Net provisions for risks and charges made/(released)	81	323	(241)
for disputes with third parties	(12)	24	(36)
for operational risks	(1)	(11)	10
for other risks and charges	11	(10)	21
for taxation	3	(1)	4
for risks on tax credit - Law no. 77/2020	80	320	(240)
Operational risk events	28	25	3
Thefts	4	2	2
Loss of BancoPosta assets, net of recoveries	3	4	(1)
Other operating losses of BancoPosta	21	19	2
Capital losses	3	2	1
Municipal property tax, urban waste tax and other taxes and duties	113	107	6
Other current expenses	71	62	9
Allocation of costs directly attributable to insurance contracts	(22)	(10)	(11)
<b>Total</b>	<b>275</b>	<b>508</b>	<b>(233)</b>

**Other operating costs** (adjusted for costs directly attributable to insurance contracts) decreased compared to the year of comparison due to lower provisions for risks and charges, see in this regard Note B6 - *Provisions for risks and charges* and Note A10 - *Tax credits Law no. 77/2020*.

**C10 – IMPAIRMENT LOSSES/(REVERSALS OF IMPAIRMENT LOSSES) ON DEBT INSTRUMENTS, RECEIVABLES AND OTHER ASSETS** (€71 million)**C10 - Impairment losses/(Reversals of impairment losses) on debt instruments, receivables and other assets**

Description (€m)	FY 2023	FY 2022	Changes
Net impairments and losses on receivables and other assets	64	97	(33)
Impairment losses/(reversals of impairment losses) on financial activities	(0)	1	(1)
Impairment losses/(reversals of impairment losses) on debt instruments at FVTOCI	3	4	(1)
Impairment losses/(reversals of impairment losses) on debt instruments at amortised cost	4	2	3
<b>Total</b>	<b>71</b>	<b>104</b>	<b>(34)</b>

**C11 – FINANCE INCOME (€181 million) AND COSTS (€119 million)**

Income from and costs incurred on financial instruments relate to assets other than those in which deposits collected by BancoPosta and the financial and insurance businesses are invested.

## Finance income

**tab. C11.1 - Finance income**

Description (€m)	FY 2023	FY 2022	Changes
Income from financial instruments at FVTOCI	60	66	(7)
Interest	55	64	(9)
Accrued differentials on fair value hedges	0	1	(1)
Realised gains	0	1	(1)
Dividends	4	0	4
Income from financial instruments at amortised cost	62	64	(3)
Interest	62	64	(3)
Income from financial instruments at FVPL	10	8	2
Fair value gains	9	3	6
Accrued differentials on derivative financial instruments at FVPL	1	5	(4)
Income from financial liabilities at FVTPL	2	11	(9)
Income from financial instruments - cash flow hedges	6	0	6
Realised gains	6	0	6
Other finance income	35	10	25
Remuneration of own liquid funds of Poste Italiane	15	1	14
Interest on bank accounts	9	4	5
Finance income on discounted receivables	2	2	(0)
Late payment interest	30	23	8
Impairment of amounts due as late payment interest	(29)	(22)	(7)
Other income	8	2	6
Foreign exchange gains	8	11	(3)
<b>Total</b>	<b>181</b>	<b>169</b>	<b>12</b>

For the purposes of reconciliation with the statement of cash flows, in 2023 finance income after both realised gains, foreign exchange gains and dividends, amounted to €169 million (€157 million in 2022).

Finance income increased by €12 million compared to the previous year, mainly due to the remuneration accrued on postal current accounts in the name of Poste Italiane as a result of the rise in the interest rate curve (€14 million).

## Finance costs

## tab. C11.2 - Finance costs

Description (€m)	FY 2023	FY 2022	Changes
Finance costs on financial liabilities	38	33	5
on bonds	5	4	1
on due to financial institutions	6	4	2
on lease payables	28	24	5
from derivative financial instruments	0	1	(1)
Sundry costs on financial assets	4	18	(15)
Realised losses on financial instruments at FVOCI	3	-	3
Losses from valuation on financial instruments at FVTPL	0	18	(18)
Expenses from financial liabilities at FVPL	5	-	
Finance costs on provisions for employee termination benefits and pension plans	26	16	10
Finance costs on provisions for risks	4	(0)	5
Interest expense on own liquid funds	-	1	(1)
Other finance costs	34	50	(16)
Foreign exchange losses	8	9	(1)
<b>Total</b>	<b>119</b>	<b>126</b>	<b>(7)</b>

For the purposes of reconciliation with the statement of cash flows, in 2023 finance costs after foreign exchange losses amounted to €110 million (€118 million in 2022).

**C12 - INCOME TAX EXPENSE (€794 million)****tab. C12 - Income tax expense**

Description (€m)	FY 2023				FY 2022				Changes
	IRES	IRAP	Other	Total	IRES	IRAP	Other	Total	
Current tax expense	597	148	2	746	408	111	1	520	226
Deferred tax assets	(3)	1	-	(2)	43	8	-	52	(54)
Deferred tax liabilities	43	7	-	50	222	56	-	278	(228)
<b>Total</b>	<b>637</b>	<b>156</b>	<b>2</b>	<b>794</b>	<b>672</b>	<b>176</b>	<b>1</b>	<b>850</b>	<b>(56)</b>

Below is the reconciliation of the Parent Company's theoretical IRES tax rate and the effective tax rate of 29.11%:

**tab. C12.1 - Reconciliation between theoretical and effective IRES rate**

Description (€m)	FY 2023		FY 2022	
	Tax	Impact %	Tax	Impact %
Profit before tax	2,727		2,433	
Theoretical tax charge	655	24.0%	584	24.0%
Effect of increases/(decreases) on theoretical tax charge				
Realised gains on investments	(25)	-0.92%	-	0.00%
Non-deductible out-of-period losses	8	0.30%	6	0.24%
Net provisions for risks and charges and impairment of receivables	23	0.83%	99	4.06%
Realignment of tax bases and carrying amounts and taxation for previous years	(11)	-0.39%	(10)	-0.43%
Patent Box and ACE (aid for economic growth) tax effect - previous years	-	0.00%	(6)	-0.25%
Other differences	(11)	-0.40%	(0)	-0.02%
IRAP Italian companies	155	5.69%	178	7.33%
<b>Effective tax charge</b>	<b>794</b>	<b>29.11%</b>	<b>850</b>	<b>34.92%</b>

With regard to the deductibility of losses related to the non-compensation of tax credits, and the provision for risks on tax credits (see also Note A10 - Tax Credits Law no. 77/2020), on 25 January 2024, the Agenzia delle Entrate's response was received to the request for a tax ruling presented by the Parent Company; the response received provides indications that lend themselves to different interpretations and discussions are currently under way with the Agenzia delle Entrate to define the correct interpretation and the consequent impact on the various applicable cases. Given the continuing situation of interpretative uncertainty, based on the provisions of IFRIC 23 - Uncertainty in Income Tax Treatments, these items have been conservatively evaluated as non-deductible. The possible positive tax effects that may emerge as a result of potential developments in the interpretation of the cases in question, following the conclusion of discussions with the Agenzia delle Entrate will be reflected in financial statements after 2023.

## Current tax expense

tab. C12.2 - Movements in current tax assets  
/(liabilities)

Description (€m)	Current tax 2023			Total
	IRES	IRAP	Foreign companies	
	Assets/ (Liabilities)	Assets/ (Liabilities)	Assets/ (Liabilities)	
<b>Balance at 1 January</b>	<b>70</b>	<b>12</b>	<b>(2)</b>	<b>80</b>
Payments	131	63	3	197
Collection of ACE 2013 credit	(6)	-	-	(6)
Claim for IRAP refund	-	(1)	-	(1)
Offsetting tax credits Law no. 77/2020	340	39	-	379
Provisions to profit or loss	(597)	(148)	(2)	(746)
Provisions to equity	7	0	-	7
Other (*)	63	5	(0)	68
<b>Balance at 31 December</b>	<b>8</b>	<b>(30)</b>	<b>(1)</b>	<b>(23)</b>
of which:				
Current tax assets	156	10	-	<b>167</b>
Current tax liabilities	(149)	(40)	(1)	<b>(189)</b>

(\*) This item mainly refers to receivables for withholding taxes.

Under IAS 12 – Income Taxes, IRES and IRAP credits are offset against the corresponding current tax liabilities, when applied by the same tax authority to the same taxable entity, which has a legally enforceable right to offset and intends to exercise this right.

At 31 December 2023, current tax assets/(liabilities) include:

- the liability of €175 million determined by mainly IRES and IRAP provisions for the year 2023 net of IRES and IRAP advances paid and IRES and IRAP receivables from the previous year and receivables for withholding taxes;
- receivables referred to the Parent Company of a residual €14 million related to the adhesion to the Patent Box regime for the years 2017-2019. Following the submission of the relevant supplementary tax return, the IRES credit related to the Aid for Economic Growth (ACE) for the financial year 2013 of €6 million was collected in the year under review;
- assets for a total of €14 million related to a request for a tax ruling referring to the tax recognition of income components arising from the management of postal current account balances;
- the substitute tax credit of a residual €13 million relating to the redemption carried out by the Parent Company during 2018, pursuant to art. 15, paragraph 10 *ter* of Law Decree no. 185 of 29 November 2008, of the higher values resulting from the notes to the consolidated financial statements at 31 December 2017, of goodwill and other intangible assets relating to the acquisition of the investment in FSIA Investimenti Srl;
- the substitute tax credit for a residual €7 million relating to the redemption carried out by the Parent Company during 2022, pursuant to art. 15, paragraphs 10 *bis* and 10 *ter* of Law Decree no. 185 of 29 November 2008, of the goodwill arising from the acquisition of the Nexive Group and Sengi HK investments;
- assets for a residual €9 million recognised as a result of the responses received to two requests for a tax ruling filed with the Agenzia delle Entrate concerning the tax effects of application of IFRS 9 and 15. These assets will become offsettable after the submission of the relevant supplementary tax returns.

It should be noted that during the year, the companies PostePay S.p.A. and Poste Italiane S.p.A. recognised substitute tax credits of approximately €90 million and €6 million, respectively, in connection with the franking, pursuant to Article 15, paragraph 10-ter, of Law Decree no. 185 of 29 November 2008, of the goodwill and other intangible assets identified in the Purchase Price Allocation ("PPA") arising from the acquisition of the investments in LIS Holding, Agile and Sourcesense. The payment of the substitute tax will allow the franked amounts to be deducted for tax purposes as of the financial year 2025.

## Deferred tax assets and liabilities

**tab. C12.3 - Deferred tax assets and liabilities**

Description (€m)	Balance at 31 December 2023	Balance at 31 December 2022	Changes
Deferred tax assets	2,109	2,601	(492)
Deferred tax liabilities	(900)	(815)	(85)
<b>Total</b>	<b>1,208</b>	<b>1,786</b>	<b>(578)</b>

Movements in deferred tax assets and liabilities are shown below:

**tab. C12.4 - Movements in deferred tax assets and liabilities**

Description (€m)	FY 2023
<b>Balance at 1 January</b>	<b>1,786</b>
Net income/(expense) recognised in profit or loss	(48)
Net income/(expense) recognised in equity	(565)
Change in scope of consolidation and other	34
<b>Balance at 31 December</b>	<b>1,208</b>

The following table shows movements in deferred tax assets and liabilities, broken down according to the events that generated such movements:

**tab. C12.5 - Movements in deferred tax assets**

Description (€m)	Property, plant and equipment and intangible assets	Financial assets and liabilities	Provisions to cover expected losses	Provisions for risks and charges	Insurance assets and liabilities	Other	Total
<b>Balance at 1 January 2023</b>	<b>49</b>	<b>1,118</b>	<b>95</b>	<b>237</b>	<b>913</b>	<b>189</b>	<b>2,601</b>
Income/(expense) recognised in profit or loss	(1)	4	1	(19)	3	14	2
Income/(expense) recognised in equity	0	(525)	-	(0)	(1)	(0)	(525)
Change in scope of consolidation	-	2	-	0	25	2	29
<b>Balance at 31 December 2023</b>	<b>49</b>	<b>601</b>	<b>97</b>	<b>218</b>	<b>939</b>	<b>206</b>	<b>2,109</b>

**tab. C12.6 - Movements in deferred tax liabilities**

Description (€m)	Financial assets and liabilities	Intangible assets	Other	Total
<b>Balance at 1 January 2023</b>	<b>674</b>	<b>63</b>	<b>78</b>	<b>815</b>
Expense/(income) recognised in profit or loss	47	(3)	7	50
Expense/(income) recognised in equity	30	-	(0)	30
Change in scope of consolidation	-	5	0	5
Reclassifications	-	-	0	0
<b>Balance at 31 December 2023</b>	<b>751</b>	<b>64</b>	<b>86</b>	<b>900</b>

Movements in deferred tax assets and liabilities recognised directly in equity during the year are as follows:

**tab. C12.7 - Deferred tax assets and liabilities recognised in equity**

Description (€m)	FY 2023
Fair value reserve for financial assets at FVTOCI	(2,387)
Reserve for insurance contracts issued and outward reinsurance	1,755
Cash flow hedge reserve for hedging instruments	68
Actuarial gains /(losses) on employee termination benefits	(0)
<b>Total</b>	<b>(565)</b>

## 4.4 - OPERATING SEGMENTS

The identified operating segments, which are in line with the Group's strategic guidelines, are as follows:

- Mail, Parcels and Distribution
- Financial Services
- Insurance Services
- Payments and Mobile

For a description of the operating segments as well as the types of products and/or services from which each reportable segment derives its revenue, please refer to the "Introduction" section of this Annual Report.

The result for each segment is based on operating profit/(loss) and gains/losses on intermediation.

In order to provide an understanding of the energy business, included in the Payments and Mobile operating segment, according to an approach based on the net interest and other banking income, since the Group is not an energy producer, the values marked with an asterisk include a management reclassification that provides for the presentation of revenue related to the energy business net of costs related to the purchase of raw materials and the transport of electricity and gas. Therefore, values that deviate from the accounting data are specially marked and reconciled with the figures in the accounting statements.

The following results, which are shown separately in accordance with the management view and with applicable accounting standards, should be read in light of the integration of the services offered by the distribution network within the businesses allocated to all four identified operating segments, also considering the obligation to carry out the Universal Postal Service.

### Economic data by operating segment

FY 2023 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Net external revenue from ordinary activities	3,746	5,229	1,567	1,447 (*)	-	11,989 (*)
Net intersegment revenue from ordinary activities	5,245	866	(148)	264	(6,227)	0
<b>Net operating revenue</b>	<b>8,991</b>	<b>6,095</b>	<b>1,419</b>	<b>1,710 (*)</b>	<b>(6,227)</b>	<b>11,989 (*)</b>
<b>Total costs</b>	<b>(9,033)</b>	<b>(5,232)</b>	<b>(59)</b>	<b>(1,271) (*)</b>	<b>6,227</b>	<b>(9,368) (*)</b>
<i>of which: Depreciation, amortisation and impairments</i>	(844)	(0)	(2)	(36)	71	(811)
<i>of which: Other non-cash expenses</i>	(291)	(12)	(1)	(24)	-	(328)
<b>Operating profit/(loss)</b>	<b>(43)</b>	<b>863</b>	<b>1,360</b>	<b>440</b>	<b>0</b>	<b>2,620</b>
Finance income/(costs)	(41)	(1)	102	2	-	62
(Impairment losses)/reversals of impairment losses on financial assets	25	0	(0)	(0)	-	25
Profit/(Loss) on investments accounted for using the equity method	2	18	-	-	-	20
Intersegment finance income/(costs)	8	13	(51)	30	0	-
Income tax expense	2	(246)	(417)	(134)	-	(794)
<b>Net profit/(loss) for the year</b>	<b>(46)</b>	<b>647</b>	<b>994</b>	<b>338</b>	<b>0</b>	<b>1,933</b>

FY 2022 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Net external revenue from ordinary activities	3,651	4,939	1,650	1,134 (*)	-	11,374 (*)
Net intersegment revenue from ordinary activities	4,862	820	(148)	264	(5,798)	0
<b>Net operating revenue</b>	<b>8,512</b>	<b>5,759</b>	<b>1,502</b>	<b>1,398 (*)</b>	<b>(5,798)</b>	<b>11,374 (*)</b>
<b>Total costs</b>	<b>(8,838)</b>	<b>(4,872)</b>	<b>(48)</b>	<b>(1,019) (*)</b>	<b>5,798</b>	<b>(8,978) (*)</b>
<i>of which: Depreciation, amortisation and impairments</i>	(805)	(0)	(3)	(23)	63	(769)
<i>of which: Other non-cash expenses</i>	(498)	21	(1)	(7)	-	(486)
<b>Operating profit/(loss)</b>	<b>(326)</b>	<b>887</b>	<b>1,455</b>	<b>379</b>	<b>(0)</b>	<b>2,396</b>
Finance income/(costs)	(31)	(13)	87	(0)	-	43
(Impairment losses)/reversals of impairment losses on financial assets	1	0	(0)	(0)	-	0
Profit/(Loss) on investments accounted for using the equity method	1	(7)	-	-	-	(6)
Intersegment finance income/(costs)	46	(2)	(45)	1	0	0
Income tax expense	(52)	(243)	(445)	(110)	-	(850)
<b>Net profit/(loss) for the year</b>	<b>(361)</b>	<b>622</b>	<b>1,051</b>	<b>270</b>	<b>0</b>	<b>1,583</b>



Below is the reconciliation between the accounting figure and the management figure for the year under review and the comparative figure, reclassified to reflect the new exposure:

Description (€m)		FY 2023		FY 2022	
		Payments and Mobile	Poste Italiane	Payments and Mobile	Poste Italiane
Net external revenue from ordinary activities	Accounting figure	1,586	12,128	1,147	11,386
	Reclassification	(140)	(140)	(12)	(12)
	<b>Management figure</b>	<b>1,447</b>	<b>11,989</b>	<b>1,134</b>	<b>11,374</b>
Net intersegment revenue from ordinary activities	Accounting figure	275		264	
	Reclassification	(11)		0	
	<b>Management figure</b>	<b>264</b>		<b>264</b>	
Net operating revenue	Accounting figure	1,861	12,128	1,410	11,386
	Reclassification	(150)	(140)	(12)	(12)
	<b>Management figure</b>	<b>1,710</b>	<b>11,989</b>	<b>1,398</b>	<b>11,374</b>
Total costs	Accounting figure	1,421	9,508	1,031	8,990
	Reclassification	(150)	(140)	(12)	(12)
	<b>Management figure</b>	<b>1,271</b>	<b>9,368</b>	<b>1,018</b>	<b>8,978</b>

### Statement of financial position data by operating segment

31 December 2023 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
<b>Assets</b>	<b>13,223</b>	<b>98,450</b>	<b>164,024</b>	<b>12,712</b>	<b>(17,633)</b>	<b>270,777</b>
Non-current assets	9,934	73,325	144,516	737	(3,698)	224,814
Current assets	3,289	25,125	19,508	11,975	(13,936)	45,963
Non-current assets and disposal groups held for sale	-	-	50	-	-	50
<b>Liabilities</b>	<b>10,340</b>	<b>95,640</b>	<b>157,634</b>	<b>11,269</b>	<b>(14,496)</b>	<b>260,388</b>
Non-current liabilities	4,125	10,014	156,402	85	(669)	169,958
Current liabilities	6,215	85,626	1,232	11,185	(13,827)	90,430
<b>Other information</b>						
Capital expenditure	814	0	6	25	-	845
Investments accounted for using the equity method	27	267	-	-	-	294

31 December 2022 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
<b>Assets</b>	<b>12,902</b>	<b>104,744</b>	<b>148,943</b>	<b>11,743</b>	<b>(16,258)</b>	<b>262,074</b>
Non-current assets	9,701	72,202	132,982	742	(3,699)	211,928
Current assets	3,201	32,542	15,961	11,001	(12,559)	50,146
Non-current assets and disposal groups held for sale	-	-	-	-	-	-
<b>Liabilities</b>	<b>10,393</b>	<b>103,406</b>	<b>143,186</b>	<b>10,332</b>	<b>(13,121)</b>	<b>254,195</b>
Non-current liabilities	4,623	10,339	142,163	83	(560)	156,647
Current liabilities	5,770	93,067	1,023	10,249	(12,560)	97,548
<b>Other information</b>						
Capital expenditure	788	0	0	23	-	810
Investments accounted for using the equity method	4	262	-	-	-	267

Disclosure about geographical segments, based on the geographical areas in which the various Group companies are based or the location of its customers, is of no material significance. At 31 December 2023, the entities consolidated on a line-by-line basis are mainly based in Italy and, on a residual and insignificant basis in China and the United Kingdom<sup>244</sup>; customers are mainly located in Italy: revenue from foreign customers does not account for a significant percentage of total revenue. Assets include those deployed by the segment in the course of ordinary business activities and those that could be allocated to it for the performance of such activities.

<sup>244</sup> Total net revenue from ordinary operations by third parties recognised by the fully consolidated companies based in China and the United Kingdom amounted to €149 million, while EBIT and net trading income amounted to €11 million.

## 4.5 – RELATED PARTY TRANSACTIONS

### Impact of related party transactions on the financial position and profit or loss

The impact of related party transactions on the financial position and profit or loss is shown below.

#### Impact of related party transactions on the financial position at 31 December 2023

Description (€m)	Balance at 31.12.2023						
	Financ ial assets	Trade receivab les	Other assets Other receivab les	Cash and cash equivale nts	Financ ial liabiliti es	Trade payabl es	Other liabiliti es
<b>Subsidiaries</b>							
Address Software Srl	-	0	-	-	0	1	0
Kipoint SpA	-	1	0	-	2	2	0
Indabox	-	0	-	-	0	0	0
<b>Associates</b>							
Anima Holding Group	-	0	-	-	-	7	-
Italia Camp Srl	-	1	-	-	-	0	-
Financit SpA	-	3	-	-	-	17	-
Eurizon Capital Real Asset SGR	-	-	-	-	-	0	-
sennder Italia Srl	-	1	-	-	-	36	(0)
Cronos Vita Assicurazioni SpA	-	0	-	-	-	-	-
<b>Related parties external to the Group</b>							
MEF	8,937	370	19	873	5,376	4	1
Cassa Depositi e Prestiti Group	2,913	253	1	-	0	24	-
Enel Group	-	27	-	-	-	3	0
Eni Group	-	5	-	-	-	3	-
Equitalia Group	-	1	-	-	-	-	-
SACE Group	-	0	-	-	-	-	-
Leonardo Group	-	0	-	-	-	11	-
Montepaschi Group	224	2	-	0	351	(0)	-
Other related parties external to the Group	20	50	2	-	4	4	88
Provision for doubtful debts due from related parties external to the Group	(27)	(32)	(6)	(0)	-	-	-
<b>Total</b>	<b>12,066</b>	<b>681</b>	<b>17</b>	<b>874</b>	<b>5,734</b>	<b>113</b>	<b>90</b>

At 31 December 2023, total provisions for risks and charges made to cover probable liabilities arising from transactions with related parties external to the Group attributable mainly to trading relations amounted to €59 million (€67 million at 31 December 2022).

#### Impact of related party transactions on the financial position at 31 December 2022

Name	Balance at 31.12.2022						
	Financ ial assets	Trade receivab les	Other assets Other receivab les	Cash and cash equivale nts	Financ ial liabiliti es	Trade payabl es	Other liabiliti es
<b>Subsidiaries</b>							

Address Software Srl	-	0	-	-	0	1	-
Kipoint SpA	-	1	0	-	1	2	0
Indabox	-	0	-	-	0	0	0
<b>Associates</b>							
Anima Holding Group	-	0	-	-	-	7	-
Italia Camp Srl	-	0	-	-	-	(0)	-
Telma-Sapienza Scarl	-	(0)	-	-	-	-	-
Financit SpA	-	3	-	-	-	16	-
Eurizon Capital Real Asset SGR	-	-	-	-	-	1	-
<b>Related parties external to the Group</b>							
MEF	11,90	384	17	1,991	4,176	4	1
	7						
Cassa Depositi e Prestiti Group	3,388	26	-	-	0	16	-
Enel Group	-	23	-	-	-	0	-
Eni Group	-	5	-	-	-	7	-
Equitalia Group	-	0	-	-	-	(0)	-
SACE Group	-	0	-	-	-	-	-
Leonardo Group	-	1	-	-	-	15	-
Montepaschi Group	276	1	-	0	397	(0)	-
Other related parties external to the Group	20	21	1	-	4	4	68
Provision for doubtful debts due from related parties external to the Group	(27)	(31)	(6)	(0)	-	-	-
<b>Total</b>	<b>15,56</b>	<b>435</b>	<b>12</b>	<b>1,991</b>	<b>4,578</b>	<b>72</b>	<b>69</b>
	<b>4</b>						

At 31 December 2023, net provisions for risks and charges used to cover probable liabilities arising from transactions with related parties external to the Group primarily attributable to trading relations amounted to about €0.1 million (€0.7 million at 31 December 2022).

## Impact of related party transactions on profit or loss in FY 2023

Description (€m)	Balance at 31.12.2023												
	Revenue					Costs							
	Revenue and income from Mail, Parcels and other	Revenue from Payments and Mobile	Revenue from Financial Services	Net revenue from insurance services	Finance income	Capital expenditure			Current expenses				
						Property, plant and equipment	Intangible assets	Cost of goods and services	Personnel expenses	Other operating costs	Expenses from financial activities	Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	Finance costs
<b>Subsidiaries</b>													
Address Software Srl	0	-	-	-	-	-	-	1	(0)	-	-	-	-
Kipoint SpA	1	-	-	-	-	-	-	3	(0)	-	-	-	0
<b>Associates</b>													
Anima Holding Group	2	-	-	-	-	-	-	8	-	-	-	-	-
Indabox	0	-	-	-	-	-	-	0	-	-	-	-	-
Italia Camp Srl	-	-	-	-	-	-	-	0	(0)	-	-	-	-
Other SDA Group associates	0	-	-	-	(0)	-	-	-	-	-	-	-	-
Financit SpA	30	-	-	-	-	-	-	-	(0)	-	-	-	-
sennder Italia Srl	0	-	-	-	-	-	-	122	(0)	-	-	-	0
Cronos Vita Assicurazioni SpA	0	-	-	-	-	-	-	-	(0)	-	-	-	-
<b>Related parties external to the Group</b>													
MEF	817	46	503	-	15	-	-	1	-	1	-	(0)	0
Cassa Depositi e Prestiti Group	19	3	1,813	18	-	8	2	69	0	0	-	(0)	0
Enel Group	37	-	0	-	-	0	-	18	-	-	-	-	-
Eni Group	22	-	0	-	-	0	-	42	-	-	-	-	-
Equitalia Group	2	-	-	-	-	-	-	-	-	-	-	-	-
SACE Group	0	-	-	-	-	-	-	-	-	-	-	-	-
Leonardo Group	0	-	-	-	-	-	3	24	-	0	-	-	-
Montepaschi Group	17	-	1	-	-	-	-	0	-	0	7	-	0
Other related parties external to the Group	60	5	0	-	-	-	-	20	74	2	5	0	0
<b>Total</b>	<b>1,007</b>	<b>54</b>	<b>2,317</b>	<b>18</b>	<b>15</b>	<b>8</b>	<b>6</b>	<b>308</b>	<b>74</b>	<b>3</b>	<b>12</b>	<b>(0)</b>	<b>1</b>

Impact of related party transactions on profit or loss in  
FY 2022

Name	Balance at 31.12.2022												
	Revenue					Costs							
						Capital expenditure		Current expenses					
	Revenue and income from Mail, Parcels and other	Revenue from Payments and Mobile	Revenue from Financial Services	Net revenue from insurance services	Finance income	Property, plant and equipment	Intangible assets	Cost of goods and services	Personnel expenses	Other operating costs	Expenses from financial activities	Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	Finance costs
<b>Subsidiaries</b>													
Address Software Srl	-	-	-	-	-	-	-	1	-	-	-	-	-
Kipoint SpA	0	-	-	-	-	-	-	2	(0)	-	-	-	(0)
<b>Associates</b>													
Anima Holding Group	2	-	-	-	-	-	-	29	-	-	-	-	-
Financit SpA	40	-	-	-	-	-	-	-	(0)	-	-	-	-
Eurizon Capital Real Asset SGR	-	-	-	-	-	-	-	2	-	-	-	-	-
<b>Related parties external to the Group</b>													
MEF	730	48	385	-	1	0	-	1	-	3	3	1	1
Cassa Depositi e Prestiti Group	16	0	1,665	16	-	9	3	48	0	0	-	0	1
Enel Group	41	-	1	0	-	-	0	1	-	0	-	0	-
Eni Group	10	-	1	-	-	0	-	41	-	0	-	-	-
Equitalia Group	1	-	-	-	-	-	-	-	-	-	-	-	-
SACE Group	1	-	-	-	-	-	-	-	-	-	-	-	-
Leonardo Group	1	-	-	-	-	0	2	25	-	-	-	-	-
Montepaschi Group	16	-	1	-	-	-	-	0	-	-	1	-	0
Other related parties external to the Group	35	2	0	-	-	-	-	16	71	1	-	-	0
<b>Total</b>	<b>893</b>	<b>51</b>	<b>2,052</b>	<b>16</b>	<b>1</b>	<b>9</b>	<b>6</b>	<b>167</b>	<b>71</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>2</b>

The tables also show existing relations with subsidiaries that, due to their insignificance, are valued at equity and not consolidated on a line-by-line basis.

The nature of the Parent Company's principal related party transactions external to the Group is summarised below in order of relevance:

- Amounts received from the MEF relate primarily to payment for carrying out the USO, the management of postal current accounts, as payment for delegated services, the franking of mail on credit, and for the integrated notification service.
- Amounts received from CDP SpA primarily relate to payment for the collection of postal savings deposits.
- Amounts received from the Enel Group primarily relate to payment for bulk mail shipments, unfranked mail. The costs incurred primarily relate to the supply of gas and electricity.
- Amounts received from the ENI Group primarily regard payment for mail shipments. The costs incurred relate to the supply of gas and of fuel for motorcycles and vehicles.
- Purchases from the Leonardo Group primarily relate to the supply, by Leonardo SpA, of equipment, maintenance and technical assistance for mechanised sorting equipment, and systems and IT assistance regarding the creation of document storage facilities, specialist consulting services and software maintenance, and the supply of software licences and of hardware.

- Amounts received from the Monte dei Paschi di Siena group primarily regard payment for mail shipments.

Related party transactions have been carried out on terms equivalent to those prevailing in arm's length transactions between independent parties.

### Impact of related party transactions or positions

The impact of related party transactions on the financial position, profit or loss and cash flows is shown in the following table:

#### Impact of related party transactions

Description (€m)	Total in financial statements	Total related parties	Impact (%)	Total in financial statements	Total related parties	Impact (%)
	<b>Balance at 31.12.2023</b>			<b>Balance at 31.12.2022</b>		
<b>Financial position</b>						
Financial assets	237,159	12,066	5.1	226,140	15,564	6.9
Trade receivables	2,407	681	28.3	2,182	435	19.9
Other receivables and assets	5,135	17	0.3	5,105	12	0.2
Cash and cash equivalents	4,211	874	20.8	4,983	1,991	40.0
Provisions for risks and charges	1,336	59	4.4	1,355	67	5.0
Financial liabilities	95,393	5,734	6.0	103,644	4,578	4.4
Trade payables	2,252	113	5.0	2,234	72	3.2
Other liabilities	4,343	90	2.1	4,003	69	1.7
	<b>Balance at 31.12.2023</b>			<b>Balance at 31.12.2022</b>		
<b>Profit or loss</b>						
Revenue from Mail, Parcels & other	3,746	1,007	26.9	3,651	893	24.5
Net revenue from Financial Services	5,229	2,305	44.1	4,938	2,048	41.5
Net revenue from insurance services	1,567	18	1.2	1,650	16	1.0
Revenue from Payments and Mobile services	1,586	54	3.4	1,147	51	4.4
Cost of goods and services	3,237	308	9.5	2,827	167	5.9
Personnel expenses	5,170	74	1.4	4,823	71	1.5
Other operating costs	275	3	1.2	508	5	1.0
Finance costs	119	1	0.5	126	2	1.6
Finance income	181	15	8.1	169	1	0.6
	<b>Balance at 31.12.2023</b>			<b>Balance at 31.12.2022</b>		
<b>Cash flows</b>						
Net cash flow from /(for) operating activities	1,414	4,420	0	180	1,981	1
Net cash flow from /(for) investing activities	(994)	14	n.a.	(1,606)	(18)	0
Net cash flow from/(for) financing activities and shareholder transactions	(1,192)	(564)	0	(1,549)	(512)	n.a.

### Key management personnel

Key management personnel consist of Directors, members of the Board of Statutory Auditors and the Supervisory Board, managers at the first organisational level of the Parent Company and Poste Italiane's manager responsible for financial reporting. The related remuneration, gross of expenses and social security contributions, of such key management personnel as defined above is as follows:

#### Remuneration of key management personnel

Description (€k)	Balance at 31.12.2023	Balance at 31.12.2022

Remuneration to be paid in short/medium term	14,345	13,164
Post-employment benefits	580	571
Other benefits to be paid in longer term	(787)	1,871
Termination benefits	-	-
Share-based payments	4,936	2,469
<b>Total</b>	<b>19,074</b>	<b>18,075</b>

#### Remuneration and expenses of Statutory Auditors

Description (€k)	Balance at 31.12.2023	Balance at 31.12.2022
Remuneration	1,439	1,275
Expenses	77	71
<b>Total</b>	<b>1,516</b>	<b>1,346</b>

The remuneration paid to members of the Parent Company's Supervisory Board for 2023 amounts to approximately €96 thousand. In determining the remuneration, the amounts paid to managers of Poste Italiane who are members of the Supervisory Board is not taken into account, as this remuneration is passed on to the employer.

No loans were granted to key management personnel during the period and, at 31 December 2023, Group companies do not report receivables in respect of loans granted to key management personnel.

#### Transactions with personnel pensions funds

The Parent Company and the subsidiaries that apply the National Collective Labour Agreement are members of the Fondoposte Pension Fund, the national supplementary pension fund for Poste Italiane personnel, established on 31 July 2002 as a non-profit entity. The Fund's officers and boards are the General Meeting of delegates, the Board of Directors, the Chairman and Deputy Chairman of the Board of Directors and Board of Statutory Auditors. Representation of members on the above boards is shared equally between the companies and the workers that are members of the Fund. The participation of members in the running of the Fund is guaranteed by the fact that they directly elect the delegates to send to the Shareholders' Meeting.

## **5. POSTE ITALIANE SPA - FINANCIAL STATEMENTS AT 31 DECEMBER 2023**



## 5.1 FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION

ASSETS (figures in €)	Notes	31 December 2023	of which related parties	31 December 2022	of which related parties
<b>Non-current assets</b>					
Property, plant and equipment	[A1]	2,320,675,265	-	2,203,281,482	-
Investment property	[A2]	27,590,204	-	30,622,319	-
Intangible assets	[A3]	1,052,853,632	-	944,624,830	-
Right-of-use assets	[A4]	970,107,550	-	1,039,707,878	-
Investments	[A5]	3,694,633,104	3,694,633,104	3,676,236,144	3,676,236,144
Financial assets	[A6]	65,384,975,707	3,398,784,099	62,775,153,352	3,391,476,890
Trade receivables	[A8]	961,404	-	762,775	-
Deferred tax assets	[C11]	928,434,002	-	1,455,493,776	-
Other receivables and assets	[A9]	1,794,867,584	1,586,649	1,788,073,590	1,586,649
Tax credits Law no. 77/2020	[A10]	6,533,849,874	-	7,457,745,566	-
<b>Total</b>		<b>82,708,948,326</b>		<b>81,371,701,712</b>	
<b>Current assets</b>					
Inventories	[A7]	3,999,649	-	4,157,570	-
Trade receivables	[A8]	2,773,751,097	1,397,196,251	2,656,054,944	1,206,342,400
Current tax assets	[C11]	68,367,034	-	98,312,324	-
Other receivables and assets	[A9]	982,339,159	153,715,638	832,135,995	32,974,635
Tax credits Law no. 77/2020	[A10]	1,784,345,995	-	1,563,051,854	-
Financial assets	[A6]	15,886,658,882	9,244,322,718	21,421,328,172	12,095,426,518
Cash and deposits attributable to BancoPosta	[A11]	4,670,570,165	-	5,848,037,590	-
Cash and cash equivalents	[A12]	1,222,518,576	873,963,904	2,257,992,640	1,991,118,738
<b>Total</b>		<b>27,392,550,557</b>		<b>34,681,071,089</b>	
<b>TOTAL ASSETS</b>		<b>110,101,498,883</b>		<b>116,052,772,801</b>	
<b>LIABILITIES AND EQUITY</b>					
<b>Equity</b>					
Share capital	[B1]	1,306,110,000	-	1,306,110,000	-
Treasury shares		(94,095,509)	-	(62,850,781)	-
Reserves	[B2]	1,549,302,533	-	1,62,829,069	-
Retained earnings / (Accumulated losses)		2,891,588,865	-	2,401,421,381	-
<b>Total</b>		<b>5,652,905,889</b>		<b>3,807,509,669</b>	
<b>Non-current liabilities</b>					
Provisions for risks and charges	[B4]	717,764,517	49,633,252	740,904,188	55,226,126
Employee termination benefits	[B5]	608,135,775	-	677,640,667	-
Financial liabilities	[B6]	9,788,656,363	245,808,233	10,600,138,427	231,168,307
Deferred tax liabilities	[C11]	272,210,100	-	231,802,483	-
Other liabilities	[B8]	1,924,980,483	451,887	1,907,044,515	889,202
<b>Total</b>		<b>13,311,747,238</b>		<b>14,157,530,280</b>	
<b>Current liabilities</b>					
Provisions for risks and charges	[B4]	510,520,473	9,512,415	515,658,933	12,097,961
Trade payables	[B7]	1,967,197,951	496,526,842	1,969,876,704	478,400,954
Current tax liabilities	[C11]	149,024,753	-	44,379,053	-
Other liabilities	[B8]	1,435,507,835	93,845,904	1,455,075,322	214,726,262
Financial liabilities	[B6]	87,074,594,744	17,849,916,136	94,102,742,840	15,345,654,065
<b>Total</b>		<b>91,136,845,756</b>		<b>98,087,732,852</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>110,101,498,883</b>		<b>116,052,772,801</b>	

## STATEMENT OF FINANCIAL POSITION (continued)

## SUPPLEMENTARY STATEMENT SHOWING BANCOPOSTA RFC AT 31.12.2023

ASSETS (figures in euro)	Notes	CAPITAL OUTSIDE THE RING-FENCE	BANCOPOSTA RFC	ELIMINATIONS	TOTAL
<b>Non-current assets</b>					
Property, plant and equipment		2,320,675,265	-	-	2,320,675,265
Investment property		27,590,204	-	-	27,590,204
Intangible assets		1,052,853,632	-	-	1,052,853,632
Right-of-use assets		970,107,550	-	-	970,107,550
Investments		3,694,633,104	-	-	3,694,633,104
Financial assets		1,000,663,519	64,384,312,188	-	65,384,975,707
Trade receivables		961,404	-	-	961,404
Deferred tax assets	[C11]	286,207,321	642,226,681	-	928,434,002
Other receivables and assets	[A9]	42,579,876	1,752,287,708	-	1,794,867,584
Tax credits Law no. 77/2020	[A10]	287,172,636	6,246,677,238	-	6,533,849,874
<b>Total</b>		<b>9,683,444,511</b>	<b>73,025,503,815</b>	-	<b>82,708,948,326</b>
<b>Current assets</b>					
Inventories		3,999,649	-	-	3,999,649
Trade receivables	[A8]	1,767,744,995	1,006,006,102	-	2,773,751,097
Current tax assets		68,367,034	-	-	68,367,034
Other receivables and assets	[A9]	374,611,630	607,727,529	-	982,339,159
Tax credits Law no. 77/2020	[A10]	119,500,953	1,664,845,042	-	1,784,345,995
Financial assets		61,261,933	15,825,396,949	-	15,886,658,882
Cash and deposits attributable to BancoPosta	[A11]	-	4,670,570,165	-	4,670,570,165
Cash and cash equivalents	[A12]	288,017,917	934,500,659	-	1,222,518,576
<b>Total</b>		<b>2,683,504,111</b>	<b>24,709,046,446</b>	-	<b>27,392,550,557</b>
<b>Intersegment relations net amount</b>		-	<b>127,891,161</b>	<b>(127,891,161)</b>	-
<b>TOTAL ASSETS</b>		<b>12,366,948,622</b>	<b>97,862,441,422</b>	<b>(127,891,161)</b>	<b>110,101,498,883</b>
<b>LIABILITIES AND EQUITY</b>					
	Notes	CAPITAL OUTSIDE THE RING-FENCE	BANCOPOSTA RFC	ELIMINATIONS	TOTAL
<b>Equity</b>					
Share capital		1,306,110,000	-	-	1,306,110,000
Treasury shares		(94,095,509)	-	-	(94,095,509)
Reserves	[B2]	726,326,961	822,975,572	-	1,549,302,533
Retained earnings / (Accumulated losses)		935,631,197	1,955,957,668	-	2,891,588,865
<b>Total</b>		<b>2,873,972,649</b>	<b>2,778,933,240</b>	-	<b>5,652,905,889</b>
<b>Non-current liabilities</b>					
Provisions for risks and charges	[B4]	592,594,349	125,170,168	-	717,764,517
Employee termination benefits	[B5]	606,052,711	2,083,064	-	608,135,775
Financial liabilities		2,217,477,910	7,571,178,453	-	9,788,656,363
Deferred tax liabilities	[C11]	6,017,017	266,193,083	-	272,210,100
Other liabilities	[B8]	172,524,252	1,752,456,231	-	1,924,980,483
<b>Total</b>		<b>3,594,666,239</b>	<b>9,717,080,999</b>	-	<b>13,311,747,238</b>
<b>Current liabilities</b>					
Provisions for risks and charges	[B4]	472,191,153	38,329,320	-	510,520,473
Trade payables	[B7]	1,834,303,151	132,894,800	-	1,967,197,951
Current tax liabilities		149,024,753	-	-	149,024,753
Other liabilities	[B8]	1,208,478,386	227,029,449	-	1,435,507,835
Financial liabilities		2,106,421,130	84,968,173,614	-	87,074,594,744
<b>Total</b>		<b>5,770,418,573</b>	<b>85,366,427,183</b>	-	<b>91,136,845,756</b>
<b>Intersegment relations net amount</b>		<b>127,891,161</b>	-	<b>(127,891,161)</b>	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>12,366,948,622</b>	<b>97,862,441,422</b>	<b>(127,891,161)</b>	<b>110,101,498,883</b>

## STATEMENT OF FINANCIAL POSITION (continued)

## SUPPLEMENTARY STATEMENT SHOWING BANCOPOSTA RFC AT 31.12.2022

ASSETS (figures in euro)	Notes	CAPITAL OUTSIDE THE RING-FENCE	BANCOPOSTA RFC	ELIMINATIONS	TOTAL
<b>Non-current assets</b>					
Property, plant and equipment		2,203,281,482	-	-	2,203,281,482
Investment property		30,622,319	-	-	30,622,319
Intangible assets		944,624,830	-	-	944,624,830
Right-of-use assets		1,039,707,878	-	-	1,039,707,878
Investments		3,676,236,144	-	-	3,676,236,144
Financial assets		874,904,811	61,900,248,541	-	62,775,153,352
Trade receivables		762,775	-	-	762,775
Deferred tax assets	[C11]	298,182,186	1,157,311,590	-	1,455,493,776
Other receivables and assets	[A9]	50,180,229	1,737,893,361	-	1,788,073,590
Tax credits Law no. 77/2020	[A10]	330,431,856	7,127,313,710	-	7,457,745,566
<b>Total</b>		<b>9,448,934,510</b>	<b>71,922,767,202</b>	-	<b>81,371,701,712</b>
<b>Current assets</b>					
Inventories		4,157,570	-	-	4,157,570
Trade receivables	[A8]	1,836,768,708	819,286,236	-	2,656,054,944
Current tax assets		98,312,324	-	-	98,312,324
Other receivables and assets	[A9]	259,503,121	572,632,874	-	832,135,995
Tax credits Law no. 77/2020	[A10]	89,847,114	1,473,204,740	-	1,563,051,854
Financial assets		29,409,273	21,391,918,899	-	21,421,328,172
Cash and deposits attributable to BancoPosta	[A11]	-	5,848,037,590	-	5,848,037,590
Cash and cash equivalents	[A12]	241,439,753	2,016,552,887	-	2,257,992,640
<b>Total</b>		<b>2,559,437,863</b>	<b>32,121,633,226</b>	-	<b>34,681,071,089</b>
<b>Intersegment relations net amount</b>		-	<b>129,677,856</b>	<b>(129,677,856)</b>	-
<b>TOTAL ASSETS</b>		<b>12,008,372,373</b>	<b>104,174,078,284</b>	<b>(129,677,856)</b>	<b>116,052,772,801</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Equity</b>					
Share capital		1,306,110,000	-	-	1,306,110,000
Treasury shares		(62,850,781)	-	-	(62,850,781)
Reserves	[B2]	822,795,833	(659,966,764)	-	162,829,069
Retained earnings / (Accumulated losses)		427,374,281	1,974,047,100	-	2,401,421,381
<b>Total</b>		<b>2,493,429,333</b>	<b>1,314,080,336</b>	-	<b>3,807,509,669</b>
<b>Non-current liabilities</b>					
Provisions for risks and charges	[B4]	595,887,291	145,016,897	-	740,904,188
Employee termination benefits	[B5]	675,658,094	1,982,573	-	677,640,667
Financial liabilities		2,668,161,530	7,931,976,897	-	10,600,138,427
Deferred tax liabilities	[C11]	6,227,317	225,575,166	-	231,802,483
Other liabilities	[B8]	168,859,648	1,738,184,867	-	1,907,044,515
<b>Total</b>		<b>4,114,793,880</b>	<b>10,042,736,400</b>	-	<b>14,157,530,280</b>
<b>Current liabilities</b>					
Provisions for risks and charges	[B4]	472,615,588	43,043,345	-	515,658,933
Trade payables	[B7]	1,788,311,580	181,565,124	-	1,969,876,704
Current tax liabilities		44,379,053	-	-	44,379,053
Other liabilities	[B8]	1,374,614,838	80,460,484	-	1,455,075,322
Financial liabilities		1,590,550,245	92,512,192,595	-	94,102,742,840
<b>Total</b>		<b>5,270,471,304</b>	<b>92,817,261,548</b>	-	<b>98,087,732,852</b>
<b>Intersegment relations net amount</b>		<b>129,677,856</b>	-	<b>(129,677,856)</b>	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>12,008,372,373</b>	<b>104,174,078,284</b>	<b>(129,677,856)</b>	<b>116,052,772,801</b>

## STATEMENT OF PROFIT OR LOSS

(figures in €)	Notes	FY 2023	of which related parties	FY 2022	of which related parties
Revenue from sales and services	[C1]	9,880,028,944	4,813,933,966	8,903,676,705	4,285,273,955
Other income from financial activities	[C2]	271,362,769	-	427,964,847	-
Other operating income	[C3]	1,003,329,454	943,291,727	721,244,219	667,154,668
<b>Total revenue</b>		<b>11,154,721,167</b>		<b>10,052,885,771</b>	
Cost of goods and services	[C4]	2,640,542,432	1,539,149,738	2,497,560,589	1,414,663,808
Expenses from financial activities	[C2]	633,159,282	74,160,132	215,134,855	32,681,434
Personnel expenses	[C5]	5,347,874,172	68,488,941	4,986,728,183	65,312,252
Depreciation, amortisation and impairments	[C6]	773,454,752	6,107,896	743,981,131	4,914,188
Capitalised costs and expenses		(41,069,643)	-	(36,895,738)	-
Other operating costs	[C7]	222,661,084	7,783,651	473,146,063	7,525,172
of which non-recurring costs		-	-	320,000,000	-
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	[C8]	49,635,264	413,925	97,051,092	950,386
<b>Operating profit/(loss)</b>		<b>1,528,463,824</b>		<b>1,076,179,596</b>	
Finance costs	[C9]	110,852,266	38,744,067	71,125,774	4,674,892
Finance income	[C9]	175,931,649	148,356,685	94,605,058	77,618,762
Impairment losses/(reversals of impairment losses) on financial assets	[C10]	(25,116,485)	(54,241)	(598,953)	(48,335)
<b>Profit/(Loss) before tax</b>		<b>1,618,659,692</b>		<b>1,100,257,833</b>	
Income tax expense	[C11]	229,154,284	-	253,145,095	-
<b>PROFIT FOR THE YEAR</b>		<b>1,389,505,408</b>		<b>847,112,738</b>	

## STATEMENT OF COMPREHENSIVE INCOME

(figures in €)	Notes	FY 2023	FY 2022
<b>Net profit/(loss) for the year</b>		<b>1,389,505,408</b>	<b>847,112,738</b>
<b>Items to be reclassified in the Statement of profit or loss for the year</b>			
FVTOCI debt instruments			
Increase/(decrease) in fair value during the year		1,944,160,743	(4,405,691,981)
Transfers to profit or loss from realisation	[tab. B2]	222,536,576	(150,548,691)
Increase/(decrease) for expected losses	[tab. B2]	2,626,727	4,153,828
Cash flow hedges			
Increase/(decrease) in fair value during the year	[tab. B2]	80,032,594	278,515,402
Transfers to profit or loss	[tab. B2]	(317,798,819)	(408,797,835)
Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit or loss for the year		(548,751,276)	1,334,512,522
<b>Items not to be reclassified in the Statement of profit or loss for the year</b>			
FVOCI equity instruments			
Increase/(decrease) in fair value during the year		(3,906,456)	(71,808,237)
Transfers to other equity components		-	-
Actuarial gains/(losses) on employee termination benefits	[tab. B5]	(8,262,869)	119,481,198
Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit or loss for the year		2,029,966	(32,308,009)
<b>Total other comprehensive income</b>		<b>1,372,667,186</b>	<b>(3,332,491,803)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,762,172,594</b>	<b>(2,485,379,065)</b>

## STATEMENT OF CHANGES IN EQUITY

(figures in €)	Equity										Total
	Share capital	Treasury shares	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Incentive plans reserve	Merger surplus (deficit) reserve	Retained earnings / (Accumulated losses)	
<b>Balance at 1 January 2022</b>	<b>1,306,110,000</b>	<b>(39,809,472)</b>	<b>299,234,320</b>	<b>1,210,000,000</b>	<b>800,000,000</b>	<b>1,191,311,140</b>	<b>(33,386,960)</b>	<b>13,479,038</b>	<b>5,128,817</b>	<b>2,282,303,950</b>	<b>7,034,370,833</b>
Total comprehensive income for the year	-	-	-	-	-	(3,325,640,562)	(93,162,731)	-	-	933,424,228	(2,485,379,065)
Balance dividends paid on FY 2021 profits	-	-	-	-	-	-	-	-	-	(525,922,474)	(525,922,474)
Interim dividend on FY 2022 profits	-	-	-	-	-	-	-	-	-	(272,700,542)	(272,700,542)
Purchase of treasury shares	-	(25,300,205)	-	-	-	-	-	-	-	(1,923)	(25,302,128)
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	(15,960,000)	(15,960,000)
Merger contribution	-	-	-	-	-	(239,911,300)	-	-	330,001,682	-	90,090,382
Incentive plans	-	2,258,896	-	-	-	-	-	5,775,625	-	273,137	8,307,658
Other movements	-	-	-	-	-	-	-	-	-	5,005	5,005
<b>Balance at 31 December 2022</b>	<b>1,306,110,000</b>	<b>(62,850,781)</b>	<b>299,234,320</b>	<b>1,210,000,000</b>	<b>800,000,000</b>	<b>(2,374,240,722)</b>	<b>(126,549,691)</b>	<b>19,254,663</b>	<b>335,130,499</b>	<b>2,401,421,381</b>	<b>3,807,509,669</b>
of which attributable to BancoPosta RFC	-	-	-	1,210,000,000	350,000,000	(2,092,203,851)	(129,496,216)	1,733,303	-	1,974,047,100	1,314,080,336
Total comprehensive income for the year	-	-	-	-	-	1,549,043,156	(170,096,190)	-	-	1,383,225,628	2,762,172,594
Balance dividends paid on FY 2022 profits	-	-	-	-	-	-	-	-	-	(569,991,049)	(569,991,049)
Interim dividend on FY 2023 profits	-	-	-	-	-	-	-	-	-	(307,017,906)	(307,017,906)
Purchase of treasury shares	-	(33,984,898)	-	-	-	-	-	-	-	(2,583)	(33,987,481)
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	(15,960,000)	(15,960,000)
Merger contribution	-	-	-	-	-	-	-	-	-	-	-
Incentive plans	-	2,740,170	-	-	-	-	-	7,526,498	-	(86,889)	10,179,779
Other movements	-	-	-	-	-	-	-	-	-	283	283
<b>Balance at 31 December 2023</b>	<b>1,306,110,000</b>	<b>(94,095,509)</b>	<b>299,234,320</b>	<b>1,210,000,000</b>	<b>800,000,000</b>	<b>(825,197,566)</b>	<b>(296,645,881)</b>	<b>26,781,161</b>	<b>335,130,499</b>	<b>2,891,588,865</b>	<b>5,652,905,889</b>
of which attributable to BancoPosta RFC	-	-	-	1,210,000,000	450,000,000	(543,735,961)	(295,310,915)	2,022,448	-	1,955,957,668	2,778,933,240

(\*) This item includes profit for the period of €1,390 million and actuarial losses on provisions for employee termination benefits of €8 million, after the related current taxation.

## STATEMENT OF CASH FLOWS

(€k)	Notes	FY 2023	FY 2022
<b>Cash and cash equivalents at beginning of year</b>		<b>2,257,993</b>	<b>3,869,639</b>
Profit/(Loss) before tax		1,618,660	1,100,258
Depreciation, amortisation and impairments	[tab. C6]	773,075	743,981
Net provisions for risks and charges	[tab. B4]	320,914	430,181
Use of provisions for risks and charges	[tab. B4]	(352,780)	(343,332)
Employee termination benefits paid	[tab. B5]	(102,684)	(114,332)
(Gains)/losses on disposals	[tab. C7]	(93,410)	(1,129)
Impairment losses/(reversals of impairment losses) on financial assets		(25,114)	(597)
(Dividends)		(16,403)	(10,694)
Dividends received		16,403	10,694
(Finance income in form of interest)	[tab. C9.1]	(154,120)	(77,350)
Interest received		150,462	73,002
Interest expense and other finance costs	[tab. C9.2]	105,626	66,421
Interest paid		(54,190)	(31,706)
Losses and impairment losses/(reversals of impairment losses) on receivables	[tab. C8]	42,908	89,799
Income tax paid	[tab. C11.3]	(44,602)	(360,660)
Other changes		(1,780)	(12,334)
<b>Cash flow generated by operating activities before movements in working capital</b>	<b>[a]</b>	<b>2,182,965</b>	<b>1,562,202</b>
Movements in working capital:			
(Increase)/decrease in Inventories	[A7]	158	6,735
(Increase)/decrease in Trade receivables		(160,456)	246,678
(Increase)/decrease in Other receivables and assets		263,097	409,366
Increase/(decrease) in Trade payables		(2,681)	(61,457)
Increase/(decrease) in Other liabilities		(16,369)	229,600
Change in tax credits Law no. 77/2020		(351,584)	10,613
<b>Cash flow generated by/(used in) movements in working capital</b>	<b>[b]</b>	<b>(267,835)</b>	<b>841,535</b>
Increase/(decrease) in Financial liabilities attributable to BancoPosta RFC		(8,983,074)	4,821,908
Net cash generated by/(used in) financial assets attributable to BancoPosta RFC		916,625	(5,180,205)
(Increase)/decrease in other financial assets attributable to BancoPosta RFC and tax credits Law No. 77/2020		5,671,131	(2,176,925)
(Increase)/decrease in Cash and deposits attributable to BancoPosta		1,177,468	1,810,487
(Income)/expense and other non-cash components from financial activities		153,099	383,864
<b>Cash generated by/(used for) financial assets and liabilities attributable to BancoPosta RFC</b>	<b>[c]</b>	<b>(1,064,751)</b>	<b>(340,871)</b>
<b>Net cash flow from/(for) operating activities</b>	<b>[d]=[a+b+c]</b>	<b>850,379</b>	<b>2,062,866</b>
<b>- of which related party transactions</b>		<b>4,970,379</b>	<b>2,766,191</b>
Investing activities:			
Property, plant and equipment	[tab. A1]	(324,890)	(286,809)
Investment property	[tab. A2]	(303)	(375)
Intangible assets	[tab. A3]	(455,251)	(463,536)
Investments		(19,973)	(1,373,120)
Other financial assets		(76,941)	(175,131)
Disposals:			
Property, plant and equipment, investment property and assets held for sale		10,064	5,512
Other financial assets		23,636	36,645
Mergers		-	975
<b>Net cash flow from/(for) investing activities</b>	<b>[e]</b>	<b>(843,658)</b>	<b>(2,255,839)</b>
<b>- of which related party transactions</b>		<b>(43,500)</b>	<b>(1,095,880)</b>
Proceeds from/(Repayments of) long-term borrowings	[B6.5]	125,000	100,000
Increase/(decrease) in short-term borrowings	[B6.5]	(235,201)	(673,750)
Dividends paid	[B3]	(877,009)	(798,623)
Sale/(purchase) of treasury shares		(33,985)	(25,300)
Equity instruments - perpetual hybrid bonds		(21,000)	(21,000)
<b>Net cash flow from/(for) financing activities and shareholder transactions</b>	<b>[f]</b>	<b>(1,042,195)</b>	<b>(1,418,673)</b>
<b>- of which related party transactions</b>		<b>758,468</b>	<b>(416,770)</b>
<b>Net increase/(decrease) in cash</b>	<b>[g]=[d+e+f]</b>	<b>(1,035,474)</b>	<b>(1,611,646)</b>
<b>Cash and cash equivalents at end of year</b>	[tab. A12]	<b>1,222,519</b>	<b>2,257,993</b>
<b>Cash and cash equivalents at end of year</b>	[tab. A12]	<b>1,222,519</b>	<b>2,257,993</b>
Restricted net cash and cash equivalents at end of year		(550,848)	(1,724,336)
<b>Unrestricted net cash and cash equivalents at end of year</b>		<b>671,671</b>	<b>533,657</b>

## 5.2 INFORMATION ON BANCOPOSTA RFC

As required by art. 2, paragraphs 17-octies et seq. of Law 10 of 26 February 2011, converting Law Decree 225 of 29 December 2010, in order to identify ring-fenced capital for the purposes of applying the Bank of Italy's prudential requirements to BancoPosta's operations and for the protection of creditors, at the Shareholders' Meeting held on 14 April 2011 Poste Italiane SpA's shareholder approved the creation of ring-fenced capital to be used exclusively in relation to BancoPosta's operations (BancoPosta Ring-fenced Capital or BancoPosta RFC), as governed by Presidential Decree 144 of 14 March 2001, and established the assets and contractual rights to be included in the ring-fence as well as By-laws governing its organisation, management and control. BancoPosta RFC was provided originally with an initial reserve of €1 billion through the attribution of Poste Italiane SpA's retained earnings. The resolution of 14 April 2011 became effective on 2 May 2011, the date on which it was filed with the Companies' Register. Following on from the Board of Directors' resolution of 25 January 2018 and the subsequent Extraordinary Shareholders' Meeting of Poste Italiane SpA's shareholders, on 27 September 2018, Poste Italiane injected €210 million of fresh capital into BancoPosta RFC.

In 2021, Poste Italiane SpA placed a hybrid subordinated perpetual bond issue with a non-call period of 8 years aimed at institutional investors. Following this issue, on 30 June 2021 and on 30 June 2023, there was an injection of capital into BancoPosta RFC, via the granting of two perpetual subordinated loans of €350 million with an 8-year non-call period and €100 million with a 5-year non-call period, respectively, under terms and conditions that allow them to be counted as Additional Tier 1 ("AT1") capital, designed to strengthen its leverage ratio.

The separation of BancoPosta from Poste Italiane SpA is only partly comparable to other ring-fenced capital solutions. Indeed, BancoPosta is not expected to meet the requirements of articles 2447 bis et seq. of the Italian Civil Code or for other special purpose entities, in that it has not been established for a single specific business but rather, pursuant to Presidential Decree 144 of 14 March 2001, for several types of financial activities to be regularly carried out for an unlimited period of time. For this reason, the above legislation does not impose the 10% limit on BancoPosta's equity, waiving the provisions of the Italian Civil Code unless expressly cited as applicable.

### Nature of assets and contractual rights and authorisations

BancoPosta's assets, contractual rights and authorisations pursuant to notarial deed were conferred on BancoPosta RFC exclusively by Poste Italiane SpA without third-party contributions. BancoPosta's operations consist of those listed in Presidential Decree 144 of 14 March 2001, as amended<sup>245</sup>, with the exception of activities linked to card payments and payment services, carried out by the subsidiary, PostePay SpA. More details on this aspect are provided below:

- the collection of all forms of savings deposit from the public in accordance with art. 11, para. 1 of Legislative Decree no. 385/1993 of 1 September 1993 - Consolidated Law on Banking (Testo Unico Bancario, or TUB) - and all related and consequent activities;
- the collection of savings through postal securities and deposits;
- payment services, including the issuance, administration and sale of prepaid cards and other payment instruments pursuant to art. 1, para. 2, letter f) numbers 4) and 5), TUB;
- foreign currency exchange services;
- promotion and arrangement of loans issued by approved banks and financial brokers;
- investment and related services pursuant to art. 12, Presidential Decree 144/2001;
- debt collection services;
- professional gold trading, on own behalf or on behalf of third parties, in accordance with the requirements of Law 7 of 17 January 2000.

<sup>245</sup> As revised on the issuance of Law Decree 179 of 18 October 2012 converted into law with amendments by Law 221 of 17 December 2012.



All of the assets and rights arising out of various contracts, agreements and legal transactions related to the above activities have also been conferred on BancoPosta RFC.

Following the receipt of clearance from the Bank of Italy, the Shareholders' Meeting of Poste Italiane held on 29 May 2018 approved the proposed removal of the assets, liabilities and contractual rights attributable to the card payments and payment services business unit from the ring-fence that applies to BancoPosta RFC. On 1 October 2018, this business unit was transferred to the subsidiary PostePay SpA, in assets earmarked for card payments and payment services, in order to enable the latter to operate as an Electronic Money Institution (EMI)<sup>246</sup>. In addition, in order to complete the process of centralising e-money on the above-mentioned EMI, on 28 May 2021, Poste Italiane's Extraordinary Shareholders' Meeting, after obtaining all the authorisations required by law, approved the removal of the restriction on the allocation of BancoPosta RFC, assets and legal relations constituting the so-called "Debit Branch", with the deed of contribution in favour of Postepay SpA taking effect from 1 October 2021.

### BancoPosta RFC's operations

BancoPosta RFC's operations consist of the investment of cash held in postal current accounts, in the name of BancoPosta but subject to statutory restrictions, and the management of third parties' collections and remittances. This latter activity includes the collection of postal savings (Postal Savings Books and Interest-bearing Postal Certificates), carried out on behalf of Cassa Depositi e Prestiti and the MEF, and services delegated by Public Administration entities. These transactions involve the use of cash advances from the Italian Treasury and the recognition of financial items awaiting settlement. The specific agreement with the MEF requires BancoPosta to provide daily statements of all cash flows, with a delay of two bank working days with respect to the transaction date.

In compliance with the 2007 Budget Law, from 2007 the Company is required to invest the funds raised from deposits paid into postal current accounts by private customers in Eurozone government securities<sup>247</sup>. Funds deposited by Public Administration entities are, instead, deposited with the Ministry of the Economy and Finance and earn a variable rate of return linked to a basket of government securities, in accordance with a specific agreement with the MEF regarding treasury services, renewed on 19 May 2023 and covering the two-year period 2023-2024. In addition, under the agreement with the MEF, renewed on 29 May 2023 for the three-year period 2023-2025, a percentage of the funds deriving from private customer deposits may be placed in a special "Buffer" account at the MEF, with the objective of ensuring flexibility with

<sup>246</sup> The business unit consists of assets and contractual rights linked to:

*Own products:* prepaid cards (card payments), debit cards, payment services, acquiring services, tax payments using forms F23/F24 and international money transfers (Moneygram) forming part of the operations carried out independently by the EMI. In particular, these products are issued by the EMI, which is responsible for their conception, development and management, whilst BancoPosta RFC acts as distributor of the products through the Group's physical distribution network.

*Products handled under Service Contracts:* payment products and services and money transfers carried out exclusively within the scope of BancoPosta RFC's operations, as they are "reserved to" the ring-fence by Presidential Decree 144/01. In particular, with the aim of leveraging the infrastructure of the hybrid EMI, BancoPosta has outsourced operations relating to payment products and services issued by BancoPosta, and distributed by BancoPosta through Poste Italiane's physical network, to the EMI under an outsourcing agreement between BancoPosta and the EMI.

<sup>247</sup> Moreover, following the amendment of art. 1, paragraph 1097 of Law 296 of 27 December 2006, introduced by art. 1, paragraph 285 of the 2015 Stability Law (Law 190 of 23 December 2014), it became possible for BancoPosta RFC to invest up to 50% of its deposits in securities guaranteed by the Italian government. Lastly, with the conversion into Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021, BancoPosta RFC is allowed, as part of the 50% of its funding from private customers that can be invested in securities guaranteed by the Italian State, to use up to 30% of this portion to purchase transferable tax credits pursuant to Law Decree no. 34/2020 (the so-called "Relaunch Decree") or other transferable tax credits pursuant to current legislation.

regard to investments in view of daily movements in amounts payable to current account holders. These deposits are remunerated at a variable rate equal to the Euro Short Term Rate (ESTR)<sup>248</sup>.

### Cost and revenue allocation and measurement of operations contracted out by BancoPosta RFC

Given the fact that Poste Italiane is a single legal entity, the Company's general accounting system maintains its uniform characteristics and capabilities. In this context, the general principles governing administrative and accounting aspects of BancoPosta RFC are as follows:

- Identification of transactions in Poste Italiane SpA's general ledgers relating to BancoPosta's ring-fenced operations which are then extracted for recording in BancoPosta's separate ledgers.
- Allocation to BancoPosta RFC of all relevant revenue and costs; in particular the services rendered by the different functions of Poste Italiane SpA to BancoPosta RFC, are exclusively recorded as payables in BancoPosta's separate books, in special intersegment accounts only, and subsequently settled.
- Settlement of all incoming and outgoing third party payments by Poste Italiane SpA's Chief Financial Office.
- Allocation of income taxes based on BancoPosta RFC's separate report after adjusting for deferred taxation.
- Reconciliation of BancoPosta's separate books to Poste Italiane's general ledger.

Part IV of Chapter 1 of the Supervisory Standards in Bank of Italy Circular 285/2013, addressing specific aspects relating to Poste Italiane in respect of BancoPosta RFC's operations, govern the process of contracting out BancoPosta's corporate functions to Poste Italiane, whilst the outsourcing of operations to entities external to Poste Italiane is covered by the regulations applicable to banks.

In compliance with the Circular, the Regulation governing BancoPosta RFC's contracting out and outsourcing process approved by the Board of Directors<sup>249</sup> makes provision for a distinction between control functions and essential or important functions and non-essential or important control functions.

BancoPosta RFC may therefore both outsource operating activities, entering into agreements with third parties, and contract out certain operating or control activities to Poste Italiane functions, agreeing "Specific Operating Guidelines" with the heads of the various functions. The Operating Guidelines establish, among other things, the applicable levels of service and transfer prices and are effective following an authorisation process involving the relevant functions, the Chief Executive Officer and, where required, the Company's Board of Directors. The transfer prices set out in the Operating Guidelines are determined according to objective criteria that reflect the real contribution of the various management activities to BancoPosta RFC's results. The transfer prices paid, inclusive of commissions and any other form of remuneration due, are determined on the basis of market prices and tariffs for the same or similar services, identified, where possible, following a benchmarking process. When the specifics and/or the particular nature of a service provided by one of the Issuer's functions do not allow the use of a comparable market price, a cost-based method is used, again with the support of benchmarking to ensure that the price charged is adequate for the service provided. In such a case, an adequate mark-up, defined on the basis of appropriate analyses of comparable subjects, shall be applied. The prices set in each Operating Guidelines can be reduced in the presence of operating losses of the activities outsourced or in case of penalties due to the failure to achieve pre-established service levels, as measured by specific performance indicators. The Operating Guidelines, in force until 31 December 2025, are reviewed every two years.

The following table includes a summary of the services provided to BancoPosta RFC by the Issuer's functions, with a brief indication of how the transfer prices are determined.

<sup>248</sup> Rate calculated and published by the ECB using a new methodology consistent with ECB Regulation (EU) no. 1333/2014 of 26 November 2014 and based on uncollateralised fixed-rate overnight deposit facility transactions exceeding €1 million.

<sup>249</sup> The Regulation was revised on 28 June 2023.

Function	Allocation key
Post Office Network	Percentage of net income generated by product/service category
Information Technology	Fixed component: recharge of costs based on direct and indirect drivers Variable component: determined with reference to the maintenance of operating performance
Back-office and Customer Care	Fees by professional role based on market benchmarks + recharge of external costs Market prices for similar services
Postal and logistics services	Prices for mail sent to customers and internal mail
Real Estate	Market prices with reference to floor space and maintenance costs
Legal Affairs	Fees by professional role based on market benchmarks + recharge of external costs
Administration, Finance and Control	
Group Risk Governance and Security and Safety	
Human Resources and Organisation	
Anti-Money Laundering	
Purchases	
Group Strategic Marketing <sup>(*)</sup>	
External Relations	
Operational Continuity	Fees by professional role based on market benchmarks
Internal Auditing	
Compliance	

Essential or important functions
  Control Functions

<sup>(\*)</sup> Following corporate reorganisations, it became necessary to formalise new regulations concerning the contribution of the Group Strategic Marketing function.

The relevant transactions, profit or loss and statement of financial position amounts, generated by these relationships are only recorded in BancoPosta RFC's Separate Report. In Poste Italiane SpA's comprehensive accounts intersegment transactions are on the other hand eliminated, and are not presented. The accounting treatment adopted is similar to that provided for by the accounting standards regulating the preparation of the Group's consolidated financial statements.

## Obligations

Poste Italiane SpA's liability, pursuant to art. 2, paragraph 17-nonies of Law Decree 225 of 29 December 2010 converted into Law 10, to creditors of Bancoposta RFC is limited to the ring-fenced capital, represented by the assets and contractual rights originally allocated or arisen after the separation. Poste Italiane's liability is, however, unlimited with respect to claims arising from actions in tort relating to the management of BancoPosta or for transactions for which no indication was made that the obligation was taken specifically by BancoPosta RFC.

The Regulation approved at the Extraordinary Shareholders' Meeting of Poste Italiane SpA's shareholder on 14 April 2011 SpA, and subsequently amended on 12 May 2020, provides that, where necessary, BancoPosta RFC's equity shall be sufficient to ensure that it is able to comply with supervisory capital requirements and is aligned with the risk profile of its operations.

## Separate Report

BancoPosta RFC's Separate Report is prepared in application of Bank of Italy Circular 262 of 22 December 2005 - *Banks' Financial Statements: Layouts and Preparation*, as amended. The application of these regulations, whilst in compliance with the same accounting standards adopted by Poste Italiane SpA, requires the use of a different basis of presentation for certain components of profit or loss and the statement of financial position compared with the basis of presentation adopted for the statutory financial statements.

In this regard, the following table shows a reconciliation of the components of BancoPosta RFC's equity, as shown in the Company's statement of financial position and in the Separate Report<sup>250</sup>.

Reconciliation of separate equity					
Item in supplementary statement (€m)	Separate Report item	110	130	140	180
		Valuation reserves	Equity instruments	Reserves	Profit for the year
Reserves	823	(839)	450	1,212	-
BancoPosta RFC reserve	1,210	-	-	1,210	-
Equity instruments - perpetual hybrid bonds	450	-	450	-	-
Fair value reserve	(544)	(544)	-	-	-
Cash flow hedge reserve	(295)	(295)	-	-	-
Incentive plans reserve	2	-	-	2	-
Retained earnings / (Accumulated losses)	1,956	(2)	-	1,358	600
Profits	1,958	-	-	1,358	600
Cumulative actuarial gains/(losses) on defined benefit plans	(2)	(2)	-	-	-
<b>Total</b>	<b>2,779</b>	<b>(841)</b>	<b>450</b>	<b>2,570</b>	<b>600</b>

Exclusively for the purposes of the presentation of the Separate Report, the transactions between BancoPosta RFC and the Company's functions not included therein are reported. In this document they are accurately and completely represented, together with the positive and negative income components that generated them.

### Further regulatory aspects

Pursuant to art. 2, paragraph 17-undecies of Law Decree 225<sup>251</sup> of 29 December 2010, which states that "the assets and contractual rights included in BancoPosta's ring-fenced capital shall be shown separately in the Company's statement of financial position", Poste Italiane SpA's statement of financial position includes a *Supplementary statement showing BancoPosta RFC*.

On 27 May 2014, the Bank of Italy issued specific Supervisory Standards for BancoPosta RFC, which, in taking into account the entity's specific organisational and operational aspects, has established prudential requirements that are substantially in line with those applicable to banks. These include regulations covering the organisational structure and governance, the system of internal controls and the requirements regarding capital adequacy and risk containment.

Furthermore, BancoPosta RFC's Regulation states that "In view of the absence of non-controlling interests in BancoPosta RFC, on approval of Poste Italiane SpA's financial statements, the Shareholders' Meeting shall – on the recommendation of the Board of Directors – vote on the appropriation of the Company's profit for the year, and in particular: the portion of BancoPosta RFC, as shown in the related statement, taking account of its specific rules and, in particular, the need to comply with prudential supervisory capital requirements (...)".

<sup>250</sup> Actuarial gains and losses on defined benefit plans, which in the Company's financial statements are accounted for in retained earnings, are accounted for in the valuation reserves in the Separate Report (Item 110 of Liabilities).

<sup>251</sup> Converted into Law 10 of 26 February 2011.

## 5.3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

### ASSETS

#### A1 - PROPERTY, PLANT AND EQUIPMENT (€2,321 million)

Movements in property, plant and equipment are as follows:

tab. A1 - Movements in property, plant and equipment

(€m)	Land	Properties used in operations	Plant and equipment	Industrial and commercial equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
Cost	75	3,124	2,287	348	688	1,877	108	8,507
Accumulated depreciation	-	(1,985)	(1,803)	(319)	(454)	(1,724)	-	(6,285)
Impairment losses	-	(16)	(1)	(1)	-	(1)	-	(19)
<b>Balance at 1 January 2023</b>	<b>75</b>	<b>1,123</b>	<b>483</b>	<b>28</b>	<b>234</b>	<b>152</b>	<b>108</b>	<b>2,203</b>
<b>Changes during the year</b>								
Acquisitions	-	46	59	9	46	43	122	325
Reclassifications	-	35	25	-	13	5	(78)	-
Disposals	-	-	-	-	-	(1)	(1)	(2)
Depreciation	-	(32)	(54)	(9)	(47)	(63)	-	(205)
<b>Total changes</b>	<b>-</b>	<b>49</b>	<b>30</b>	<b>-</b>	<b>12</b>	<b>(16)</b>	<b>43</b>	<b>118</b>
Cost	75	3,205	2,367	356	745	1,906	151	8,805
Accumulated depreciation	-	(2,017)	(1,853)	(327)	(499)	(1,769)	-	(6,465)
Impairment losses	-	(16)	(1)	(1)	-	(1)	-	(19)
<b>Balance at 31 December 2023</b>	<b>75</b>	<b>1,172</b>	<b>513</b>	<b>28</b>	<b>246</b>	<b>136</b>	<b>151</b>	<b>2,321</b>

None of the above items is attributable to BancoPosta RFC.

At 31 December 2023, property, plant and equipment includes assets located on land held under concession or sub-concession, which are to be handed over free of charge at the end of the concession term. These assets have a total carrying amount of €52 million.

Investments of €325 million in 2023 consists largely of:

- €46 million relating to extraordinary maintenance of Post Offices around the country (€27 million), personnel and management offices (€10 million) and mail and parcel sorting offices (€9 million);
- €59 million for plants, of which €33 million for the construction of plants related to buildings, €14 million for the construction and extraordinary maintenance of connectivity and video-surveillance systems, €8 million for the creation and extraordinary maintenance of systems for mail sorting and parcel processing at industrial facilities and €4 million for the installation of ATMs (automated teller machines);
- €46 million invested in the upgrade of plant (€20 million) and the structural part (€26 million) of properties held under lease;
- €43 million relating to "Other assets", including €33 million for the purchase of hardware for the upgrade of technological equipment at Post Offices and head offices, the strengthening of storage systems and €10 million for the purchase of furniture and fittings;
- €122 million for Investments in progress, of which €93 million is for extraordinary maintenance works and infrastructural equipment of the sales and production network and €23 million for the purchase of hardware and other technological equipment that has not yet been incorporated into the production process.

Reclassifications from property, plant and equipment under construction amounted to €78 million and refer mainly to the purchase cost of assets that became available and ready for use during the year; in particular, €65 million refer to the completion of extraordinary renovations of owned properties and improvements of leased properties and €5 million for the activation of hardware and other technological equipment.

Within the framework of the Polis Project - Home of Digital Services, with reference to the two lines of action envisaged in the project, the investments for the financial year 2023 totalling €95 million are shown below:

## Polis Project - Investments

Lines of intervention	Properties used in operations	Plant and equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
One-stop shop	12	8	20	12	28	80
Spaces for Italy	2	3	-	-	10	15
<b>Total</b>	<b>14</b>	<b>11</b>	<b>20</b>	<b>12</b>	<b>38</b>	<b>95</b>

In detail, the investments are related:

- for €14 million to extraordinary maintenance of Post Offices around the country;
- for €11 million to the construction of plants related to buildings;
- for €20 million to investments in the upgrade of plant and the structure of properties held under lease;
- for €12 million to the purchase of hardware for the upgrade of technological equipment of Post Offices and head offices and the purchase of furniture and fittings;
- for €38 million to investments in progress, of which €33 million for extraordinary maintenance of both owned and leased premises and €5 million for the purchase of hardware.

Lastly, it should be noted that during the year under review, investments of €31 million classified as "green", i.e., aimed at reducing the impact that Poste Italiane has on the environment in which it operates, were made. The main projects include the installation of photovoltaic systems and electricity columns, as well as energy efficiency measures on real estate.

**A2 - INVESTMENT PROPERTY** (€28 million)

Investment property primarily regards former service accommodation owned by Poste Italiane SpA pursuant to Law 560 of 24 December 1993, and residential accommodation previously used by post office directors. None of the above items is attributable to BancoPosta RFC.

**tab. A2 - Movements in investment property**

(€m)	FY 2023
Cost	88
Accumulated depreciation	(57)
Impairment losses	-
<b>Balance at 1 January</b>	<b>31</b>
<b>Changes during the year</b>	
Acquisitions	-
Disposals	(3)
Depreciation	(1)
<b>Total changes</b>	<b>(4)</b>
Cost	81
Accumulated depreciation	(53)
<b>Balance at 31 December</b>	<b>28</b>
<i>Fair value at 31 December</i>	<i>66</i>

The fair value of investment property at 31 December 2023 includes €54 million representing the sale price applicable to the Parent Company's accommodation in accordance with Law 560 of 24 December 1993, while the remaining balance reflects market price estimates computed internally by the Company<sup>252</sup>.

Most of the properties included in this category are subject to lease agreements classifiable as operating leases, given that Poste Italiane SpA retains substantially all the risks and rewards of ownership of the properties. Under the relevant agreements, tenants usually have the right to break off the lease with six-month notice. Given the resulting lack of certainty, the expected revenue flows from these leases are not referred to in these notes.

<sup>252</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, service accommodation and other investment property qualify for Level 3.

**A3 - INTANGIBLE ASSETS** (€1,053 million)

The following table shows movements in intangible assets:

tab. A3 - Movements in intangible assets

(€m)	Industrial patents, intellectual property rights, concessions, licences, trademarks and similar rights	Concessions, licences, trademarks and similar rights	Assets under construction and advances	Goodwill	Total
Cost	4,514	2	256	33	4,805
Accumulated amortisation and impairments	(3,858)	(2)	-	-	(3,860)
<b>Balance at 1 January 2023</b>	<b>656</b>	<b>-</b>	<b>256</b>	<b>33</b>	<b>945</b>
<b>Changes during the year</b>					
Acquisitions	232	-	223	-	455
Reclassifications	207	-	(207)	-	-
Disposals	-	-	(3)	-	(3)
Depreciation, amortisation and impairments	(344)	-	-	-	(344)
<b>Total changes</b>	<b>95</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>108</b>
Cost	4,952	2	270	33	5,257
Accumulated amortisation and impairments	(4,202)	(2)	-	-	(4,204)
<b>Balance at 31 December 2023</b>	<b>750</b>	<b>-</b>	<b>270</b>	<b>33</b>	<b>1,053</b>

None of the above items is attributable to BancoPosta RFC.

Investments in Intangible assets during 2023 amounted to €455 million, including €41 million in internal software development activities and the related accessory expenses, primarily relating to personnel expenses (€39 million). Research and development costs, other than those incurred directly to produce identifiable software used, or intended for use, within the Company, are not capitalised.

The increase in **industrial patents and intellectual property rights**, totalling €232 million, before amortisation for the year, relates primarily to the purchase and entry into service of new software programs following the purchase of software licences.

The acquisitions of **intangible assets under construction** (€223 million) include activities mainly regarding the development for software relating to the infrastructure platform (€105 million), for BancoPosta services (€50 million), for support to the sales network (€29 million), for the postal products platform (€26 million) and for the engineering of reporting processes for other Business and personnel functions (€13 million).

The balance of **intangible assets under construction** (€270 million) includes activities regarding the development for software relating to the infrastructure platform (€119 million), for BancoPosta services (€61 million), for support to the sales network (€41 million), for the postal products platform (€32 million) and for the engineering of reporting processes for other Business and personnel functions (€17 million).

During the year, reclassifications were made from Intangible assets under construction to Industrial patents and intellectual property rights amounting to €207 million, due to the completion and start-up of new software programs and the development of existing ones, relating to the infrastructure platform (€93 million), BancoPosta services (€58 million), support for the sales network (€30 million), the postal products platform (€14 million) and the engineering of reporting processes for other Business and personnel functions (€12 million).

Lastly, during the year 2023, as part of the Energy Project, Poste Italiane made investments in application software for about €43 million, of which €9 million has not yet entered into production, and as part of the Polis Project - Home of Digital Services, with reference to the "One-stop shop" line of intervention, it made investments of about €3 million, of which €2 million has not yet entered into production.



**A4 – RIGHT-OF-USE ASSETS** (€970 million)

Changes in right-of-use assets are as follows:

**tab. A4 - Movements in right-of-use asset**

(€m)	Properties used in operations	Company fleet	Vehicles for mixed use	Other assets	Total
Cost	1,315	329	25	36	1,705
Accumulated depreciation	(498)	(119)	(14)	(32)	(663)
Impairment losses	(1)	(4)	-	3	(2)
<b>Balance at 1 January 2023</b>	<b>816</b>	<b>206</b>	<b>11</b>	<b>7</b>	<b>1,040</b>
<b>Changes during the year</b>					
New contract acquisitions	57	53	8	16	134
Adjustments	40	10	4	-	54
Disposals	(35)	-	-	-	(35)
Depreciation	(128)	(81)	(7)	(7)	(223)
<b>Total changes</b>	<b>(66)</b>	<b>(18)</b>	<b>5</b>	<b>9</b>	<b>(70)</b>
Cost	1,367	344	29	32	1,772
Accumulated depreciation	(617)	(155)	(14)	(16)	(802)
Impairment losses	-	(1)	1	-	-
<b>Balance at 31 December 2023</b>	<b>750</b>	<b>188</b>	<b>16</b>	<b>16</b>	<b>970</b>

Acquisitions during the year totalling €134 million refer to new contracts (€39 million) and renewals of contracts existing at the beginning of the year for real estate (€18 million), the rental of company vehicles used for mail and parcel delivery activities (€53 million), mixed-use vehicles (€8 million) and the rental of computer equipment (€16 million). The item Adjustments refers to contractual changes during the year in question, e.g. for changes in duration due to extension, revision of economic conditions, etc. The item terminations refers to the early termination of existing contracts with respect to their natural maturity.

The increase in Right-of-Use Assets recognised during the year and related to lease contracts for electric, hybrid and endothermic vehicles considered to be "green" amounted to approximately €39 million.

Changes in lease payables are as follows:

**tab. A4.1- Movements in lease liabilities**

(€m)	FY 2023
<b>Balance at 1 January</b>	<b>1,101</b>
New contract increases	134
Payments	(243)
Finance costs/(income)	21
Other changes	19
<b>Balance at 31 December</b>	<b>1,032</b>
of which medium/long-term	772
of which short-term	260

The table below summarises the effects recognised in the statement of profit or loss:

**tab. A4.2 - Economic effects of lease agreements**

(€m)	FY 2023
Depreciation of right-of-use assets	223
Impairments/recoveries/adjustments of right of use	-
Financial charges/(income) on lease payables	21
Costs related to short-term leases	4
Costs related to lease of low-value assets	9
Costs relating to intangible asset leases	102
<b>Total</b>	<b>359</b>

**A5 – INVESTMENTS (€3,695 million)**

This item includes the following:

**tab. A5 - Investments**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Investments in subsidiaries	3,440	3,423	17
Investments in associates	255	253	2
<b>Total</b>	<b>3,695</b>	<b>3,676</b>	<b>19</b>

No investments are attributable to BancoPosta RFC.

Changes in equity investments in subsidiaries and associates are shown below:

Tab. A5.1 - Movements in investments in FY 2023

Investments (€m)	Balance at 01.01.2023	Additions				Reductions		Impairment losses		Balance at 31.12.2023
		Subscriptions /Payments on capital a/c	Acquisitions, mergers, liquidations, spin-offs, transfers	Reclass. Non-current assets held for sale	Incentive plans	Sales, liquidations, mergers, spin-offs, transfers	Reclass. Non- current assets held for sale	Write-back	(Write-down)	
<b>in subsidiaries</b>										
Agile Lab Srl	-	-	18	-	-	-	-	-	-	18
Agile Power Srl	18	-	(18)	-	-	-	-	-	-	-
BancoPosta Fondi SpA SGR	9	-	-	-	-	-	-	-	-	9
CLP ScpA	-	-	-	-	-	-	-	-	-	-
Consorzio PosteMotori	-	-	-	-	-	-	-	-	-	-
Consorzio Servizi ScpA	-	-	-	-	-	-	-	-	-	-
EGi SpA	170	-	-	-	-	-	-	-	-	170
MLK Deliveries SpA	15	-	20	-	-	-	-	-	-	35
Nexive Network Srl	16	-	-	-	-	-	-	-	-	16
Nexive Scarl	-	-	-	-	-	-	-	-	-	-
PatentViaPoste ScpA	-	-	-	-	-	-	-	-	-	-
Poste Air Cargo Srl	1	-	-	-	-	-	-	-	-	1
Poste Vita SpA	2,070	-	-	-	-	-	-	-	-	2,070
Poste Welfare Servizi Srl	76	-	-	-	-	-	-	-	-	76
Postel SpA	83	-	-	-	-	-	-	-	-	83
PostePay SpA	902	-	-	-	-	-	-	-	-	902
SDA Express Courier SpA	14	-	-	-	-	-	-	-	-	14
sennder Italia Srl	3	-	-	-	-	(3)	-	-	-	-
Sengi Express Limited	16	-	-	-	-	-	-	-	-	16
Sourcesense SpA	30	-	-	-	-	-	-	-	-	30
<b>Total subsidiaries</b>	<b>3,423</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,440</b>
<b>in associates</b>										
Anima Holding SpA	203	-	-	-	-	-	-	-	-	203
Conio Inc.	-	-	-	-	-	-	-	-	-	-
Financit SpA	40	-	-	-	-	-	-	-	-	40
ItaliaCamp Srl	-	-	-	-	-	-	-	-	-	-
Replica SIM SpA	10	-	-	-	-	-	-	-	-	10
sennder Italia Srl	-	-	2	-	-	-	-	-	-	2
<b>Total associates</b>	<b>253</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255</b>
<b>Total</b>	<b>3,676</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,695</b>

The following movements occurred in 2023:

- Corporate reorganisation, on 28 November 2023, of the Agile Group by reverse merger of the parent company Agile Power Srl into Agile Lab Srl and simultaneous merger into the latter of the companies AIM2, Agile Next and Agile Skill, effective for accounting and tax purposes from 1 July 2023 and for legal purposes from 1 December 2023. Therefore, as of that date, Poste Italiane holds a 70% stake in the company resulting from the reverse merger of Agile Lab Srl.

- Purchase, on 19 July 2023, of the remaining 30% of the share capital of MLK Deliveries SpA for a total of €20 million, following the exercise by Poste Italiane of its purchase option on the shares held by Milkman SpA in MLK Deliveries SpA. With the transfer of the investment, Poste Italiane acquired full control of MLK Deliveries SpA.
- Transfer, on 29 June 2023, of 35% of the stake held in sennder italia Srl to the shareholder sennder Technologies GmbH as part of the broader renegotiation of the current partnership between the company and Poste Italiane. Following the completion of the transaction, which resulted in the recognition in the statement of profit or loss of a total capital gain of approximately €91 million, Poste Italiane holds a 25% stake in sennder Italia Srl<sup>253</sup> which, therefore, lost its status as a subsidiary and assumed that of an associate.

Finally, the company Consorzio per i Servizi di Telefonia Mobile ScpA changed its name to ConsorzioServizi ScpA. The change was entered in the Rome Companies Register on 29 March 2023.

Further details of the main corporate actions during 2023 are provided in Note 3.1 – *Principal corporate actions*.

The impairment tests required by the related accounting standards have been conducted in order to identify any evidence of impairment. Based on the available information and the impairment test results<sup>254</sup>, there was no need to adjust the carrying amount of the investments.

The following table shows a list of investments in subsidiaries and associates at 31 December 2023:

tab. A5.2 - List of investments

Name (€k)	% share	Share capital <sup>(1)</sup>	Net profit/(loss) for the year	Carrying amount of equity	Share of equity	Carrying amount at 31.12.2023	Difference between equity and carrying amount
<b>in subsidiaries</b>							
Agile Lab Srl (2)	70.00	54	73	4,496	3,147	17,951	(14,804)
BancoPosta Fondi SpA SGR	100.00	12,000	28,650	58,721	58,721	8,592	50,129
CLP ScpA	51.00	516	-	788	402	313	89
Consorzio PosteMotori	58.12	120	-	120	70	70	-
Consorzio Servizi ScpA	51.00	120	-	116	59	61	(2)
EGI SpA	55.00	103,200	1,097	239,800	131,890	169,893	(38,003)
MLK Deliveries SpA	100.00	335	894	14,456	14,456	35,061	(20,605)
Nexive Network Srl	100.00	50	2,965	10,994	10,994	16,000	(5,006)
Nexive Scarl	85.89	28	-	26	22	-	22
PatentiViaPoste ScpA	69.65	120	96	220	153	84	69
Poste Air Cargo Srl	100.00	1,000	554	6,527	6,527	845	5,682
Poste Vita SpA	100.00	1,216,608	942,592	6,413,350	6,413,350	2,069,606	4,343,744
Poste Welfare Servizi Srl	100.00	16	3,511	79,513	79,513	75,921	3,592
Postel SpA	100.00	20,400	(3,270)	78,286	78,286	82,617	(4,331)
PostePay SpA	100.00	7,561	328,796	1,426,293	1,426,293	902,428	523,865
SDA Express Courier SpA	100.00	5,000	18,701	42,614	42,614	14,177	28,437
Sengi Express Limited (3)	51.00	541	7,923	8,863	4,520	16,000	(11,480)
Sourcesense SpA (2)	70.00	880	316	7,310	5,117	30,169	(25,052)
<b>in associates</b>							
Anima Holding SpA (4)	11.60	7,292	96,390	1,393,653	161,664	203,001	(41,337)
Conio Inc.(2) (5)	16.29	12,087	(321)	9,847	1,604	486	1,118
Financit SpA	40.00	14,950	15,554	68,314	27,326	40,000	(12,674)
ItaliaCamp Srl (6)	19.40	155	173	2,893	561	2	559
Replica SIM SpA	45.00	10,500	(235)	9,420	4,239	10,000	(5,761)
sennder Italia Srl	25.00	50	6,208	11,327	2,832	1,356	1,476

(1) Consortium fund in the case of consortia. The companies all have their registered offices in Rome, with the exception of Anima Holding SpA, Nexive Network Srl, Nexive Scarl, sennder Italia Srl, Replica SIM SpA and Agile Power Srl with registered offices in Milan; Conio Inc. with registered offices in California (USA) and Sengi Express Limited with registered offices in Hong Kong (China)

(2) These amounts have been calculated under IFRS and, therefore, may not be consistent with those included in the investee company's annual financial statements prepared in accordance with the Civil Code and Italian GAAP and, in the case of Conio Inc., in accordance with US GAAP.

(3) The figures shown for these companies were prepared in accordance with IFRS and, as such, may vary from those contained in the Annual Report of the company in compliance with Local GAAP.

(4) Figures taken from the company's latest interim consolidated financial statements at 30 September 2023, as approved by its board of directors.

(5) Data derived from the latest Half-Yearly Financial Report approved by the company on 30 June 2023.

(6) Data derived from the financial statements approved by the company on 31 December 2022.

<sup>253</sup> Prior to the described transfer, in April 2023 the company sennder Italia Srl carried out a reserved capital increase for sennder Technologies GmbH. Following this increase, Poste Italiane's stake in sennder Italia went from 65% to 60%.

<sup>254</sup> The method applied and the criteria used in conducting impairment tests at 31 December 2023, are described in note 2.6 – *Use of estimates*, with regard to the *impairment testing of goodwill, cash generating units and investments*.

**A6 - FINANCIAL ASSETS (€81,272 million)**

tab. A6 - Financial assets

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	30,481	12,794	43,275	27,812	16,538	44,350	(1,075)
Financial assets at FVTOCI	30,689	3,016	33,705	29,160	4,537	33,697	8
Financial assets at FVTPL	35	-	35	40	-	40	(5)
Derivative financial instruments	4,180	77	4,257	5,764	346	6,110	(1,853)
<b>Total</b>	<b>65,385</b>	<b>15,887</b>	<b>81,272</b>	<b>62,776</b>	<b>21,421</b>	<b>84,197</b>	<b>(2,925)</b>
of which attributable to BancoPosta RFC	64,384	15,826	80,210	61,901	21,392	83,293	(3,083)
of which Capital outside the ring-fence	1,001	61	1,062	875	29	904	158

**FINANCIAL ASSETS ATTRIBUTABLE TO BANCOPOSTA RFC**

Financial assets attributable to BancoPosta RFC

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	30,124	12,734	42,858	27,473	16,509	43,982	(1,124)
Loans and receivables	-	12,460	12,460	-	16,283	16,283	(3,823)
Loans	-	1,769	1,769	-	1,358	1,358	411
Receivables	-	10,691	10,691	-	14,925	14,925	(4,234)
Deposits with the MEF	-	8,932	8,932	-	11,902	11,902	(2,970)
Receivables	-	8,937	8,937	-	11,907	11,907	(2,970)
Provisions for doubtful amounts deposited with MEF	-	(5)	(5)	-	(5)	(5)	-
Other financial receivables	-	1,759	1,759	-	3,023	3,023	(1,264)
Fixed income instruments	30,124	274	30,398	27,473	226	27,699	2,699
Financial assets at FVTOCI	30,054	3,015	33,069	28,624	4,537	33,161	(92)
Fixed income instruments	30,054	3,015	33,069	28,624	4,537	33,161	(92)
Financial assets at FVTPL	26	-	26	40	-	40	(14)
Equity instruments	26	-	26	40	-	40	(14)
Derivative financial instruments	4,180	77	4,257	5,764	346	6,110	(1,853)
<b>Total</b>	<b>64,384</b>	<b>15,826</b>	<b>80,210</b>	<b>61,901</b>	<b>21,392</b>	<b>83,293</b>	<b>(3,083)</b>

The activities in question concern the financial transactions carried out by the Company pursuant to Presidential Decree no. 144 of 14 March 2001, as amended, which, as from 2 May 2011, fall within the scope of RFC (see note 5.2 - *Information on BancoPosta RFC*).

**Financial assets at amortised cost**

Movements in financial assets measured at amortised cost are shown below:

**A6.1 - Movements in financial assets at amortised cost**

Securities (€m)	Loans and receivables	Fixed income instruments		TOTAL
	Carrying amount	Nominal value	Carrying amount	Carrying amount
<b>Balance at 1 January 2023</b>	<b>16,283</b>	<b>28,304</b>	<b>27,699</b>	<b>43,982</b>
Purchases	-	2,828	2,754	2,754
Changes in amortised cost	-	-	(52)	(52)
Transfers to equity reserves	-	-	(76)	(76)
Changes in fair value through profit or loss	-	-	340	340
Changes due to cash flow hedges <sup>(*)</sup>	-	-	53	53
Changes due to impairment	-	-	(5)	(5)
Net changes	(4,709)	-	-	(4,709)
Effects of sales on profit or loss	-	-	47	47
Accruals	5	-	233	238
Sales, redemptions and settlement of accruals	-	(255)	(595)	(595)
Other changes	881	-	-	881
<b>Balance at 31 December 2023</b>	<b>12,460</b>	<b>30,877</b>	<b>30,398</b>	<b>42,858</b>

(\*) The item, "Changes in cash flow hedges", relates to the purchase of forward contracts in relation to cash flow hedge transactions and reflects changes in the fair value of these forward contracts between the date of purchase of the derivative contract and the settlement date, with a matching entry in equity, in the cash flow hedge reserve.

## Loans and receivables

The item **Loans** refers to reverse repurchase agreements of €4,106 million (€4,575 million at 31 December 2022), of which €3,956 million entered into with Cassa di Compensazione e Garanzia SpA (hereinafter CC&G) and €150 million with leading financial operators, both for the temporary use of liquidity from private inflows. These transactions are guaranteed by securities for a total notional amount of €3,874 million. Financial assets and liabilities relating to repurchase agreements managed through the CC&G that meet the requirements of IAS 32 are offset. The effect of netting at 31 December 2023, already included in the exposure to net balances, amounted to €2,337 million (€3,217 million at 31 December 2022). At 31 December 2023, the fair value<sup>255</sup> of said item was €1,769 million.

**Receivables** include:

- **Deposits with the MEF** for €8,937 million, including public customers' postal current account deposits, which earn a variable rate of return, calculated on a basket of government bonds<sup>256</sup>. The deposit has been adjusted to reflect accumulated impairments of approximately €5 million, to reflect the risk of counterparty default (unchanged compared to 31 December 2022). The decrease in deposits of €2,970 million was mainly due to the typical operations of some customers in the Public Administration, which generated a contraction in deposits from postal current accounts. During the financial year 2023, hedging derivative contracts were concluded on the 10-year index-linked remuneration component. The hedging transaction (Cash Flow Hedge) was carried out through forward purchases of the 10-year BTP with settlement of the differential between the pre-set price of the security and its market value. These transactions, completed at 31 December 2023, generated positive effects of €5 million, which was recognised in profit or loss under the item Income from investment in postal current accounts and free cash.
- **Other financial receivables:**
  - €1,223 million from amounts due for guarantee deposits, of which: €772 million for sums paid to counterparties for repo transactions on fixed income instruments (collateral under specific Global Master Repurchase Agreements), €323 million for sums paid to CC&G (of which €234 million for outstanding repo transactions and €89 million as a pre-funded contribution to the Default Fund<sup>257</sup>), €82 million for amounts paid to counterparties for interest rate swap transactions (collateral provided for in specific Credit Support Annexes) and €46 million in sums paid as collateral in relation to clearing systems with central counterparties for over-the-counter transactions in derivatives<sup>258</sup>;
  - €185 million relating to amounts due from the subsidiary PostePay SpA, for sums settled in the first few days of 2024.

The year-on-year decrease in guarantee deposits is mainly due to the reduction in amounts paid to counterparties with whom repo transactions are in place as a result of the combined effect of the change in the interest rate curve, which generated an increase in the fair value of the securities as collateral, and the lower amount of transactions outstanding at the date.

## Fixed income instruments

These are euro area **fixed income instruments** held by BancoPosta RFC, consisting of government securities issued by the Italian government and securities guaranteed by the Italian government with a nominal value of €30,877 million. Their

<sup>255</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

<sup>256</sup> The variable rate in question is calculated as follows: 40% is based on the average return on six-month BOTs recognised monthly and the remaining 60% is based on the average ten-year BTP return recognised monthly.

<sup>257</sup> A guarantee fund established with payments from participants in the derivative, equity and bond markets, as a further guarantee for the transactions carried out. The fund can be used to meet the charges arising from any participant default.

<sup>258</sup> These are transactions carried out outside the regulated securities markets and therefore not subject to any specific regulation concerning the organisation and operation of the market itself.

carrying amount of €30,398 million reflects the amortised cost of unhedged fixed income instruments, totalling €19,325 million, the amortised cost of fair-value hedged fixed income instruments, totalling €13,017 million, decreased by €1,944 million to take into account the effects of the hedge (€2,714 in 2022). Fixed income instruments measured at amortised cost are adjusted to take into account the related impairments. Accumulated impairments at 31 December 2023 amount to approximately €18 million (€13 million at 31 December 2022). At 31 December 2023, the fair value<sup>259</sup> of these securities was €28,318 million (including €233 million in accrued income).

This category of financial asset includes fixed rate instruments, for a total nominal amount of €3,000 million, issued by Cassa Depositi e Prestiti SpA and guaranteed by the Italian government (at 31 December 2023, their carrying amount totals €2,889 million).

### Financial assets at fair value through other comprehensive income

Movements in financial assets measured at fair value through other comprehensive income (FVTOCI) are shown below:

**tab. A6.2 - Movements in financial assets at FVTOCI**

Securities (€m)	Fixed income securities	
	Nominal value	Fair value
<b>Balance at 1 January 2023</b>	<b>37,489</b>	<b>33,161</b>
Purchases	3,890	3,857
Transfers to equity reserves	-	-
Changes in amortised cost	-	35
Changes in fair value through equity	-	1,938
Changes in fair value through profit or loss	-	383
Changes due to cash flow hedges <sup>(*)</sup>	-	242
Effects of sales on profit or loss	-	110
Accruals	-	253
Sales, redemptions and settlement of accruals	(6,520)	(6,910)
<b>Balance at 31 December 2023</b>	<b>34,859</b>	<b>33,069</b>

(\*) The item, "Changes in cash flow hedges", relates to the purchase of forward contracts in relation to cash flow hedge transactions and reflects changes in the fair value of these forward contracts between the date of purchase of the derivative contract and the settlement date, with a matching entry in equity, in the cash flow hedge reserve.

### Fixed income instruments

These are Euro area **fixed income instruments**, consisting of government securities issued by the Italian government with a nominal value of €34,859 million. The overall fluctuation in fair value in the year in question was a positive €2,321 million, recognised in the relevant equity reserve in relation to the portion of the portfolio not hedged by fair value hedges (positive for €1,938 million) and recognised through profit or loss in relation to the hedged portion (positive for €383 million). These instruments are subject to impairments recognised in profit or loss with a matching entry in the relevant equity reserve. Accumulated impairments at 31 December 2023 amount to €19 million (€16 million at 31 December 2022). The decrease in this item is mainly due to higher sales/reimbursements made during the year compared to purchases, partially offset by the positive change in fair value mentioned above.

Certain securities are encumbered as they have been delivered to counterparties for use as collateral in connection with loans and hedging transactions, as described in note 13 – *Additional information*.

<sup>259</sup> In terms of the fair value hierarchy, which reflects the relevance of the sources used to measure assets, €25,231 million of the total amount qualifies for inclusion in Level 1 and €3,087 million for inclusion in Level 2.

## Financial assets at fair value through profit or loss

### Equity instruments

The item Equity instruments refers to the fair value of 32,059 Visa Incorporated preference shares (Series C Convertible Participating Preferred Stock). These shares are convertible at the rate of 3.625<sup>260</sup> ordinary shares for each C share, minus a suitable illiquidity discount.

Net fair value gains in the year under review, amounting to €6 million, have been recognised in profit or loss in the items Income and Expenses from financial activities.

On 1 March 2023, the forward sale of 198,000 Visa Incorporated ordinary shares outstanding at 31 December 2022 was settled without exchange of the underlying, the economic effect of which, in the amount of approximately €2 million, was recognised in Expenses from financial activities.

In addition, two separate forward sales contracts were concluded during the financial year 2023:

- the forward sale of 101,900 Visa Incorporated ordinary shares<sup>261</sup>, settled on 3 April 2023, for a total consideration of €20.8 million with insignificant effects on the statement of profit or loss;
- the outstanding forward sale of 95,000 Visa Incorporated ordinary shares with a total consideration of €20.5 million and a settlement date of 3 March 2025<sup>262</sup>. Fair value fluctuations in the year under review, amounting to a negative €2.6 million, have been recognised in profit or loss in "Expenses from financial activities".

<sup>260</sup> Until the assigned shares are fully converted into ordinary shares, the share exchange ratio may be reduced if Visa Europe Ltd. incurs liabilities that, at the reporting date, were considered as merely contingent.

<sup>261</sup> On 20 March 2023, the 1,019 shares of Series A Preferred Stock held at 31 December 2022 were converted into ordinary shares, based on the conversion ratio of 100 ordinary shares for every share of Class A Preferred Stock.

<sup>262</sup> The ordinary shares involved in the forward sale amount to approximately 26,207 Visa Incorporated (series C) preference shares held in portfolio at the applicable conversion rate at 31 December 2023.

## Derivative financial instruments

tab. A6.3 - Movements in financial derivatives

Description (€m)	Balance at 31.12.2023		Balance at 31.12.2022	
	Nominal	Fair value	Nominal	Fair value
Cash flow hedges				
Forward purchases - securities	-	-	3,433	(92)
Forward sales - securities	-	-	1,099	346
Interest rate swaps	3,287	(513)	2,943	(531)
Fair value hedges				
Interest rate swaps on securities at FVTOCI and CA	25,031	3,718	27,940	5,571
Interest rate swaps on repos	3,996	(83)	3,996	(155)
FVTPL				
Forward sales	-	(3)	-	(4)
<b>Total</b>	<b>32,314</b>	<b>3,119</b>	<b>39,411</b>	<b>5,135</b>
Of which:				
Derivative assets	19,665	4,257	27,404	6,110
Derivative liabilities	12,649	(1,138)	12,007	(975)

Interest rate swap cash flow hedges relate exclusively to securities valued at FVTOCI. Interest rate risk cash flow hedges recorded a net negative change of €236 million during the year, of which €80 million related to the net positive change in fair value of the effective component of the hedge, reflected in the cash flow hedge reserve, and €316 million related to the net negative change in completed transactions<sup>263</sup> during the year and the ineffective component of hedging contracts.

Fair value hedges in interest rate swaps are used to hedge:

- securities measured at amortised cost with a nominal value of €12,011 million and securities measured at FVTOCI with a nominal value of €13,020 million; in total, they underwent a net negative change of €1,853 million during the year, of which €538 million related to the net negative change in fair value of the effective component of the hedge and €1,315 million related to the net negative change in transactions completed during the year and the ineffective component of hedging contracts;
- repurchase agreements classified at amortised cost with a nominal value of €3,996 million, whose net positive change was €72 million, of which €32 million related to the net positive change in fair value of the effective hedging component and €40 million related to the net positive change in completed transactions.

In the year under review, the Company carried out the following transactions:

- settlement of forward purchases of securities outstanding at 1 January 2023 for a nominal value of €3,433 million;
- forward purchases of securities to hedge, as of 1 January 2023, the yield of the MEF Deposit and settlement for a nominal amount of €290 million;
- settlement of forward sales of securities outstanding at 1 January 2023 for a nominal value of €1,099 million;
- the stipulation of new cash flow interest rate swaps with a nominal value of €484 million and the adjustment of those outstanding on 1 January 2023 for a nominal amount of €140 million;
- the stipulation of new fair value interest rate swaps to hedge the securities portfolio with a nominal value of €3,596 million;
- early settlements of fair value hedge interest rate swaps with a nominal value of €6,505 million (of which: €980 million related to hedging transactions for which the underlying security was also sold, €3,015 million related to hedging transactions without sale of the underlying security, and €2,510 million related to hedging transactions for which new

<sup>263</sup> Transactions settled include forward transactions settled, accrued differentials and the settlement of interest rate swaps linked to securities sold.



asset swaps were entered into) with the aim of consolidating a fixed yield in line with the market situation, while at the same time improving the income profile of a portion of the portfolio for subsequent years.

## FINANCIAL ASSETS OUTSIDE RING-FENCE

### Financial assets outside ring-fence

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	356	61	417	339	29	368	49
Loans and receivables	356	61	417	339	29	368	49
Loans	354	54	408	337	28	365	43
Receivables	2	7	9	2	1	3	6
Due from the purchasers of service accommodation	2	2	4	2	1	3	1
Due from others	-	25	25	-	20	20	5
Provisions for doubtful debts	-	(20)	(20)	-	(20)	(20)	-
Financial assets at FVTOCI	636	-	636	536	-	536	100
Fixed income instruments	99	-	99	91	-	91	8
Equity instruments	537	-	537	445	-	445	92
Financial assets at FVTPL	9	-	9	-	-	-	9
Convertible bond	9	-	9	-	-	-	9
Derivative financial instruments	-	-	-	-	-	-	-
<b>Total</b>	<b>1,001</b>	<b>61</b>	<b>1,062</b>	<b>875</b>	<b>29</b>	<b>904</b>	<b>158</b>

### Financial assets at amortised cost

Movements in financial assets measured at amortised cost are shown below:

#### A6.4 - Movements in financial assets at amortised cost

(€m)	Loans	Receivables	Total
	Carrying amount	Carrying amount	Carrying amount
<b>Balance at 1 January 2023</b>	<b>365</b>	<b>3</b>	<b>368</b>
Purchases	65	-	65
Net changes	-	6	6
Accruals	5	-	5
Sales, redemptions and settlement of accruals	(27)	-	(27)
<b>Balance at 31 December 2023</b>	<b>408</b>	<b>9</b>	<b>417</b>

## Loans

Details are shown below:

#### tab. A6.4.1 - Loans at amortised cost

Name (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Loans	correspondence a/c	Total	Loans	correspondence a/c	Total	
<b>Direct subsidiaries</b>							
Poste Vita SpA	254	-	254	253	-	253	1
SDA Express Courier SpA	62	7	69	48	-	48	21
Postel SpA	17	2	19	-	-	-	19
Nexive Network Srl	-	9	9	-	17	17	(8)
Poste Air Cargo Srl	-	5	5	-	5	5	-
Sourcesense SpA	-	4	4	-	-	-	4
Consorzio Servizi ScpA	-	2	2	-	-	-	2
Agile Lab Srl	-	1	1	-	-	-	1
<b>Indirect subsidiaries</b>							
Plurima SpA	45	1	46	-	-	-	46
Plurima Bidco Srl	-	-	-	43	-	43	(43)
	378	31	409	344	22	366	43
Provision for impairment of intercompany loans	(1)	-	(1)	(1)	-	(1)	-
<b>Total</b>	<b>377</b>	<b>31</b>	<b>408</b>	<b>343</b>	<b>22</b>	<b>365</b>	<b>43</b>

The item includes:

- €254 million relating to an irredeemable subordinated loan, issued to Poste Vita SpA in order to bring the subsidiary's capitalisation into line with expected growth in earned premiums, in compliance with the specific regulations governing the insurance sector;
- €17 million for the full utilisation of the committed revolving credit line granted during the year to the subsidiary Postel SpA, maturing on 4 July 2026;
- €62 million for a total of five loans granted to the subsidiary SDA Express Courier SpA in the financial years 2019, 2020, 2021 and 2023, to support the construction of the new automated HUB facilities in Bologna, "North" and "Centre", Piacenza and Naples, repayable in a lump sum on 2 August 2027, 16 April 2029, 5 August 2030, 6 April 2032 and 19 April 2032 respectively;
- €45 million for two loans granted to the subsidiary Plurima SpA, the first for €41 million, repayable in a lump sum on 27 April 2029<sup>264</sup>, the second for €4 million granted to meet short-term operating needs and to support the exercise of the option to purchase the remaining 40% of the share capital of Bridge Technologies Srl, repayable in a lump sum on 6 April 2027;
- €31 million regarding overdrafts on intercompany current accounts granted to subsidiaries, paying interest on an arm's length basis.

These loans have been adjusted to reflect accumulated impairments of approximately €1 million, to reflect the risk of counterparty default, unchanged from 31 December 2022.

### Receivables

**Due from others** include a nominal value of €20 million for the residual receivable from Invitalia SpA for the sale of Banca del Mezzogiorno-MedioCreditoCentrale SpA (BdM), fully written off, and €5 million from Poste Vita SpA for interest accrued on Ancillary Own Funds at 31 December 2023, as described in Note 3.2 - *Other material events*.

### Financial assets at fair value through other comprehensive income

Movements in financial assets at fair value through other comprehensive income (FVTOCI) are shown below:

tab. A6.5 - Movements in financial assets at FVTOCI

(€m)	Fixed income securities		Equity instruments	Total	
	Nominal value	Fair value	Fair value	Nominal value	Fair value
<b>Balance at 1 January 2023</b>	<b>110</b>	<b>91</b>	<b>445</b>	<b>110</b>	<b>536</b>
Purchases	-	-	3	-	3
Changes in amortised cost	-	2	-	-	2
Changes in fair value through equity	-	6	(4)	-	2
Extraordinary transactions	-	-	93	-	93
<b>Balance at 31 December 2023</b>	<b>110</b>	<b>99</b>	<b>537</b>	<b>110</b>	<b>636</b>

### Fixed income instruments

This item includes one Italian government bond with a nominal value of €110 million purchased during 2022. The fluctuation in fair value at 31 December 2023 was positive for €6 million and recognised in the specific equity reserve.

### Equity instruments

This item breaks down as follows:

<sup>264</sup> On 29 September 2022, the reverse merger of Plurima Bidco Srl into Plurima SpA was approved, effective 1 January 2023. Consequently, the loan granted in the year 2022 in favour of Plurima Bidco Srl to support the corporate transaction for the acquisition of a majority stake in Plurima SpA was reclassified.

**Tab. A6.5.1 - Shares at FVTOCI**

Name (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Nexi SpA	345	343	2
sennder Technologies GmbH	112	19	93
MFM Holding Ltd	55	57	(2)
Scalapay Limited	25	25	-
Milkman SpA	-	2	(2)
<b>Total</b>	<b>537</b>	<b>446</b>	<b>91</b>

In June 2023, following the completion of the renegotiation of the current partnership with sennder Technologies GmbH, Poste Italiane acquired an additional stake in the company for a total of €93 million. For further details on the transaction, see the section *Main changes to the scope of consolidation*.

In July 2023, Poste Italiane participated in a new capital increase promoted by MFM Holding Ltd with an investment of €3 million.

The overall fluctuation in fair value of the item in question was negative for €4 million and recognised in the specific equity reserve.

Lastly, the item includes, for €75 million the investment in CAI SpA (formerly Alitalia CAI SpA), acquired in 2013 and fully written off in 2014.

Further details of the main corporate actions during 2023 are provided in notes 3.1 – *Principal corporate actions*.

**Financial assets at fair value through profit or loss**

The item includes a portion of the convertible bond issued by sennder Technologies GmbH and subscribed by Poste Italiane in July 2023 for about €8.5 million, representing the fair value at 31 December 2023, as well as participating financial instruments arising from the conversion of Contingent Convertible Notes<sup>265</sup> - issued by Midco SpA - whose value, at 31 December 2023, was zero.

**Derivative financial instruments**

The following transactions took place during 2023:

- stipulation and settlement of three commodity swaps for the operational hedging of fuel costs relating to the air transport of mail carried out via the subsidiary, Poste Air Cargo Srl;
- stipulation and settlement of forty-two non-deliverable forward contracts to operationally hedge the currency risk (euro/dollar) mainly related to aircraft leasing fees for air mail transport, carried out through the subsidiary Poste Air Cargo Srl.

Finally, in October 2023, a cash flow hedge interest rate swap contract entered into in 2013 to hedge the cash flows of a €50 million bond issued on 25 October 2013 (note B.6 *Financial liabilities*) reached maturity. The closing of the derivative resulted in the release to the statement of profit or loss, recognised under Finance Income, of the cash flow hedge reserve of approximately €6 million, which was established as of 25 October 2015, the date from which the cash flow hedge became operative.

<sup>265</sup> These are Contingent Convertible Notes with an original value of €75 million, a twenty-year term to maturity and issued by Midco SpA, which in turn owns 51% of the company Alitalia SAI SpA. The Notes were subscribed by Poste Italiane SpA in December 2014, as part of the transaction aimed at Etihad Airways' acquisition of an equity interest in Alitalia SAI. On the fulfilment of certain negative pledge conditions, in 2017 the loan was converted into participating financial instruments (as defined by art. 2346, paragraph 6 of the Italian Civil Code), carrying the same rights associated with the Notes.

**A7 - INVENTORIES (€4 million)**

This item includes inventories of Raw, ancillary and consumable materials related to protective devices, disinfectant gel and other materials purchased in the year 2020, as a result of the SARS-Covid health emergency.

**A8 - TRADE RECEIVABLES (€2,775 million)**

tab. A8 - Trade receivables

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Due from customers	1	1,762	1,763	1	1,608	1,609	154
Due from subsidiaries and associates	-	763	763	-	791	791	(28)
Due from the Parent company	-	249	249	-	257	257	(8)
<b>Total</b>	<b>1</b>	<b>2,774</b>	<b>2,775</b>	<b>1</b>	<b>2,656</b>	<b>2,657</b>	<b>118</b>
of which attributable to BancoPosta RFC	-	1,006	1,006	-	819	819	187

**Due from customers**

tab. A8.1 - Amounts due from customers

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Ministries and Public Administration entities	-	548	548	-	565	565	(17)
Due from private individuals for parcel delivery services	-	453	453	-	418	418	35
Overseas counterparties	-	322	322	-	386	386	(64)
Due from private individuals for mail services	-	251	251	-	275	275	(24)
Cassa Depositi e Prestiti	-	247	247	-	22	22	225
Amounts due for other BancoPosta services	-	58	58	-	62	62	(4)
Overdrawn current accounts	-	45	45	-	40	40	5
Other amounts due from customers	1	231	232	1	233	234	(2)
Provisions for doubtful debts due from customers	-	(393)	(393)	-	(393)	(393)	-
<b>Total</b>	<b>1</b>	<b>1,762</b>	<b>1,763</b>	<b>1</b>	<b>1,608</b>	<b>1,609</b>	<b>154</b>
of which attributable to BancoPosta RFC	-	322	322	-	108	108	214

The increase in Due from customers is mainly attributable to the increase in amounts due from Cassa Depositi e Prestiti for amounts accrued to be invoiced at the relevant date, based on the Supplementary and Amending Deed of 30 January 2024, effective retroactively from 1 January 2023 to 31 December 2023, to the Agreement with Cassa Depositi e Prestiti renewed on 23 December 2021 for the period 2021-2024.

Specifically<sup>266</sup>:

- Amounts due from **Ministries and Public Administration entities** refer mainly to the following services:
  - Compensation for Publisher tariff subsidies, due from the Cabinet Office – Publishing Department, amounting to €215 million, of which €55 million accrued during the year. At 31 December 2023, these receivables are shown gross of the collection of an unavailable amount of €195 million, relating to the tariff subsidies applied in 2020, 2021, 2022 and until the third quarter of 2023, deposited by the Cabinet Office - Publishing Department, in a non-interest-bearing account held by the Company with the State Treasury and for this reason recorded under Payables for advances received. On 29 January 2024, the European Commission, in the matter of State aid, anticipated the formal decision to authorise the compensatory mechanism in favour of Poste Italiane for the tariff subsidies granted to publishing companies; consequently, with the communication of 31 January 2024, the

<sup>266</sup> At 31 December 2023, the balance of trade receivables includes €6 million, net of the related provisions for doubtful debts, relating to rental income falling within the scope of IFRS 15 – *Revenue from Contracts with Customers*.

Cabinet Office, in consideration of the need to guarantee the economic sustainability of the postal service for the delivery of publishing publications at subsidised rates, authorised the release of the credited sums. In December 2023, €13 million was collected related to tariff subsidies charged in the years 2018-2019.

- Integrated Notification and mailroom services rendered to central and local government authorities, amounting to €51 million.
- Reimbursement of building, vehicle and security costs, postage and other services incurred on behalf of the Ministry of Enterprise and Made in Italy (MIMIT)<sup>267</sup> in the amount of €51 million. This receivable is made up for the remaining €28 million of the original €62 million receivable for charges arising from the use of real estate and other services provided until 2012. This position, which was the subject of a legal dispute between the parties, in compliance with the first instance ruling, was partially collected in 2021 for €34 million. The addition to the balance consists of €23 million mainly related to charges for the use of real estate for the period 2013-2023 for which negotiations with the counterparty are ongoing.
- Mail forwarding and notification services provided following a tender procedure for a total of €49 million.
- Mail services provided on credit, totalling €36 million, to central and local government authorities.
- Market Registered Mail services, totalling €33 million, provided to central and local government entities.
- Unfranked mail services, totalling €18 million, provided to central and local Public Administrations.
- The payment of pensions on behalf of INPS (the National Institute of Social Security), totalling €11 million.
- Amounts due for **parcel delivery services** refer to receivables from customers using the "national and international express courier" range of services.
- Amounts due from **overseas counterparties** primarily relates to postal services carried out for overseas postal operators.
- Amounts due for **mail services** refer to receivables to private customers who use the "delivery and mailing" range of services.
- Amounts due from **Cassa Depositi e Prestiti** refer to fees for BancoPosta's deposit-taking activities.
- Amounts due for **other BancoPosta services** mainly refer to intermediation services (banking, personal loans, mortgages) provided totalling 29 million euros.
- Amounts due for **overdrawn current accounts** derive almost exclusively from overruns due to the debiting of BancoPosta's periodic fees.

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<sup>267</sup>

Former Ministry of Economic Development.

## Due from subsidiaries and associates

tab. A8.2 - Due from subsidiaries and associates

Name (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
<b>Direct subsidiaries</b>			
BancoPosta Fondi SpA SGR	29	20	9
CLP ScpA	3	3	-
Consorzio PosteMotori	3	3	-
EGI SpA	-	1	(1)
MLK Deliveries SpA	-	1	(1)
PatentiViaPoste ScpA	1	4	(3)
Poste Air Cargo Srl	1	1	-
Poste Vita SpA	355	333	22
Postel SpA	58	47	11
PostePay SpA	189	282	(93)
Poste Welfare Servizi Srl	5	5	-
SDA Express Courier SpA	19	17	2
Sengi Express Limited	66	33	33
Nexive Network Srl	1	3	(2)
Nexive Scarl	13	11	2
<b>Indirect subsidiaries</b>			
Kipoint SpA	1	1	-
Poste Assicura SpA	16	23	(7)
Poste Insurance Broker Srl	-	1	(1)
Lis Pay SpA	1	-	1
<b>Associates</b>			
Financit SpA	3	3	-
Italia Camp Srl	1	-	1
Provision for doubtful debts	(2)	(1)	(1)
<b>Total</b>	<b>763</b>	<b>791</b>	<b>(28)</b>
of which attributable to BancoPosta RFC	436	454	(18)

These trade receivables include:

- Poste Vita SpA: primarily regarding fees deriving from the sale of insurance policies through Post Offices and attributable to BancoPosta RFC (€324 million);
- PostePay SpA: mainly for product placement services related to the payments business (€72 million), for the SMA service on its own account and on behalf of third parties (€26 million) and for "sim" placement services performed at Post Offices (€23 million);
- Sengi Express Limited: entirely for parcel delivery services.

## Due from the Parent Company

This item relates to trade receivables due from the Ministry of the Economy and Finance:

tab. A8.3 - Due from the Parent Company

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Remuneration of current account deposits	218	227	(9)
Universal Service	31	31	-
Delegated services	30	30	-
Publisher tariff and electoral subsidies	1	1	-
Other	2	1	1
Provision for doubtful debts due from the Parent Company	(33)	(33)	-
<b>Total</b>	<b>249</b>	<b>257</b>	<b>(8)</b>
of which attributable to BancoPosta RFC	248	257	248

- The **remuneration of current account deposits** refers entirely to amounts accrued in 2023 and almost entirely relates to the deposit of funds deriving from accounts opened by Public Administration entities and attributable to BancoPosta RFC.

- Receivables for **Universal Service** compensation includes:

#### tab. A8.3.1 - Universal Service compensation receivable

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Remaining balance for 2012	23	23	-
Remaining balance for 2005	8	8	-
<b>Total</b>	<b>31</b>	<b>31</b>	<b>-</b>

In the year under review, the Group received €262 million in accrued compensation for the period. The amount of compensation was recognised based on the terms of the new 2020-2024 Service Contract, effective 1 January 2020.

With reference to the amount receivable for 2012, AGCom has recognised a net cost incurred by the Company of €327 million, compared with compensation of €350 million originally recognised. Provision has not been made in the state budget for the remaining €23 million. The Company appealed AGCom's decision on 13 November 2014 before the Regional Administrative Court (TAR).

The outstanding receivable relating to compensation for 2005 was subject to cuts in the budget laws for 2007 and 2008.

Provisions for doubtful debts have been made for the full amount of the above receivables.

- Amounts due for **delegated services**, refer exclusively to the amount accrued in 2023 and relating to the remuneration of services performed by BancoPosta on behalf of the state in accordance with a special agreement with the MEF, expired on 19 May 2023 for the two-year period 2023-2024.
- Receivables arising from **electoral subsidies** refer to compensation for previous years, for which no provision has been made in the state budget.

#### Provisions for doubtful trade debts

Movements in the **provisions for doubtful debts** (due from customers, the Parent Company and subsidiaries and associates) are as follows:

#### tab. A8.4 - Detail of provision for doubtful trade receivables

(€m)	Balance at 01.01.2023	Net provisions	Uses	Balance at 31.12.2023
Trade receivables				
Due from customers	318	14	(22)	310
Private customers	225	18	(19)	224
Public administration entities	80	(3)	(3)	74
Overseas postal operators	13	(1)	-	12
Interest on late payments	75	26	(18)	83
Due from the Parent company	33	-	-	33
Due from subsidiaries and associates	1	1	-	2
<b>Total</b>	<b>427</b>	<b>41</b>	<b>(40)</b>	<b>428</b>
of which attributable to BancoPosta RFC	40	8	(3)	45

Net provisions of €18 million for amounts due from private customers refer mainly to receivables subject to bankruptcy proceedings and receivables entrusted to the legal department for recovery. Utilisations for the year mainly refer to the write-off of receivables following the conclusion of bankruptcy proceedings and agreements, and to the write-off of receivables for current accounts with a debtor balance, for which it was ascertained that recovery actions were not cost effective, also taking into account the small amount of the individual credit positions.

The provisions for doubtful debts due from the MEF reflect the absence of funds in the state budget, meaning it is not possible to collect certain amounts receivable, recognised on the basis of legislation or contracts and agreements in effect at the time of recognition, largely relating to the Universal Service.

For the sake of completeness, the following tables present details of the gross carrying amount and the provision to cover expected losses for each class of **trade receivables**. This detail is provided separately depending on whether the model used to estimate the ECL is based on an analytical or a lump-sum valuation. For more details on the inputs, assumptions and estimation techniques used to calculate the impairment of financial assets, as well as for information on how collateral and other credit risk mitigation instruments are considered in the calculation of the provisions for doubtful trade debts, see *Note 2.6 - Use of estimates - Impairment and stage allocation for financial instruments*.

tab. A8.4.1 - Trade receivables impaired on an analytical basis

Description (€m)	31.12.2023		31.12.2022	
	Gross carrying amount	Provision for doubtful debts	Gross carrying amount	Provision for doubtful debts
Trade receivables				
Due from customers	1,224	(183)	822	(182)
Private customers	381	(149)	327	(147)
Ministries and Public Administration entities	379	(34)	376	(35)
Cassa Depositi e Prestiti	247	-	22	-
Overseas counterparties	217	-	97	-
Due from the Parent Company	279	(31)	288	(31)
Due from subsidiaries and associates	765	(2)	792	(1)
<b>Total</b>	<b>2,268</b>	<b>(216)</b>	<b>1,902</b>	<b>(214)</b>

Tab. A8.4.2 - Trade receivables written down on the basis of the provision matrix

Range of past due (€m)	31.12.2023		31.12.2022	
	Gross carrying amount	Provision for doubtful debts	Gross carrying amount	Provision for doubtful debts
Not past due trade receivables	534	(13)	699	(12)
Past due 0 - 1 year	91	(10)	176	(8)
Past due 1 - 2 years	43	(6)	55	(6)
Past due 2 - 3 years	43	(6)	42	(5)
Past due 3 - 4 years	25	(6)	24	(13)
Past due > 4 years	36	(28)	49	(49)
Positions subject to legal recovery and/or insolvency proceedings	163	(143)	137	(120)
<b>Total</b>	<b>935</b>	<b>(212)</b>	<b>1,182</b>	<b>(213)</b>



**A9 - OTHER RECEIVABLES AND ASSETS (€2,777 million)**

This item breaks down as follows:

tab. A9 - Other receivables and assets

Description (€m)	Notes	Balance at 31.12.2023			Balance at 31.12.2022			Changes
		Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Substitute tax paid		1,752	572	2,324	1,738	525	2,263	61
Due from subsidiaries and associates		-	150	150	-	32	32	118
Receivables relating to fixed-term contract settlements		29	73	102	36	76	112	(10)
Due from social security agencies and pension funds (excl. fixed-term contract settlements)		-	72	72	-	137	137	(65)
Receivables for amounts that cannot be drawn on due to court rulings		-	58	58	-	71	71	(13)
Interest accrued on IRES refund	[C12]	-	46	46	-	46	46	-
Tax assets		-	26	26	-	43	43	(17)
Accrued income and prepaid expenses from trading transactions		-	10	10	-	9	9	1
Sundry receivables		17	57	74	17	42	59	15
Provisions for doubtful debts due from others		(3)	(82)	(85)	(3)	(149)	(152)	67
<b>Total</b>		<b>1,795</b>	<b>982</b>	<b>2,777</b>	<b>1,788</b>	<b>832</b>	<b>2,620</b>	<b>157</b>
of which attributable to BancoPosta RFC		1,752	608	2,360	1,738	573	2,311	49

Specifically:

- **Substitute tax paid**, attributable to BancoPosta RFC, primarily regards:
  - €1,752 million charged to holder of Interest-bearing Postal Certificates for stamp duty at 31 December 2023<sup>268</sup>; this amount is balanced by a matching entry in "Other taxes payable" until expiration or early extinguishment of the Interest-bearing Postal Certificates, i.e. the date on which the tax is payable to the tax authorities (tab. B9.3);
  - €407 million relating to advances paid to the tax authorities for stamp duty to be paid in virtual form in 2024 and to be recovered from customers;
  - €96 million relating to stamp duty to be charged to Postal Savings Book holders, which the Company pays in virtual form as required by law;
  - €30 million in advances on withholding tax on interest paid to current account holders for 2023, which is to be recovered from customers.
- Amounts due from **subsidiaries and associates** include €129 million in amounts receivable from subsidiaries by Poste Italiane SpA, as the consolidating entity (note 2.5 – *Material information on accounting standards*). The related amounts are mainly due from the subsidiaries Poste Vita SpA, PostePay SpA and Poste Assicura SpA.
- Receivables relating to **fixed-term contract settlements** consist of salaries to be recovered following the agreements<sup>269</sup> between Poste Italiane SpA and the trade unions, regarding the re-employment by court order of staff previously employed on fixed-term contracts. This item refers to receivables with a present value of €102 million from personnel, from INPS and pension funds recoverable in the form of variable instalments, the last of which is due in 2042. The item also includes amounts due from INPS (formerly IPOST) of €42 million, covered by a specific agreement with IPOST dated 23 December 2009. Payment of this amount consists of six instalments of €6.9 million each, falling due between 30 June 2012 and 31 December 2014; negotiations are in progress with the debtor for their recovery.
- Due from **social security agencies and pension funds** totalling €72 million decreased compared to 31 December 2022, mainly as a result of the derecognition of receivables related to past items and the recovery of the residual

<sup>268</sup> Introduced by article 19 of Law Decree 201/2011 converted with amendments by Law 214/2011 in the manner provided for by the MEF Decree of 24 May 2012: Manner of implementation of paragraphs from 1 to 3 of article 19 of Law Decree 201 of 6 December 2011, on stamp duty on current accounts and financial products (Official Journal 127 of 1 June 2012).

<sup>269</sup> CTD contract settlements were signed on 13 January 2006, 10 July 2008, 27 July 2010, 18 May 2012, 21 March 2013, 30 July 2015 and 19 June 2018

amounts related to the periods of suspension or reduction of work for Covid-19 by means of a reconciliation with the contributions due to the Social Security Institute.

- Receivables for **amounts that cannot be drawn on due to court rulings** refer to amounts attached and not assigned to creditors, which are in the process of being recovered. In January 2023, following the signing of a settlement agreement, the receivable of €12 million relating to sums embezzled from the Company in December 2007 as a result of an attempted fraud and held at a foreign bank was collected.
- **Accrued interest on IRES refund**, refers to interest accruing up to 31 December 2023 in relation to the tax credit determined by an unreported deduction from the IRES tax base of IRAP paid on personnel expenses. Two disputes have been initiated to recover said amount due (*i.e.*, one under Law Decree no. 185/2008 and the other, under Law Decree no. 201/2011) brought before the Provincial Tax Tribunal of Rome, which upheld Poste Italiane's appeals, ordering the Agenzia delle Entrate in Rome to refund the amounts claimed. The Agenzia delle Entrate appealed both rulings before the Regional Tax Tribunal which upheld the tax authorities' appeal against both of the rulings. Poste Italiane has appealed these rulings before the Supreme Court of Cassation. On 5 July 2023, the judgement of the Court of Cassation in the case pursuant to Law Decree no. 201/2011 was published, in which the most relevant grounds of Poste Italiane's appeal were upheld concerning the starting date of the interest accrued on the IRES credit resulting from the non-deduction of labour costs for IRAP purposes. As a result of this ruling, the case will have to be resumed before the Tax Court of Second Instance to settle the amount of interest actually due to the Group. The judgement concerning Law Decree no. 185/2008 is currently pending before the Supreme Court of Cassation. Elements of uncertainty about the final outcome of the case are taken into account in the provision for doubtful debts due from others.

Movements in the **provisions for doubtful debts due from others** are shown below:

**tab. A9.1 - Detailed provision for doubtful debts due from others**

(€m)	Balance at 01.01.2023	Net provisions	Uses	Balance at 31.12.2023
Interest accrued on IRES refund	44	(25)	-	19
Receivables relating to fixed-term contract sett	24	-	-	24
Other receivables	84	(5)	(37)	42
<b>Total</b>	<b>152</b>	<b>(30)</b>	<b>(37)</b>	<b>85</b>
of which attributable to BancoPosta RFC	16	(3)	-	13

The provisions for doubtful debts due from others for interest income on IRES refunds shows a release of €25 million following the ruling of the Supreme Court of Cassation in Law Decree no. 201/2011.

During the year under review, having ascertained the non-recoverability of certain prior items referring to labour costs, credit items were written off by using the provision.

**A10 – TAX CREDITS LAW NO. 77/2020 (€8,318 million)****tab. A10 - Tax credits Law no. 77/2020**

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Tax credits at amortised cost	6,534	1,784	8,318	7,458	1,563	9,021	(703)
<b>Total</b>	<b>6,534</b>	<b>1,784</b>	<b>8,318</b>	<b>7,458</b>	<b>1,563</b>	<b>9,021</b>	<b>(703)</b>
of which attributable to BancoPosta RFC	6,246	1,665	7,911	7,127	1,473	8,600	(689)

This item refers to tax credits acquired by Poste Italiane SpA against free capital resources or transferred to BancoPosta RFC for resources subject to and not subject to the restriction on their use, in accordance with the provisions of the Relaunch Decree (Law Decree no. 34/2020 converted with amendments by Law no. 77/2020) by which tax breaks were introduced to support Citizens and Businesses to encourage economic recovery following the Covid-19 health emergency.

These receivables are measured at amortised cost as they are acquired to be used primarily for the purpose of offsetting social security or tax payables, based on the provisions of the regulations issued with reference to the characteristics of the individual receivables.

Changes in these tax credits during 2023 are shown below:

**tab. A10.1 - Movements in Tax Credits L.77/2020**

(€m)	Carrying amount
<b>Balance at 1 January 2023</b>	<b>9,021</b>
Purchases	691
Changes in amortised cost	320
Other changes	(1,714)
<b>Balance at 31 December 2023</b>	<b>8,318</b>

The main changes in the year under review refer to:

- Purchases of €691 million, of which €518 million pertaining to BancoPosta RFC<sup>270</sup>;
- accrued income for the year amounting to €320 million, of which €309 million pertaining to BancoPosta RFC;
- other changes of €1,714 million, of which €1,682 million related to offsets during the year.

At 31 December 2023, the fair value<sup>271</sup> of tax credits at amortised cost is €7,823 million.

As part of the actions aimed at combating tax fraud perpetrated by third parties through the monetisation of tax credits, starting from the end of the 2021 financial year, a number of Public Prosecutors' Offices have implemented preventive seizures that, in some cases also involved tax credits acquired by Poste Italiane (some of which were subsequently released from seizure during the course of 2022) for a total nominal value of approximately €530 million at the date of

<sup>270</sup> With the conversion into Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021, BancoPosta RFC is allowed, as part of the 50% of its funding from private customers that can be invested in securities guaranteed by the Italian State, to use up to 30% of this portion to purchase transferable tax credits.

<sup>271</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 3.

preparation of these financial statements, against a value paid of roughly €451 million.

The Company has put in place an operational process aimed at constantly analysing the potential economic, financial and equity risks to which it could be exposed in the event that, following legal proceedings involving third parties, it is ascertained that part of the tax credits acquired over time are the result of fraudulent conduct perpetrated by the aforementioned third parties. In particular, a legal and accounting analysis was conducted to generally assess said risks and determine the accounting impact related to these potential risks, making reference to the provisions of IAS 37 - Provisions, Contingent Assets and Contingent Liabilities (as better illustrated in the section Use of estimates), as the possible non-recovery of the carrying amount of the tax credits would not derive from a characteristic of the asset being measured or from significant increases in the credit risk after the initial recognition of the asset or, more simply, from the ascertained default of the debtor, as envisaged by the impairment model set forth in IFRS 9, but rather from the possibility that, for those ascertained cases of fraud, the liability of the assignee - even if a third party in good faith or an offended party to the crime - will also be called to account for assumptions other than the possible irregular use of the tax credit or for a use in excess of the tax credit received. On the basis of the analyses carried out of all facts and circumstances known at the date of preparation of these financial statements, including, inter alia, requests for information received from the authorities (Public Prosecutor's Office and Agenzia delle Entrate) and orders issued by them, also with the support of external consultants, a provision of €80 million was recognised in the year 2023, bringing the provision - liability item "Provisions for risks and charges" - to €400 million.

It should be noted, however, that the current situation of significant uncertainty as to the possible outcome of the proceedings and initiatives underway by the Judicial Authorities and the Agenzia delle Entrate and the actions undertaken by the Company to protect its interests, necessarily entailed the use of a significant degree of professional judgement in determining the aforesaid provision; therefore, it cannot be excluded that it may be necessary to recognise further charges in the future.

## **A11 - CASH AND DEPOSITS ATTRIBUTABLE TO BANCOPOSTA (€4,671 million)**

This item breaks down as follows:

**tab. A11 - Cash and deposits attributable to BancoPosta**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Cash and cash equivalents in hand	3,909	3,960	(51)
Bank deposits	762	1,888	(1,126)
<b>Total</b>	<b>4,671</b>	<b>5,848</b>	<b>(1,177)</b>

This item relates exclusively to BancoPosta RFC assets.

The cash and cash equivalents on hand are derived from deposits made in postal current accounts and postal savings products (subscription of postal savings bonds and payments into post office savings books), or from advances withdrawn from the State Treasury to guarantee the operations of post offices. These funds, which are held at Post Offices (€1,298 million) and at service<sup>272</sup> companies (€2,611 million), may not be used for purposes other than to repay obligations contracted in the transactions described above.

<sup>272</sup>

They carry out transport and custody of valuables awaiting payment to the State Treasury.

**A12 - CASH AND CASH EQUIVALENTS** (€1,222 million)

This item breaks down as follows:

**tab. A12 - Cash and cash equivalents**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Bank deposits and amounts held at the Italian Treasury	288	243	45
Deposits with the MEF	873	1,991	(1,118)
Cash and cash equivalents in hand	61	24	37
<b>Total</b>	<b>1,222</b>	<b>2,258</b>	<b>(1,036)</b>
of which attributable to BancoPosta RFC	935	2,017	(1,082)

**Bank deposits and amounts held at the Italian Treasury** include €195 million deposited by the Cabinet Office – Publishing Department in a non-interest bearing escrow account with the Italian Treasury as advance payment for publisher tariff subsidies due to the Company (note A8). In addition, bank deposits and amounts held at the Italian Treasury include €14 million whose use is restricted by court orders related to different disputes.

The decrease in **deposits with the MEF** compared to the previous year is mainly due to a change in the allocation of loans, in order to optimise the yields on deposits.

## EQUITY

### B1 - SHARE CAPITAL (€1,306 million)

The share capital consists of 1,306,110,000 no-par value ordinary shares, of which Cassa Depositi e Prestiti SpA (CDP) holds 35% and the Ministry of the Economy and Finance holds 29.3%, while the remaining shares are held by institutional and retail investors.

At 31 December 2023, the Company held 10,675,798 treasury shares (representing approximately 0.817% of the share capital) with a total value of approximately €94 million. All the shares in issue are fully subscribed and paid up. No preference shares have been issued.

### B2 – RESERVES (€1,549 million)

This item breaks down as follows:

tab. B2 - Reserves

(€m)	Legal reserve	Equity instruments - perpetual hybrid bonds	BancoPosta RFC reserve	Fair value reserve	Cash flow hedge reserve	Incentive plans reserve	Merger surplus/deficit reserve	Total
<b>Balance at 1 January 2022</b>	<b>299</b>	<b>800</b>	<b>1,210</b>	<b>1,192</b>	<b>(33)</b>	<b>13</b>	<b>5</b>	<b>3,486</b>
Increase/(decrease) in fair value during the year	-	-	-	(4,608)	279	-	-	(4,329)
Tax effect of changes in fair value	-	-	-	1,292	(79)	-	-	1,213
Transfers to profit or loss	-	-	-	(150)	(409)	-	-	(559)
Tax effect of transfers to profit or loss	-	-	-	43	116	-	-	159
Increase/(decrease) for expected losses	-	-	-	4	-	-	-	4
Transfer of tax credits portfolio (net of tax effect)	-	-	-	93	-	-	-	93
Gains/(losses) recognised in equity	-	-	-	(3,326)	(93)	-	-	(3,419)
Merger contribution	-	-	-	(240)	-	-	330	90
Incentive plans	-	-	-	-	-	6	-	6
<b>Balance at 31 December 2022</b>	<b>299</b>	<b>800</b>	<b>1,210</b>	<b>(2,374)</b>	<b>(126)</b>	<b>19</b>	<b>335</b>	<b>163</b>
of which attributable to BancoPosta RFC	-	350	1,210	(2,092)	(130)	2	-	(660)
Increase/(decrease) in fair value during the year	-	-	-	1,940	80	-	-	2,020
Tax effect on changes in fair value	-	-	-	(553)	(23)	-	-	(576)
Transfers to profit or loss	-	-	-	222	(318)	-	-	(96)
Tax effect of transfers to profit or loss	-	-	-	(63)	90	-	-	27
Increase/(decrease) for expected losses	-	-	-	3	-	-	-	3
Gains/(losses) recognised in equity	-	-	-	1,549	(171)	-	-	1,378
Incentive plans	-	-	-	-	-	8	-	8
<b>Balance at 31 December 2023</b>	<b>299</b>	<b>800</b>	<b>1,210</b>	<b>(825)</b>	<b>(297)</b>	<b>27</b>	<b>335</b>	<b>1,549</b>
of which attributable to BancoPosta RFC	-	450	1,210	(544)	(295)	2	-	823

- The **reserve for equity instruments-perpetual hybrid bonds**<sup>273</sup> includes the perpetual hybrid bond with a non-call period of 8 years for institutional Investors, with a total nominal value of €800 million, issued by Poste Italiane SpA on 24 June 2021, with the aim of strengthening the Group's capital structure, and, in particular, BancoPosta's Leverage Ratio (Basel III) and Tier 1 ratio, as well as Poste Vita's Solvency II ratio, thus helping to support the Group's long-term growth in accordance with the guidelines of the Strategic Plan. During the year under review, there was another injection of capital into BancoPosta RFC, via the granting of a €100 million perpetual subordinated loan with a 5-year non-call period, under terms and conditions that allow it to be counted as Additional Tier 1 (hereafter "AT1") capital, designed to strengthen its leverage ratio.

<sup>273</sup> The main features of the issue are:

- The bonds have no fixed maturity and must be redeemed only in the event of the dissolution or liquidation of the Company, as specified in the relevant terms and conditions, subject to the right of early redemption (call) in the cases provided for. Specifically, the call is scheduled to occur at any time from the First Call Date of 24 March 2029 through 24 June 2029 and on each interest payment date thereafter.
- The fixed annual coupon is 2.625% until the first Reset Date set for 24 June 2029. From that date, the annual interest is determined on the basis of the 5-year Euro Mid Swap rate, plus an initial spread of 267.7 basis points, increased by a further 25 basis points from 24 June 2034 and by a further 75 basis points from 24 June 2049. Interest is payable at the option of the issuer and on a cumulative basis, commencing 24 June 2022. The issue price was set at 100%.

- the **fair value reserve** regards changes in the value of financial assets at fair value through other comprehensive income. In 2023, the increase of €1,940 million in the fair value refers to:
  - a net increase of €1,938 million in financial assets measured at fair value through other comprehensive income and attributable to BancoPosta RFC;
  - a net increase of €2 million in financial assets measured at fair value through other comprehensive income held outside the ring-fence.
- the **cash flow hedge reserve** represents changes in the fair value of the effective portion of cash flow hedges outstanding. In 2023, positive changes in fair value totalling €80 million related entirely to the net positive change in the value of BancoPosta RFC's derivative financial instruments;
- the **Incentive Plans reserve** includes the estimate of the valuations for the year relating to the long-term "Performance Share LTIP" and "Deliver" incentive plans and the MBO short-term incentive plans, carried out on the basis of the provisions of IFRS 2;
- the **Merger Surplus/Deficit Reserve** refers for €330 million to the merger surplus generated following the merger by incorporation into Poste Italiane SpA of the subsidiary PSIA Srl in 2022.

**B3 - AVAILABILITY AND DISTRIBUTABILITY OF RESERVES**

The following table shows the availability and distributability of Poste Italiane SpA's reserves. Retained earnings include the profit for 2023 of €1,390 million.

During the year, dividends were distributed for a total of €877 million, based on the following resolutions:

- on 8 May 2023, the Shareholders' Meeting resolved the distribution dividends of €570 million (dividend per share equal to €0.440), which took place on 21 June 2023 as the balance for 2022, taking into account the interim dividend of €273 million (dividend per share equal to €0.210) already paid in November 2022;
- on 6 November 2023, Poste Italiane's Board of Directors, in line with the Group's dividend policy, resolved to advance part of the ordinary dividend for 2023 as an interim dividend. The interim dividend of €307 million was distributed on 22 November 2023 (dividend per share of €0.237).

tab. B3 - Availability and distributability of reserves

(€m)	31.12.2023	Potential use
<b>Share capital</b>	<b>1,306</b>	
<b>Treasury shares</b>	<b>(94)</b>	
<b>Reserves</b>		
- legal reserve	<b>299</b>	
<i>legal reserve</i>	261	B
<i>legal reserve</i>	38	A B D
- BancoPosta RFC reserve	<b>1,210</b>	--
- equity instruments reserve - perpetual hybrid bonds	<b>800</b>	--
- fair value reserve	<b>(825)</b>	--
- cash flow hedge reserve	<b>(297)</b>	--
- incentive plans reserve	<b>27</b>	--
- merger surplus	<b>335</b>	A B D
<b>Retained earnings / (Accumulated losses)</b>	<b>2,892</b>	
<i>retained earnings / (accumulated losses)</i>	65	--
<i>retained earnings - BancoPosta RFC</i>	1,437	C
<i>retained earnings / (accumulated losses)</i>	1,471	A B D
<i>unrealised gains/(losses) on financial instruments at FVTPL net of tax effect</i>	19	B C
<i>after-tax actuarial gains/(losses)</i>	(100)	--
<b>Total</b>	<b>5,653</b>	
<b>of which distributable</b>	<b>1,844</b>	

A: for capital increases

B: to cover losses

C: to cover BancoPosta losses

D: for shareholder distributions



## LIABILITIES

### B4 - PROVISIONS FOR RISKS AND CHARGES (€1,228 million)

Movements in provisions for risks and charges are as follows:

tab. B4 - Movements in provisions for risks and charges

#### Movements in provisions for risks and charges for FY 2023

Description (€m)	Balance at 01.01.2023	Provisions	Finance costs	Released to profit or loss	Uses	Balance at 31.12.23
Provisions for operational risks	109	5	-	(7)	(12)	95
Provisions for disputes with third parties	265	14	3	(33)	(40)	209
Provisions for disputes with staff <sup>(1)</sup>	34	12	-	-	(8)	38
Provisions for personnel expenses	101	121	-	(31)	(60)	131
Provisions for early retirement incentives	352	158	-	-	(227)	283
Provisions for risks - tax credits Law no. 77/2020	320	80	-	-	-	400
Provisions for taxation	4	1	-	-	-	5
Other provisions for risks and charges	72	2	-	(1)	(6)	67
<b>Total</b>	<b>1,257</b>	<b>393</b>	<b>3</b>	<b>(72)</b>	<b>(353)</b>	<b>1,228</b>
of which attributable to BancoPosta RFC	188	7	1	(15)	(18)	163
Overall analysis of provisions:						
- non-current portion	741					718
- current portion	516					510
	<b>1,257</b>					<b>1,228</b>

(1) Net provisions for Personnel expenses amount to €9 million. Service costs (legal assistance) total €3 million.

Specifically:

- **Provisions for operational risks**, which relate to liabilities arising from BancoPosta's operations, mainly reflect risks related to the distribution of postal savings products issued in past years, estimated risks for charges and expenses to be incurred as a result of foreclosures suffered by BancoPosta mainly in its capacity as a third party, impairments and adjustments to income from previous years and fraud. Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.
- **Provisions for disputes with third parties** regard the present value of expected liabilities deriving from different types of legal and out-of-court disputes with suppliers and third parties, the related legal expenses, and penalties and indemnities payable to customers. Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.
- **Provisions for disputes with staff** regard liabilities that may arise following labour litigation and disputes of various types. The changes in the year refer to the update of the estimate of the liabilities and the related legal expenses, taking account of both the overall value of negative outcomes in terms of litigation.
- **Provisions for personnel expenses** are made to cover expected liabilities arising in relation to the cost of labour, which are certain or likely to occur but whose estimated amount is subject to change. They have increased by €121 million during the year to reflect the estimated value of new liabilities and decreased as a result of past contingent liabilities that failed to materialise (€31 million) and settled disputes (€60 million).
- **Provisions for early retirement incentives** reflect the estimated costs to be incurred as a result of the Company's bonding commitment to pay early retirement incentives on a voluntary basis, under the current redundancy scheme agreed with the labour unions for a determinate number of employees who will leave the Company by 31 December 2025. The provisions made at 31 December 2022 were utilised for €227 million.
- The **provisions for risks - tax credits Law no. 77/2020** were established to cover probable liabilities analytically described in Note A10 - *Tax Credits Law no. 77/2020*.
- **Other provisions for risks and charges** cover probable liabilities of various type, including: estimated liabilities deriving from the risk that specific legal actions undertaken in order to reverse seizures of the Company's assets may

be unable to recover the related amounts, claims for rent arrears on properties used free of charge by the Company, claims for payment of accrued interest expense due to certain suppliers and fraud, and probable tax risks.

## B5 - EMPLOYEE TERMINATION BENEFITS (€608 million)

Movements in employee termination benefits are as follows:

### tab. B5 - Movements in provisions for employee termination benefits

(€m)	FY 2023
<b>Balance at 1 January</b>	<b>678</b>
interest component	25
effect of actuarial gains/(losses)	8
Provisions for the year	33
Uses for the period	(103)
<b>Balance at 31 December</b>	<b>608</b>
of which attributable to BancoPosta RFC	2

The interest component is recognised in finance costs. The current service cost, which from 2007 is paid to pension funds or third-party social security agencies and is no longer included in the employee termination benefits managed by the Company, is recognised in personnel expenses. Net uses of provisions for employee termination benefits amount to €101 million and €2 million for substitute tax.

Actuarial gains and losses are generated by the following factors:

### tab. B5.1 - Actuarial gains and losses

(€m)	31.12.2023
Change in demographic assumptions	-
Change in financial assumptions	14
Other experience-related adjustments	(6)
<b>Total</b>	<b>8</b>

The sensitivity of employee termination benefits to changes in the principal actuarial assumptions is analysed below:

### tab. B5.2 - Sensitivity analysis

(€m)	Employee termination benefits at 31.12.2023
Inflation rate +0.25%	615
Inflation rate -0.25%	602
Discount rate +0.25%	598
Discount rate -0.25%	619
Turnover rate +0.25%	610
Turnover rate -0.25%	606

**tab. B5.3 - Other information**

	31.12.2023
Expected service cost	-
Average duration of defined benefit plan	7.60
Average employee turnover	2.00%

**B6 - FINANCIAL LIABILITIES (€96,863 million)****tab. B6 - Financial liabilities**

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	8,698	87,027	95,725	9,777	93,951	103,728	(8,003)
Derivative financial instruments	1,091	47	1,138	823	152	975	163
<b>Total</b>	<b>9,789</b>	<b>87,074</b>	<b>96,863</b>	<b>10,600</b>	<b>94,103</b>	<b>104,703</b>	<b>(7,840)</b>
of which attributable to BancoPosta RFC	7,571	84,968	92,539	7,932	92,512	100,444	(7,905)
of which Capital outside the ring-fence	2,218	2,106	4,324	2,668	1,591	4,259	65

**FINANCIAL LIABILITIES ATTRIBUTABLE TO BANCOPOSTA RFC****Financial liabilities attributable to BancoPosta RFC**

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	6,480	84,921	91,401	7,109	92,360	99,469	(8,068)
Postal current accounts	-	72,797	72,797	-	78,004	78,004	(5,207)
Loans	6,480	1,736	8,216	7,109	3,016	10,125	(1,909)
Due to financial institutions	6,480	1,736	8,216	7,109	3,016	10,125	(1,909)
MEF account held at the Treasury	-	5,371	5,371	-	4,168	4,168	1,203
Other financial liabilities	-	5,017	5,017	-	7,172	7,172	(2,155)
Derivative financial instruments <sup>(1)</sup>	1,091	47	1,138	823	152	975	163
Cash flow hedges	530	(12)	518	490	137	627	(109)
Fair value hedges	558	59	617	333	11	344	273
Fair value through profit or loss	3	-	3	-	4	4	(1)
<b>Total</b>	<b>7,571</b>	<b>84,968</b>	<b>92,539</b>	<b>7,932</b>	<b>92,512</b>	<b>100,444</b>	<b>(7,905)</b>

<sup>(1)</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

**Postal current accounts**

These payables include net amounts accrued at 31 December 2023 and settled with customers in January 2024. The balance includes amounts due to Poste Italiane Group companies, totalling €10,912 million, of which €10,152 million relating to postal current accounts held by PostePay SpA relating primarily to customer current account deposits from prepaid cards and €695 million represented by postal current accounts held by Poste Vita SpA. The decrease in this item with respect to 31 December 2022 is mainly due to the reduction in Public Administration stocks.

**Loans****Due to financial institutions**

At 31 December 2023, outstanding liabilities of €10,553 million relate to repurchase agreements entered into by the Company with leading financial institutions and Central Counterparties, amounting to a total nominal value of securities committed for €11,456 million. A total of €7,102 million of this amount regards Long Term Repos and €3,451 million regards ordinary loan operations, the resources from both invested in Italian fixed income government securities and as funding for deposits used as collateral. At 31 December 2023, repurchase agreements with a nominal value of €3,996 million are the subject of fair value hedge transactions executed to hedge interest rate risk.

Finally, financial assets and liabilities relating to repurchase agreements managed through the Central Counterparty that meet the requirements of IAS 32 are offset. The effect of netting at 31 December 2023, already included in the exposure to net balances, amounted to €2,337 million (€3,217 million at 31 December 2022). At 31 December 2023, the fair value<sup>274</sup> of the above payables amounts to €7,996 million.

## MEF account held at the Treasury

tab. B6.1 - MEF account held at the Treasury

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Balance of cash flows for advances	-	5,168	5,168	-	4,083	4,083	1,085
Balance of cash flows from management of postal savings	-	30	30	-	(84)	(84)	114
Amounts payable due to theft	-	157	157	-	155	155	2
Amounts payable for operational risks	-	16	16	-	14	14	2
<b>Total</b>	<b>-</b>	<b>5,371</b>	<b>5,371</b>	<b>-</b>	<b>4,168</b>	<b>4,168</b>	<b>1,203</b>

The **balance of cash flows for advances**, represents the net amount payable as a result of advances from the MEF to meet the cash requirements of BancoPosta. These break down as follows:

tab. B6.1.1 - Balance of cash flows for advances

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Net advances	-	5,167	5,167	-	4,083	4,083	1,084
MEF postal current accounts and other payables	-	670	670	-	670	670	-
Ministry of Justice - Orders for payment	-	1	1	-	-	-	1
MEF - State pensions	-	(670)	(670)	-	(670)	(670)	-
<b>Total</b>	<b>-</b>	<b>5,168</b>	<b>5,168</b>	<b>-</b>	<b>4,083</b>	<b>4,083</b>	<b>1,085</b>

The **balance of cash flows from the management of postal savings**, amounting to a negative €30 million, represents the balance of withdrawals less deposits during the last two days of the year and cleared early in the following year. The balance at 31 December 2023 consists of €124 million payable to Cassa Depositi e Prestiti, and €94 million of amounts due from the MEF for Interest-bearing Postal Certificates issued on its behalf.

**Amounts payable due to thefts** from Post Offices of €157 million regard the Company's liability to the MEF on behalf of the Italian Treasury for losses resulting from theft and fraud. This liability derives from cash withdrawals from the Treasury to make up for the losses resulting from these criminal acts, in order to ensure that post offices can continue to operate.

**Amounts payable for operational risks** for €16 million regard the portion of advances obtained to fund the operations of BancoPosta, in relation to which asset under recovery is certain or probable.

## Derivative financial instruments

Movements of the item during 2023 are described in note A6 – *Financial assets*.

<sup>274</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

## Other financial liabilities

tab. B6.2 - Other financial liabilities

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
guarantee deposits	-	2,831	2,831	-	4,824	4,824	(1,993)
domestic and international money transfers	-	1,071	1,071	-	1,108	1,108	(37)
endorsed cheques	-	408	408	-	476	476	(68)
cashed cheques	-	230	230	-	183	183	47
other amounts payable to third parties	-	139	139	-	173	173	(34)
amounts to be credited to customers	-	109	109	-	104	104	5
payables for items in process	-	229	229	-	304	304	(75)
<b>Total</b>	<b>-</b>	<b>5,017</b>	<b>5,017</b>	<b>-</b>	<b>7,172</b>	<b>7,172</b>	<b>(2,155)</b>

**Payables for guarantee deposits** refer for €2,811 million to sums received from counterparties for interest rate swap transactions (collateral provided by specific Credit Support Annexes) and for €20 million to sums received from counterparties for repo transactions (collateral provided by specific Global Master Repurchase Agreements). The decrease in this item compared to 31 December 2022 is mainly attributable to the reduction of fair value hedge derivatives following early extinguishment transactions.

## FINANCIAL LIABILITIES OUTSIDE RING-FENCE

Financial Liabilities outside ring-fence

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	2,218	2,106	4,324	2,668	1,591	4,259	65
Loans	1,446	502	1,948	1,820	53	1,873	75
Bonds	498	500	998	997	51	1,048	(50)
Due to financial institutions	948	2	950	823	2	825	125
Lease payables	772	260	1,032	844	257	1,101	(69)
Financial liabilities due to subsidiaries	-	1,340	1,340	-	1,281	1,281	59
Other financial liabilities	-	4	4	4	-	4	-
<b>Total</b>	<b>2,218</b>	<b>2,106</b>	<b>4,324</b>	<b>2,668</b>	<b>1,591</b>	<b>4,259</b>	<b>65</b>

<sup>(1)</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

### Loans

Loans are unsecured and are not subject to financial covenants, which would require the company to comply with economic and financial ratios. For the EIB financing and the CEB financing, a minimum rating level of BBB- (or equivalent) by Moody's and S&P for the EIB and by at least two of the three rating agencies of Poste Italiane for CEB is required. In the event of a rating loss, this is without prejudice to the right of both banks to request additional collateral or, in the case of the EIB, an increase in the margin. If no agreement is reached, immediate early repayment of the loans may be demanded. Standard negative pledge provisions do apply, however<sup>275</sup>.

### Bonds

The item **Bonds** refers to a senior unsecured loan with a total nominal value of €1 billion issued by Poste Italiane on 10 December 2020 in two tranches, placed in public form to institutional investors as part of the €2.5 billion Euro Medium Term Notes (EMTN) programme deposited with the Luxembourg Stock Exchange. The first tranche of €500 million matures on 10 December 2024, has an above-par issue price of 100.10 with fixed annual coupon of 0.00% and an effective yield to

<sup>275</sup> A commitment given to creditors by which a borrower undertakes not to give senior security or other restrictions on assets to other lenders ranking pari passu with creditors, unless the same degree of protection is also offered to them.

maturity of -0.025%; the second tranche of €500 million matures on 10 December 2028, with an issue price below par of 99.758, a fixed annual coupon of 0.50% and an effective yield to maturity of 0.531%. At 31 December 2023, the fair value<sup>276</sup> of the loan was €916 million.

A loan with a nominal value of €50 million, privately placed and issued at par on 25 October 2013 reached maturity in October 2023. The interest rate risk exposure was hedged as described in note A6 – *Financial assets*.

## Due to financial institutions

tab. B6.3 - Due to financial institutions

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
EIB fixed rate loan maturing 12/03/26	173	-	173	173	-	173	-
EIB fixed rate loan maturing 16/10/2026	400	-	400	400	-	400	-
EIB fixed rate loan maturing 19/05/2028	150	-	150	150	-	150	-
EIB fixed rate loan maturing 02/05/28	100	-	100	100	-	100	-
CEB variable rate loan maturing 28/12/30	125	-	125	-	-	-	125
Other Payables and Accrued Interest	-	2	2	-	2	2	-
<b>Total</b>	<b>948</b>	<b>2</b>	<b>950</b>	<b>823</b>	<b>2</b>	<b>825</b>	<b>125</b>

TF: Fixed-rate loan; TV: Variable-rate loan

At 31 December 2023, no committed and uncommitted credit lines were used for short-term financing.

On 18 December 2023, a medium-/long-term credit line for a total of €250 million was signed with the CEB "Council of Europe Development Bank", to support projects and investments with the aims of social integration, support for public infrastructure and sustainability. On 28 December 2023, the first tranche of €125 million was disbursed, bearing interest at a variable rate (6-month Euribor rate plus spread), with repayment in constant principal instalments after a three-year grace period and maturity on 28 December 2030.

At 31 December 2023, the fair value<sup>277</sup> of the four EIB loans was €778 million and that of the CEB loan was €128 million. The amount of the other financial liabilities in the table - *Financial liabilities outside ring-fence* approximates their fair value.

Committed and uncommitted credit lines outstanding at 31 December 2023 are discussed in Note 6 - *Risk management*.

## Lease payables

Lease liabilities at 31 December 2023 amounted to €1,031 million. For more details on the change in this item, see Note A4 - *Right-of-use assets*.

## Derivative financial instruments

Movements of the item during 2023 are described in note A6 – *Financial assets*.

## Financial liabilities due to subsidiaries

These liabilities relate to intercompany current accounts paying interest at market rates and break down as follows:

<sup>276</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 1.

<sup>277</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

**tab. B6.4 - Financial liabilities due to subsidiaries**

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
<b>Direct subsidiaries</b>			
BancoPosta Fondi SpA SGR	30	30	-
EGI SpA	9	21	(12)
MLK Deliveries SpA	8	4	4
Nexive Network Srl	5	-	5
Nexive Scarl	6	6	-
PatentiViaPoste ScpA	16	13	3
Poste Vita SpA	247	190	57
Postel SpA	-	6	(6)
PostePay SpA	855	915	(60)
SDA Express Courier SpA	-	24	(24)
Poste Welfare Servizi Srl	14	8	6
<b>Indirect subsidiaries</b>			
LIS Holding Spa	85	50	35
LIS Pay Spa	63	-	63
Poste Assicura SpA	-	4	(4)
Kipoint SpA	2	1	1
<b>Associates</b>			
sender Italia Srl	-	9	(9)
<b>Total</b>	<b>1,340</b>	<b>1,281</b>	<b>59</b>

**Changes in liabilities arising from financing activities**

The following disclosures are provided in accordance with IAS 7, following the amendments introduced by EU Regulation 1990/2017 of 6 November 2017.

**tab. B6.5 - Changes in liabilities arising from financing activities**

Description (€m)	Balance at 01.01.2023	Net cash flow from/(for) financing activities	Non-cash flows	Balance at 31.12.2023
Loans	1,873	74	1	1,948
Bonds	1,048	(50)	-	998
Due to financial institutions	825	124	1	950
Lease payables	1,101	(243)	174	1,032
Financial liabilities due to subsidiaries	1,281	59	-	1,340
Other financial liabilities	4	-	-	4
<b>Total</b>	<b>4,259</b>	<b>(110)</b>	<b>175</b>	<b>4,324</b>

## Net debt/(funds)

The following table shows the net debt/(funds) at 31 December 2023:

### Net debt/(funds) at 31 December 2023

Balance at 31.12.2023 (€m)	Capital outside ring- fence	BancoPosta RFC	Eliminations	Poste Italiane SpA	of which related parties
<b>Financial liabilities</b>	<b>4,690</b>	<b>92,818</b>	<b>(645)</b>	<b>96,863</b>	
Postal current accounts	-	73,076	(279)	72,797	10,912
Bonds	998	-	-	998	-
Due to financial institutions	950	8,216	-	9,166	-
Lease payables	1,032	-	-	1,032	51
MEF account held at the Treasury	-	5,371	-	5,371	5,371
Derivative financial instruments	-	1,138	-	1,138	201
Other financial liabilities	1,344	5,017	-	6,361	221
Intersegment financial liabilities	366	-	(366)	-	-
<b>Financial assets</b>	<b>(1,062)</b>	<b>(80,576)</b>	<b>366</b>	<b>(81,272)</b>	
Financial instruments at amortised cost	(417)	(42,858)	-	(43,275)	12,476
Financial instruments at FVTOCI	(636)	(33,069)	-	(33,705)	-
Financial instruments at fair value through profit or loss	(9)	(26)	-	(35)	-
Derivative financial instruments	-	(4,257)	-	(4,257)	167
Intersegment financial assets	-	(366)	366	-	-
<b>Tax credits Law no. 77/2020</b>	<b>(407)</b>	<b>(7,911)</b>	<b>-</b>	<b>(8,318)</b>	<b>-</b>
<b>Net liabilities/(net financial assets)</b>	<b>3,221</b>	<b>4,331</b>	<b>(279)</b>	<b>7,273</b>	
<b>Cash and deposits attributable to BancoPosta</b>	<b>-</b>	<b>(4,671)</b>	<b>-</b>	<b>(4,671)</b>	<b>-</b>
<b>Cash and cash equivalents</b>	<b>(564)</b>	<b>(937)</b>	<b>279</b>	<b>(1,222)</b>	<b>874</b>
<b>Net debt/(funds)</b>	<b>2,657</b>	<b>(1,277)</b>	<b>-</b>	<b>1,380</b>	

### Net debt/(funds) at 31 December 2022

Balance at 31.12.2022 (€m)	Capital outside ring- fence	BancoPosta RFC	Eliminations	Poste Italiane SpA	of which related parties
<b>Financial liabilities</b>	<b>4,608</b>	<b>100,672</b>	<b>(576)</b>	<b>104,704</b>	
Postal current accounts	-	78,231	(227)	78,004	9,668
Bonds	1,048	-	-	1,048	-
Due to financial institutions	825	10,125	-	10,950	-
Lease payables	1,101	-	-	1,101	44
MEF account held at the Treasury	-	4,169	-	4,169	4,169
Derivative financial instruments	-	975	-	975	193
Other financial liabilities	1,285	7,172	-	8,457	1,504
Intersegment financial liabilities	349	-	(349)	-	-
<b>Financial assets</b>	<b>(904)</b>	<b>(83,642)</b>	<b>349</b>	<b>(84,197)</b>	
Financial instruments at amortised cost	(368)	(43,982)	-	(44,350)	(15,284)
Financial instruments at FVOCI	(536)	(33,161)	-	(33,697)	-
Financial instruments at fair value through profit or loss	-	(40)	-	(40)	-
Derivative financial instruments	-	(6,110)	-	(6,110)	(203)
Intersegment financial assets	-	(349)	349	-	-
<b>Tax credits Law no. 77/2020</b>	<b>(421)</b>	<b>(8,600)</b>	<b>-</b>	<b>(9,021)</b>	<b>-</b>
<b>Liabilities/(net financial assets)</b>	<b>3,283</b>	<b>8,430</b>	<b>(227)</b>	<b>11,486</b>	
<b>Cash and deposits attributable to BancoPosta</b>	<b>-</b>	<b>(5,848)</b>	<b>-</b>	<b>(5,848)</b>	<b>-</b>
<b>Cash and cash equivalents</b>	<b>(469)</b>	<b>(2,016)</b>	<b>227</b>	<b>(2,258)</b>	<b>(1,991)</b>
<b>Net debt/(funds)</b>	<b>2,814</b>	<b>566</b>	<b>-</b>	<b>3,380</b>	

The total **Net debt/(funds)**<sup>278</sup> of the Company at 31 December 2023, as shown above, presents a debt of €1,380 million, an improvement of €2,000 compared to the values at 31 December 2022 (debt of €3,380 million). The change is mainly attributable to the profit for the period of €1,390 million, the positive valuation effects of investments classified in the FVTOCI category for approximately €1.9 billion, net of the cash absorption generated by the distribution of dividends totalling €877 million (of which €570 million for the balance of dividend 2022 and €307 million for interim dividend 2023) and the cash absorption generated by the increase in working capital of approximately €150 million.

<sup>278</sup> The Net debt/(funds) includes Tax Credits whose value at 31 December 2023 was €8,318 million. Although these credits derive from business activities and are classified in the financial statements under other assets, in order to improve the representation of the indicator in question, they can be assimilated to financial assets.



At 31 December 2023, the financial debt outside the ring-fence, calculated in accordance with ESMA Guidelines 32-382-1138, is provided below:

#### ESMA net financial indebtedness for capital outside ring-fence

(€m)	As at 31 December 2023	As at 31 December 2022
A. Cash	(564)	(469)
B. Cash equivalents	-	-
C. Other current financial assets	(61)	(29)
<b>D. Liquidity (A+B+C)</b>	<b>(625)</b>	<b>(498)</b>
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	2,105	1,590
F. Current portion of non-current debt	1	1
<b>G. Current financial debt (E+F)</b>	<b>2,106</b>	<b>1,591</b>
<b>H. Net current financial debt (G + D)</b>	<b>1,481</b>	<b>1,093</b>
I. Non-current financial debt (excluding current portion and debt instruments)	1,720	1,671
J. Debt instruments	498	997
K. Trade payables and other non-current payables	15	18
<b>L. Non-current financial debt (I + J + K)</b>	<b>2,233</b>	<b>2,686</b>
<b>M. Total financial debt (H + L)</b>	<b>3,714</b>	<b>3,779</b>

#### Reconciliation of financial debt ESMA

(€m)	As at 31 December 2023	As at 31 December 2022
<b>M. Total financial debt (H + L)</b>	<b>3,714</b>	<b>3,779</b>
Non-current financial assets	(1,001)	(875)
K. Trade payables and other non-current payables	(15)	(18)
Tax credits Law no. 77/2020	(407)	(421)
<b>Net industrial financial position</b>	<b>2,291</b>	<b>2,465</b>
Intersegment financial (receivables)/payables	366	349
<b>Industrial net debt for capital outside ring-fence including intersegment transactions</b>	<b>2,657</b>	<b>2,814</b>

## B7 - TRADE PAYABLES (€1,967 million)

### tab. B7 - Trade payables

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Due to suppliers	1,018	1,047	(29)
Due to subsidiaries and associates	444	422	22
Contract liabilities	505	501	4
<b>Total</b>	<b>1,967</b>	<b>1,970</b>	<b>(3)</b>
of which attributable to BancoPosta RFC	133	182	(49)

### Due to suppliers

#### tab. B7.1 - Due to suppliers

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Italian suppliers	870	858	12
Foreign suppliers	13	16	(3)
Overseas counterparties (*)	135	173	(38)
<b>Total</b>	<b>1,018</b>	<b>1,047</b>	<b>(29)</b>
of which attributable to BancoPosta RFC	8	8	-

(\*) The amount due to overseas counterparties relates to fees payable to overseas postal operators and companies in return for postal and telegraphic services received.

## Due to subsidiaries and associates

tab. B7.2 - Due to subsidiaries and associates

Name (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
<b>Direct subsidiaries</b>			
Agile Lab <sup>(1)</sup>	2	-	2
BancoPosta Fondi SpA SGR	3	3	-
CLP ScpA	112	100	12
Consorzio servizi ScpA <sup>(2)</sup>	19	14	5
MLK Deliveries SpA	6	9	(3)
Poste Vita SpA	2	2	-
Postel SpA	16	17	(1)
PostePay SpA	85	123	(38)
Poste Welfare Servizi Srl	13	4	9
SDA Express Courier SpA	176	145	31
Sourcesense SpA	4	1	3
<b>Indirect subsidiaries</b>			
Address Software Srl	1	1	-
Bridge Technologies Srl	2	-	2
Kipoint SpA	3	2	1
Poste Assicura SpA	-	1	(1)
<b>Total</b>	<b>444</b>	<b>422</b>	<b>22</b>
of which attributable to BancoPosta RFC	65	105	(40)

<sup>(1)</sup> Agile Power Srl was merged into Agile Lab Srl effective for legal purposes from 1 December 2023.

<sup>(2)</sup> The company Consorzio per i Servizi di Telefonia Mobile ScpA changed its name to ConsorzioServizi ScpA; the change was registered in the Company Register of Rome on 29 March 2023.

These trade payables include:

- SDA Express Courier SpA: mainly for the pick-up, sorting and delivery service of national and international express products.
- PostePay SpA: mainly for collection and payment services under the service contract (€61 million) and for acquiring services (€22 million).

## Contract liabilities

tab. B7.3 - Contract liabilities

Description (€m)	Balance at 01.01.2023	Increases / (Decreases)	Change due to recognition of revenue for period	Balance at 31.12.2023
Prepayments and advances from customers	433	12	-	445
Liabilities for fees to be refunded	68	(50)	42	60
<b>Total</b>	<b>501</b>	<b>(38)</b>	<b>42</b>	<b>505</b>
of which attributable to BancoPosta RFC	68	(50)	42	60

## Advances from customers

This item refers to amounts received from customers as prepayment for the following services to be rendered:

tab. B7.3.1 - Prepayments and advances from customers

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Prepayments from overseas counterparties	179	223	(44)
Advances for Publishing from PCM [tab.A8.1]	195	125	70
Advances for shipments	59	67	(8)
Advances for other services	12	18	(6)
<b>Total</b>	<b>445</b>	<b>433</b>	<b>12</b>
of which attributable to BancoPosta RFC	-	-	-

**Liabilities for fees to be refunded** represent the estimated liability linked to the refund of fees on loan products sold after 1 January 2018, under the terms of which the related fees must be refunded if the customer opts for early cancellation of the agreement.

## B8 - OTHER LIABILITIES (€3,360 million)

tab. B8 - Other liabilities

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Due to staff	5	654	659	5	694	699	(40)
Social security payables	16	417	433	19	423	442	(9)
Other taxes payable	1,752	324	2,076	1,738	171	1,909	167
Other amounts due to subsidiaries	1	23	24	1	146	147	(123)
Sundry payables	15	15	30	12	19	31	(1)
Accrued liabilities and deferred income	136	2	138	132	2	134	4
<b>Total</b>	<b>1,925</b>	<b>1,435</b>	<b>3,360</b>	<b>1,907</b>	<b>1,455</b>	<b>3,362</b>	<b>(2)</b>
of which attributable to BancoPosta RFC	1,752	227	1,979	1,738	80	1,818	161

## Due to staff

These items primarily regard accrued amounts that have yet to be paid at 31 December 2023. The breakdown is as follows:

tab. B8.1 - Due to staff

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Fourteenth month salaries	-	202	202	-	198	198	4
Incentives	5	366	371	5	402	407	(36)
Accrued vacation pay	-	38	38	-	37	37	1
Other amounts due to staff	-	48	48	-	57	57	(9)
<b>Total</b>	<b>5</b>	<b>654</b>	<b>659</b>	<b>5</b>	<b>694</b>	<b>699</b>	<b>(40)</b>
of which attributable to BancoPosta RFC	-	5	5	-	5	5	0

The decrease in this item compared to the year 2022 is mainly attributable to the extraordinary component due to lower early retirement incentives.

## Social security payables

tab. B8.2 - Social security payables

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
INPS	1	320	321	1	319	320	1
Pension funds	-	84	84	-	87	87	(3)
Health funds	-	5	5	-	5	5	-
INAIL	15	4	19	18	4	22	(3)
Other agencies	-	4	4	-	8	8	(4)
<b>Total</b>	<b>16</b>	<b>417</b>	<b>433</b>	<b>19</b>	<b>423</b>	<b>442</b>	<b>(9)</b>
of which attributable to BancoPosta RFC	-	3	3	-	3	3	-

## Other taxes payable

tab. B8.3 - Other taxes payable

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Withholding tax on employees' and consultants' salaries	-	87	87	-	82	82	5
Withholding tax on postal current accounts	-	74	74	-	29	29	45
Stamp duty payable	1,752	129	1,881	1,738	21	1,759	122
Other taxes due	-	34	34	-	39	39	(5)
<b>Total</b>	<b>1,752</b>	<b>324</b>	<b>2,076</b>	<b>1,738</b>	<b>171</b>	<b>1,909</b>	<b>167</b>
of which attributable to BancoPosta RFC	1,752	216	1,968	1,738	68	1,806	162

The **stamp duty payable** includes the balance due to the Treasury for the tax paid virtually in the financial year 2023. The non-current portion of stamp duty payable primarily regards the amount due at 31 December 2023 on interest-bearing postal certificates in circulation, in compliance with the legislation referred to in note A9 – *Other receivables and assets*.

## Other amounts due to subsidiaries

This item mainly includes the amount payable to subsidiaries by Poste Italiane SpA, as the consolidating entity in the tax consolidation arrangement (Note 2.5 – *Material information on accounting standards*), to whom the subsidiaries have transferred tax assets in the form of payments on account, withholding taxes and taxes paid overseas, after deducting IRES payable to the Parent Company by the subsidiaries, and the benefit connected with the tax loss contributed by the subsidiary Postel SpA in 2023. The decrease compared to the year 2022 is mainly due to Poste Vita SpA, which had a debit balance with the tax authorities at 31 December 2023.

## Sundry payables

This item Payables breaks down as follows:

tab. B8.5 - Sundry payables

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Sundry payables attributable to BancoPosta	-	3	3	-	5	5	(2)
Guarantee deposits	15	-	15	12	-	12	3
Other payables	-	12	12	-	14	14	(2)
<b>Total</b>	<b>15</b>	<b>15</b>	<b>30</b>	<b>12</b>	<b>19</b>	<b>31</b>	<b>(1)</b>
of which attributable to BancoPosta RFC	-	3	3	-	5	5	(2)

## Accrued liabilities and deferred income

tab. B8.6 - Accrued liabilities and deferred income

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Deferred income	136	2	138	132	2	134	4
<b>Total</b>	<b>136</b>	<b>2</b>	<b>138</b>	<b>132</b>	<b>2</b>	<b>134</b>	<b>4</b>
of which attributable to BancoPosta RFC	-	-	-	-	-	-	-

The item **Accrued liabilities and deferred income** refers for €124 million to the non-repayable grant received in advance by the Company for the realisation of the "Polis Project - Home of Digital Services".

## 5.4 NOTES TO THE STATEMENT OF PROFIT OR LOSS

### C1 - REVENUE FROM SALES AND SERVICES (€9,880 million)

**tab. C1 - Revenue from sales and services**

Description (€m)	FY 2023	FY 2022	Changes
Postal Services	3,149	3,112	37
of which Revenue from contracts with customers	3,149	3,112	37
recognised at a point in time	331	351	(20)
recognised over time	2,818	2,761	57
BancoPosta services	6,379	5,467	912
of which Revenue from contracts with customers	3,677	3,459	218
recognised at a point in time	231	233	(2)
recognised over time	3,446	3,226	220
Other sales of goods and services	352	325	27
of which Revenue from contracts with customers	352	325	27
recognised at a point in time	12	25	(13)
recognised over time	340	300	40
<b>Total</b>	<b>9,880</b>	<b>8,904</b>	<b>976</b>

Revenue from contracts with customers breaks down as follows.

#### Revenue from Postal Services

**tab. C1.1 - Revenue from Postal Services**

Description (€m)	FY 2023	FY 2022	Changes
Mail	1,744	1,748	(4)
Parcels	1,078	1,041	37
Philately	10	7	3
<b>Total external revenue</b>	<b>2,832</b>	<b>2,796</b>	<b>36</b>
Universal Service compensation	262	262	-
Publisher tariff subsidies	55	54	1
<b>Total revenue</b>	<b>3,149</b>	<b>3,112</b>	<b>37</b>

**External revenue** showed an increase compared to the financial year 2022, mainly due to revenue from the parcel segment, despite the expected structural decrease in revenue from traditional mail.

**Universal Service** compensation relates to amounts paid by the MEF to cover the costs of fulfilling the USO. Annual compensation, amounting to €262 million, is established in the 2020-2024 Contratto di Programma (Service Contract) in force on 1 January 2020.

**Publisher tariff subsidies**<sup>279</sup> relate to the amount receivable by the Company from the Cabinet Office - Publishing Department as compensation for the discounts applied to publishers and non-profit organisations when sending mail. The compensation is determined on the basis of the tariffs set in the decree issued by the Ministry of Enterprise and Made in Italy (former MiSE) in agreement with the Ministry of the Economy and Finance, on 21 October 2010 and Law

<sup>279</sup> Law no. 8 of 28 February 2020 - ordered that reimbursements of publishing tariff subsidies to Poste Italiane continue "for a duration equal to that of the universal postal service" (i.e. until April 2026). The application of the regulation is subject to approval by the European Commission.

Decree 63 of 18 May 2012, as converted into Law 103 of 16 July 2012. With AGCom Resolution 454/22/CONS of 30 December 2022, the new universal basic tariffs of the subsidised publishing products included in the Universal Service were defined. The Resolution provided for a gradual increase in the basic tariffs with a consequent increase in the compensation received by the Company per item sent at a subsidised rate. The amount of subsidies that the Company has granted is covered in the 2023 State Budget.

## BancoPosta services

tab. C1.2 - Revenue from BancoPosta services

Description (€m)	FY 2023	FY 2022	Changes
Income from investment of postal current account deposits and free cash	2,702	2,008	694
Fees for collection of postal savings deposits	1,740	1,600	140
Insurance brokerage	623	538	85
Other revenue from current account services	428	431	(3)
Distribution of payment products and services	251	251	-
Commissions on payment of bills by payment slip	208	216	(8)
Distribution of loan products	191	226	(35)
Distribution of investment funds	94	70	24
Income from delegated services	91	89	2
Money transfers	17	13	4
Other products and services	34	25	9
<b>Total</b>	<b>6,379</b>	<b>5,467</b>	<b>912</b>

**Revenue from financial services** showed an increase compared to the year 2022, mainly due to income from investment of postal current account deposits and free cash and the remuneration of postal savings deposits.

Specifically:

- **Income from investment of postal current account deposits and free cash** breaks down as follows:

tab. C1.2.1 - Income from investment of postal current account deposits and free cash

Description (€m)	FY 2023	FY 2022	Changes
Income from investments in securities	1,962	1,482	480
Interest income on securities at amortised cost	780	677	103
Interest income on securities at FVTOCI	936	821	115
Interest income (expense) on asset swaps of CFH on securities at FVTOCI and CA	5	20	(15)
Interest income (expense) on asset swaps of FVH on securities at FVTOCI and CA	171	(79)	250
Interest income on repurchase agreements	70	43	27
Income from investments in tax credits	309	273	36
Interest income on tax credits at AC	309	189	120
Interest income on tax credits at FVTOCI	-	84	(84)
Income from deposits held with the MEF	446	252	194
Remuneration of current account deposits (deposited with the MEF)	441	323	118
Differential on derivatives stabilising returns	5	(71)	76
Portion of interest income on own liquidity (finance income)	(15)	(1)	(14)
Other income	-	2	(2)
<b>Total</b>	<b>2,702</b>	<b>2,008</b>	<b>694</b>

The increase in this item compared to the previous year is mainly attributable to the income from investments in securities and the income from deposits held with the MEF.

*Income from investments in securities* relates to interest earned on investment of deposits paid into postal current accounts by private customers. The amount of income includes the impact of the interest rate hedge. The increase in this item compared to financial year 2022 was mainly due to the effects of the upward shift in the interest rate curve,

which had a positive effect on the differentials exchanged in fair value hedge transactions, and to the higher profitability of both the new securities that entered the portfolio in financial year 2023, and those subject to the broader restructuring of fair value hedges as described in Note A6 - *Financial assets*.

*Income from investments in tax credits* relates to interest accrued during the year on the investments described in Note A10 - *Tax Credits Law no. 77/2020*.

*Income from deposits held with the MEF* primarily represents accrued interest for the year on amounts deposited at Public Administration entities, remunerated at a variable rate as described in Note A6 - *Financial assets*. The increase compared to 31 December 2022 is mainly due to the rise in the interest rate curve.

- **Fees for the collection of postal savings deposits** relates to remuneration for the provision and redemption of Interest-bearing Postal Certificates and payments into and withdrawals from Postal Savings Books. This service is provided by Poste Italiane SpA on behalf of Cassa Depositi e Prestiti. The increase in this item reflects the consideration accrued at the relevant date, under the Supplementary and Amending Deed of 30 January 2024, effective retroactively from 1 January 2023 to 31 December 2023, to the Agreement with Cassa Depositi e Prestiti renewed on 23 December 2021 for the period 2021-2024.
- **Revenue from insurance brokerage** derives from fees receivable from the subsidiaries, Poste Vita and Poste Assicura, in return for the sale of insurance policies.
- **Revenue from current account services** primarily includes charges for account maintenance fees (€289 million), fees for collection and on-line credit transfer services (€80 million) and fees for reporting services carried out for customers (€4 million).
- Income from the **distribution of payment products** and services regards fees received in return for distributing and promoting the products issued by the subsidiary, PostePay SpA.
- Income from the **distribution of loan products** relate to commissions received by the Company on the placement of personal loans and mortgages on behalf of third parties.
- **Income from delegated services** primarily regards amounts received by the Company for the payment of pensions and bank transfers credited by INPS (€26 million) and services performed on the basis of the agreement with the MEF (€62 million).

#### Other sales of goods and services

The main revenue items include: income from the subsidiary PostePay SpA for the execution of card payment and payment transactions (€116 million); income for the promotion and marketing of the Energy offer (€11 million), income from the subsidiaries PostePay SpA (€49 million), Poste Vita SpA (€42 million), Postel SpA (€20 million) and SDA Express Courier SpA (€17 million) for technology services in support of business activities and income from call centre services (€16 million).



## C2 - OTHER INCOME (€271 million) AND EXPENSES (€633 million) DERIVING FROM FINANCIAL ACTIVITIES

tab. C2.1 - Other income from financial activities

Description (€m)	FY 2023	FY 2022	Changes
Income from equity instruments at FVTPL	8	2	6
Fair value gains	7	1	6
Realised gains	1	-	1
Dividends from other equity investments	-	1	(1)
Income from financial instruments at FVTOCI	164	262	(98)
Realised gains	164	262	(98)
Income from financial instruments at amortised cost	47	130	(83)
Realised gains	47	130	(83)
Income from fair value hedges	-	16	(16)
Fair value gains	-	16	(16)
Income from valuation of cash flow hedges	-	1	(1)
Fair value gains	-	1	(1)
Foreign exchange gains	3	5	(2)
Fair value gains	1	1	-
Realised gains	2	4	(2)
Other income	49	12	37
<b>Total</b>	<b>271</b>	<b>428</b>	<b>(157)</b>

The decrease in **Other income from financial activities**, compared to the previous year, was mainly due to lower realised gains from financial instruments at FVTOCI and at amortised cost, partially offset by higher other income for interest accrued on guarantee deposits paid to counterparties.

tab. C2.2 - Expenses from financial activities

Description (€m)	FY 2023	FY 2022	Changes
Interest expense	572	156	416
in customers' deposits	286	114	172
on guarantee deposits	158	25	133
on repurchase agreements	128	14	114
due to the Parent Company	-	4	(4)
Interest expense on own liquid funds (finance costs)	-	(1)	1
Expense from financial instruments at FVTOCI	54	4	50
Realised losses	54	4	50
Expenses from financial instruments at amortised cost	-	53	(53)
Realised losses	-	53	(53)
Expenses from financial instruments at FVTPL	7	2	5
Fair value losses	4	2	2
Realised losses	3	-	3
<b>Total</b>	<b>633</b>	<b>215</b>	<b>418</b>

**Expenses from financial activities** increased compared to the year 2022 mainly due to the effect of the change in the interest rate curve, which generated higher interest expenses on collateral deposits received from counterparties, on repurchase agreements and on postal current accounts of public customers.

**C3 - OTHER OPERATING INCOME** (€1,003 million)

tab. C3 - Other operating income

Description (€m)	FY 2023	FY 2022	Changes
Dividends from subsidiaries	829	641	188
Gains on disposals <sup>(1)</sup>	96	3	93
Interest income on tax credits at CA	12	20	(8)
Rentals	14	14	-
Government grants	9	2	7
Recoveries of contract expenses and other recoveries	12	13	(1)
Reimbursement of personnel expenses	6	5	1
Other income	25	23	2
<b>Total</b>	<b>1,003</b>	<b>721</b>	<b>282</b>

(1) For the purposes of reconciliation with the statement of cash flows, in 2023 this item is positive for €93 million, after losses of €3 million. In 2022, this item, after losses of €2 million, amounted to a positive €1 million.

The increase in **Other operating income** was mainly due to higher dividends distributed by subsidiaries during the year and the capital gain of about €91 million generated by the sale of the controlling interest in the company sender (see Note A5 - *Investments*).

## Dividends from subsidiaries

tab. C3.1 - Dividends from subsidiaries

Name (€m)	FY 2023	FY 2022	Changes
Poste Vita SpA	450	397	53
PostePay SpA	305	119	186
SDA Express Courier SpA	35	91	(56)
BancoPosta Fondi SpA SGR	27	26	1
sender Italia Srl	4	-	4
PosteWelfare SpA	3	-	3
EGI SpA	2	2	-
Sengi Express Limited	2	2	-
Poste Air Cargo Srl	1	1	-
Postel SpA	-	3	(3)
<b>Total</b>	<b>829</b>	<b>641</b>	<b>188</b>

**C4 - COST OF GOODS AND SERVICES** (€2,640 million)

tab. C4 - Cost of goods and services

Description (€m)	FY 2023	FY 2022	Changes
Service costs	2,392	2,279	113
Lease expense	127	100	27
Raw, ancillary and consumable materials and goods for resale	121	118	3
<b>Total</b>	<b>2,640</b>	<b>2,497</b>	<b>143</b>

**Costs of goods and services** increased by a total of €143 million compared to the financial year 2022. This trend is mainly attributable to the general increase in costs generated by the international inflationary pressure, the increase in costs for logistics and delivery services related to parcels, and fees related to the increased use of cloud technology.

## Service costs

tab. C4.1 - Service costs

Description (€m)	FY 2023	FY 2022	Changes
Transport of mail, parcels and forms	1,212	1,101	111
Outsourcing fees and external service charges	403	413	(10)
Routine maintenance and technical assistance	198	214	(16)
Personnel services	133	122	11
Energy and water	105	72	33
Cleaning, waste disposal and security	80	93	(13)
Transport of cash	56	61	(5)
Telecommunications and data transmission services	49	54	(5)
Exchange of mail and telegraphy	46	44	2
Advertising and promotions	44	44	-
Electronic document management, printing and enveloping services	25	25	-
Insurance premiums	16	12	4
Agent commissions and other	15	12	3
Consultants' fees and legal expenses	9	12	(3)
Securities custody and management fees	1	-	1
<b>Total</b>	<b>2,392</b>	<b>2,279</b>	<b>113</b>

## Lease expense

tab. C4.2 - Lease expense

Description (€m)	FY 2023	FY 2022	Changes
Equipment hire and software licences	110	84	26
Property rentals	11	10	1
Vehicle leases	2	2	-
Other lease expense	4	4	-
<b>Total</b>	<b>127</b>	<b>100</b>	<b>27</b>

## Raw, ancillary and consumable materials and goods for resale

tab. C4.3 - Raw, ancillary and consumable materials and goods for resale

Description (€m)	FY 2023	FY 2022	Changes
Fuels and lubricants	53	54	(1)
Consumables and goods for resale	35	35	-
Change in inventories of raw, ancillary and consumable materials	-	7	(7)
Stationery and printed matter	27	18	9
Printing of postage and revenue stamps	6	4	2
<b>Total</b>	<b>121</b>	<b>118</b>	<b>3</b>

**C5 - PERSONNEL EXPENSES** (€5,348 million)**tab. C5 - Personnel expenses**

Description (€m)	Notes	FY 2023	FY 2022	Changes
Wages and salaries		3,874	3,694	180
Social security contributions		1,096	1,050	46
Employee termination benefits: supplementary pension funds and INPS		228	225	3
Agency staff		1	1	-
Remuneration and expenses paid to Directors		2	2	-
Share-based payments		10	7	3
Early retirement incentives		11	21	(10)
Net provisions (reversals) for disputes with staff	[tab. B4]	9	(3)	12
Allocations to the provisions for early retirement incentives	[tab. B4]	158	53	105
Amounts recovered from staff due to disputes		(3)	(5)	2
Other personnel expenses/(cost recoveries)		(38)	(58)	20
<b>Total</b>		<b>5,348</b>	<b>4,987</b>	<b>361</b>

**Personnel expenses** increased by €361 million compared to the financial year 2022, attributable, for the ordinary component mainly to the increase in the unit cost, and for the extraordinary component, to higher provisions for early retirement incentives and the additional and extraordinary performance bonus, paid in November 2023, amounting to approximately €130 million. The increase in the unit cost is mainly attributable to the increase in the July 2022 and July 2023 contractual minimums in connection with the national collective labour agreement renewed in June 2021 and the increase in the variable component driven by the share linked to sales activities.

Net provisions for disputes with staff and provisions for restructuring charges are described in note B4 – *Provisions for risks and charges*.

The following table shows the Company's average and year-end headcounts by category:

**tab. C5.1 - Number of employees**

Permanent workforce	Average		Changes	Year end		Changes
	FY 2023	FY 2022		31.12.2023	31.12.2022	
Executives	541	537	4	533	537	(4)
Middle managers (A1)	6,573	6,511	62	6,530	6,486	44
Middle managers (A2)	7,549	7,564	(15)	7,483	7,522	(39)
Grades B, C, D	85,640	87,430	(1,790)	83,432	87,052	(3,620)
Grades E, F	6,303	4,611	1,692	6,435	6,057	378
<b>Total employees on permanent contracts (*)</b>	<b>106,606</b>	<b>106,653</b>	<b>(47)</b>	<b>104,413</b>	<b>107,654</b>	<b>(3,241)</b>

(\*) Figures expressed in full-time equivalent terms

Furthermore, taking account of personnel on flexible contracts, the average number of full-time equivalent personnel is 114,613 (in 2022: 115,808).

**C6 - DEPRECIATION, AMORTISATION AND IMPAIRMENTS (€773 million)****tab. C6 - Depreciation, amortisation and impairments**

Description (€m)	FY 2023	FY 2022	Changes
Depreciation of property, plant and equipment	205	200	5
Impairments/recoveries/adjustments of property, plant and equipment	-	(8)	8
Depreciation of investment property	1	1	-
Amortisation and impairments of intangible assets	344	345	(1)
Depreciation of right-of-use assets	223	208	15
Impairments/recoveries/adjustments of right of use	-	(2)	2
<b>Total</b>	<b>773</b>	<b>744</b>	<b>29</b>

Depreciation, amortisation and impairments showed an increase of €29 million compared to the year 2022, mainly due to higher depreciation on Property, plant and equipment (€5 million), on rights of use (€15 million), largely related to the expansion of the leased fleet.

**C7 - OTHER OPERATING COSTS (€223 million)****tab. C7 - Other operating costs**

Description (€m)	Notes	FY 2023	FY 2022	Changes
Operational risk events		28	25	3
Thefts		4	3	1
Loss of BancoPosta assets, net of recoveries		3	4	(1)
Other operating losses of BancoPosta		21	18	3
Net provisions for risks and charges made/(released)		61	322	(261)
for disputes with third parties	[tab. B4]	(19)	22	(41)
for operational risks	[tab. B4]	(2)	(12)	10
for taxation	[tab. B4]	1	1	-
for other risks and charges	[tab. B4]	1	(9)	10
for risks on tax credits - Law no. 77/2020	[tab. B4]	80	320	(240)
Capital losses		3	2	1
Other taxes and duties		103	95	8
Municipal property tax		27	28	(1)
Stamp duty		38	28	10
Other taxes and duties		38	39	(1)
Other current expenses		28	29	(1)
<b>Total</b>		<b>223</b>	<b>473</b>	<b>(250)</b>

**Other operating costs** decreased compared to the year 2022 due to lower provisions for risks and charges, see Note B4 - *Provisions for risks and charges* and Note A10 - *Tax Credits, Law no. 77/2020*.

**C8 – IMPAIRMENT LOSSES/(REVERSALS OF IMPAIRMENT LOSSES) ON DEBT INSTRUMENTS, RECEIVABLES AND OTHER ASSETS (€50 million)****tab. C8 - Impairment losses/(Reversals of impairment losses) on debt instruments, receivables and other assets**

Description (€m)	FY 2023	FY 2022	Changes
Net impairment trade receivables and other assets	42	89	(47)
Net impairment debt instruments and receivables of financial operations	8	8	-
<b>Total</b>	<b>50</b>	<b>97</b>	<b>(47)</b>

**C9 - FINANCE INCOME (€176 million) AND COSTS (€111 million)**

## Finance income

## tab C9.1 - Finance income

Description (€m)	Notes	FY 2023	FY 2022	Changes
Income from subsidiaries and associates		134	76	58
Interest on loans		22	10	12
Interest on non-convertible subordinated capital instruments		57	15	42
Interest on intercompany current accounts		1	-	1
Dividends from associates <sup>(1)</sup>		13	11	2
Other finance income		41	40	1
Income from financial instruments at FVTOCI		5	1	4
Interest on fixed-income instruments		2	1	1
Dividends from other equity investments <sup>(1)</sup>		3	-	3
Income from financial instruments at FVTPL		1	5	(4)
Accrued differentials on derivative instruments at FVTPL		1	5	(4)
Income from financial instruments - cash flow hedges		6	-	6
Realised gains		6	-	6
Other finance income		25	6	19
Remuneration of own liquid funds of Poste Italiane	[tab. C1.2.1]	15	1	14
Finance income on discounting receivables <sup>(2)</sup>		2	2	-
Late payment interest		27	21	6
Impairment of amounts due as late payment interest		(26)	(20)	(6)
Other income		7	2	5
Foreign exchange gains <sup>(1)</sup>		5	7	(2)
<b>Total</b>		<b>176</b>	<b>95</b>	<b>81</b>

(1) For the purposes of reconciliation with the statement of cash flows, in 2023 finance income after foreign exchange gains and dividends from associates and other investments amounts to €155 million (€77 million in 2022).

(2) Finance income on discounted receivables regards interest on amounts due from staff and INPS for CTD agreements.

**Finance income** increased compared to 2022 mainly due to interest accrued and paid on the subordinated, non-convertible capital instrument issued by the subsidiary Poste Vita SpA in 2022 and subscribed by Poste Italiane (€42 million), interest on loans granted to subsidiaries (€12 million), the latter described in Note A6 - *Financial assets*, and interest accrued on postal current accounts in the name of Poste Italiane as a result of the upward shift in the interest rate curve (€14 million).

## Finance costs

tab. C9.2 - Finance costs

Description (€m)	Notes	FY 2023	FY 2022	Changes
Finance costs on financial liabilities		69	30	39
on lease payables		21	19	2
on due to financial institutions		6	4	2
on bonds		5	4	1
from derivative instruments		-	1	(1)
on payables due to parent companies		37	2	35
Finance costs on provisions for employee termination benefits	[tab. B5]	25	15	10
Finance costs on provisions for risks	[tab. B4]	3	1	2
Interest expense on own liquid funds	[tab. C2.2]	-	1	(1)
Other finance costs		8	20	(12)
Foreign exchange losses <sup>(1)</sup>		6	4	2
<b>Total</b>		<b>111</b>	<b>71</b>	<b>40</b>

(1) For the purposes of reconciliation with the statement of cash flows, in 2023 finance costs after foreign exchange losses amounted to €105 million (€67 million in 2022).

**Finance costs** increased compared to the financial year 2022 mainly due to higher interest on payables to subsidiaries for running current account relationships (Note B6 - *Financial liabilities*).

**C10 – IMPAIRMENT LOSSES/(REVERSALS OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS**

Reversal of impairment losses of €25 million in relation to the receivable for interest income on the IRES reimbursement, as described in Note A9 - *Other receivables and assets*.

**C11 - INCOME TAX EXPENSE (€229 million)**

The nominal IRES rate is 24%, while the theoretical average IRAP rate is 4.53%<sup>280</sup>. The breakdown of income taxes for the year is as follows:

tab. C11 - Income tax expense

Description (€m)	FY 2023			FY 2022			Changes
	IRES	IRAP	Total	IRES	IRAP	Total	
Current tax expense	168	42	210	132	43	175	35
Deferred tax assets	17	1	18	68	10	78	(60)
Deferred tax liabilities	1	-	1	-	-	-	1
<b>Total</b>	<b>186</b>	<b>43</b>	<b>229</b>	<b>200</b>	<b>53</b>	<b>253</b>	<b>(24)</b>

The tax rate for 2023 is 14.16% and consists of:

<sup>280</sup> The nominal tax rate for IRAP is 3.90% for entities as a whole and 4.20% for entities that hold concessions other than those relating to the construction and operation of motorways and tunnels (+/-0.92% resulting from regional surtaxes and/or relief and +0.15% as a result of additional surtaxes levied in regions with a health service deficit).

tab. C11.1 - Reconciliation between theoretical and effective IRES rate

Description (€m)	FY 2023		FY 2022	
	IRES	Impact %	IRES	Impact %
<i>Profit before tax</i>	1,619		1,100	
Theoretical tax charge	389	24.0%	264	24.0%
Effect of increases/(decreases) on theoretical tax charge				
Dividends from investee companies	(192)	-11.83%	(148)	-13.47%
Realised gains on investments	(21)	-1.28%	-	-
Net provisions for risks and charges and doubtful debts	21	1.29%	98	8.93%
Taxation for previous years	(9)	-0.54%	(8)	-0.72%
Non-deductible out-of-period losses	5	0.31%	4	0.36%
Non-deductible taxes	1	0.02%	1	0.05%
Other	(8)	-0.47%	(5)	-0.44%
<b>Effective tax (before recognition of the Patent Box and ACE tax effect)</b>	<b>186</b>	<b>11.50%</b>	<b>206</b>	<b>18.72%</b>
Patent Box and ACE (aid for economic growth) tax effect - previous years	-	-	(6)	-0.56%
<b>Effective tax charge</b>	<b>186</b>	<b>11.50%</b>	<b>200</b>	<b>18.16%</b>

tab. C11.2 - Reconciliation between theoretical and effective IRAP rate

Description (€m)	FY 2023		FY 2022	
	IRAP	Impact %	IRAP	Impact %
<i>Profit before tax</i>	1,619		1,100	
Theoretical tax charge	73	4.53%	49	4.48%
Effect of increases/(decreases) on theoretical tax charge				
Dividends from investee companies	(38)	-2.36%	(29)	-2.65%
Non-deductible personnel expenses	21	1.31%	17	1.56%
Net provisions for risks and charges and doubtful debts	(3)	-0.16%	18	1.62%
Non-deductible out-of-period losses	1	0.06%	1	0.07%
Finance income and costs	(3)	-0.20%	(1)	-0.14%
Impairment losses/(reversals of impairment losses) on financial assets	(2)	-0.12%	-	0.00%
Non-deductible taxes	1	0.08%	1	0.11%
Realised gains on investments	(4)	-0.26%	-	0.00%
Taxation for previous years	(1)	-0.10%	(1)	-0.05%
Other	(2)	-0.11%	(2)	-0.15%
<b>Effective tax (before recognition of the Patent Box tax effect)</b>	<b>43</b>	<b>2.66%</b>	<b>53</b>	<b>4.85%</b>
Patent Box tax effect - previous years	-	-	-	-
<b>Effective tax charge</b>	<b>43</b>	<b>2.66%</b>	<b>53</b>	<b>4.85%</b>

With regard to the deductibility of losses related to the non-compensation of tax credits, and the provision for risks on tax credits (see also Note A10 - Tax Credits Law no. 77/2020), on 25 January 2024, the Agenzia delle Entrate's response was received to the request for a tax ruling presented by the Company; the response received provides indications that lend themselves to different interpretations and discussions are currently under way with the Agenzia delle Entrate to define the correct interpretation and the consequent impact on the various applicable cases. Given the continuing situation of interpretative uncertainty, based on the provisions of IFRIC 23 - Uncertainty in Income Tax Treatments, these items have been conservatively evaluated as non-deductible. The possible positive tax effects that may emerge as a result of potential developments in the interpretation of the cases in question, following the conclusion of discussions with the Agenzia delle Entrate will be reflected in financial statements after 2023.



## Current tax expense

tab. C11.3 - Movements in current tax assets /(liabilities)

Description (€m)	Current tax 2023		Total
	IRES Assets/ (Liabilities)	IRAP Assets/ (Liabilities)	
<b>Balance at 1 January</b>	<b>71</b>	<b>(17)</b>	<b>54</b>
Payments	25	26	51
for payments on account for the current year	19	24	43
for balance payable for the previous year	-	2	2
substitute tax	6	-	6
Offsetting - tax credits Law no. 77/2020	339	39	378
Collection of claim for IRAP refund	-	(1)	(1)
Collection of ACE 2013 credit	(6)	-	(6)
Provisions to profit or loss	(168)	(42)	(210)
for current liabilities	(168)	(42)	(210)
Provisions to equity	7	-	7
Tax consolidation	(374)	-	(374)
Other <sup>(*)</sup>	20	-	20
<b>Balance at 31 December</b>	<b>(86)</b>	<b>5</b>	<b>(81)</b>
of which:			
Current tax assets	62	6	<b>68</b>
Current tax liabilities	(148)	(1)	<b>(149)</b>

(\*) This item mainly refers to receivables for withholding taxes.

Under IAS 12 – Income Taxes, IRES and IRAP credits are offset against the corresponding current tax liabilities, when applied by the same tax authority to the same taxable entity, which has a legally enforceable right to offset and intends to exercise this right.

At 31 December 2023, current tax assets/(liabilities) include:

- liabilities of €148 million relating to all companies participating in tax consolidation determined by IRES and IRAP provisions for the year 2023, net of IRES and IRAP advances and IRES and IRAP receivables from the previous year;
- assets for a residual €14 million related to the adhesion to the Patent Box regime for the financial years 2017-2019. Following the submission of the relevant supplementary tax return, the IRES credit related to the Aid for Economic Growth (ACE) for the financial year 2013 of €6 million was collected in the year under review;
- assets for a total of €14 million related to a request for a tax ruling referring to the tax recognition of income components arising from the management of postal current account balances;
- the substitute tax credit of a residual €13 million relating to the redemption carried out by the Company during 2018, pursuant to art. 15, paragraph 10 *ter* of Law Decree no. 185 of 29 November 2008, of the higher values resulting from the notes to the consolidated financial statements at 31 December 2017, of goodwill and other intangible assets relating to the acquisition of the investment in FSIA Investimenti Srl;
- assets for a residual €9 million recognised as a result of the responses received to two requests for a tax ruling filed with the Agenzia delle Entrate concerning the tax effects of application of IFRS 9 and 15. These assets will become compensable after the submission of the relevant supplementary tax returns;

- the substitute tax credit for a residual €7 million relating to the redemption carried out by the Company during 2022, pursuant to art. 15, paragraphs 10 *bis* and 10 *ter* of Law Decree no. 185 of 29 November 2008, of the goodwill arising from the acquisition of the Nexive Group and Sengi HK investments;
- assets totalling €6 million relating to the redemption carried out by the Company during the year under review, pursuant to art. 15, paragraph 10 *ter* of Law Decree no. 185 of 29 November 2008, of the goodwill arising from the acquisition of Sourcesense SpA and Agile Power Srl investments. The payment of the substitute tax will allow, from the second financial year following payment, the amounts of the redeemed goodwill to be deducted for tax purposes.

### Deferred tax assets and liabilities

Details of this item at 31 December 2023 are shown in the following table:

**tab. C11.4 - Deferred taxes**

Description (€m)	Balance at 31.12.23	Balance at 31.12.22	Changes
Deferred tax assets	928	1,455	(527)
Deferred tax liabilities	(272)	(232)	(40)
<b>Total</b>	<b>656</b>	<b>1,223</b>	<b>(567)</b>
of which attributable to BancoPosta RFC			
Deferred tax assets	642	1,157	(515)
Deferred tax liabilities	(266)	(226)	(40)

Movements in deferred tax assets and liabilities are shown below:

**tab. C11.5 - Movements in deferred tax assets and liabilities**

Description (€m)	Notes	FY 2023
<b>Balance at 1 January</b>		<b>1,223</b>
Net income/(expense) recognised in profit or loss		(19)
Net income/(expense) recognised in equity	[tab. C11.8]	(548)
<b>Balance at 31 December</b>		<b>656</b>

The following table shows movements in deferred tax assets and liabilities, broken down according to the events that generated such movements:

**tab. C11.6 - Movements in deferred tax assets**

Description (€m)	Investment property	Financial assets and liabilities	Provisions to cover expected losses	Provisions for risks and charges	Contract liabilities	Other	Total
<b>Balance at 1 January 2023</b>	17	1,117	78	198	14	31	<b>1,455</b>
Income/(expense) recognised in profit or loss	(1)	-	1	(23)	9	(4)	(18)
Income/(expense) recognised in equity	-	(509)	-	-	-	-	(509)
<b>Balance at 31 December 2023</b>	<b>16</b>	<b>608</b>	<b>79</b>	<b>175</b>	<b>23</b>	<b>27</b>	<b>928</b>

**tab. C11.7 - Movements in deferred tax liabilities**

Description (€m)	Financial assets and liabilities	Gains	Other	Total
<b>Balance at 1 January 2023</b>	<b>229</b>	<b>1</b>	<b>1</b>	<b>231</b>
Expense/(income) recognised in profit or loss	-	-	1	1
Expense/(income) recognised in equity	40	-	-	40
Extraordinary transactions	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>269</b>	<b>1</b>	<b>2</b>	<b>272</b>

At 31 December 2023, deferred tax assets and liabilities recognised directly in equity are as follows:

**tab. C11.8 - Deferred tax assets and liabilities recognised in equity**

Increases/(decreases) in equity

Description (€m)	FY 2023
Fair value reserve for financial assets at FVTOCI	(616)
Cash flow hedge reserve for hedging derivative instruments	68
Actuarial gains /(losses) on employee termination benefits	-
<b>Total</b>	<b>(548)</b>

## 5.5 RELATED PARTY TRANSACTIONS

### Impact of related party transactions on statement of financial position and profit or loss

Impact of related party transactions on the financial position at 31 December 2023

Name (€m)	Balance at 31.12.2023								
	BancoPosta's financial assets	Financial assets	Trade receivables	Other receivables and assets	Cash and cash equivalents	BancoPosta's financial liabilities	Financial liabilities	Trade payables	Other liabilities
<b>Direct subsidiaries</b>									
BancoPosta Fondi SpA SGR	-	-	29	1	-	11	30	3	-
CLP ScpA	-	-	3	1	-	-	-	112	-
Consorzio PosteMotori	-	-	3	-	-	1	-	-	-
Consorzio Servizi ScpA	-	2	-	-	-	-	-	19	-
EGI SpA	-	-	-	-	-	1	51	-	1
Poste Welfare Servizi Srl	-	-	5	10	-	-	14	13	1
Poste Air Cargo Srl	-	5	1	-	-	-	-	-	-
PatentiViaPoste ScpA	-	-	1	-	-	1	16	-	-
Poste Vita SpA	-	259	355	104	-	721	247	2	1
Postel SpA	-	19	58	3	-	-	-	16	4
PostePay SpA	185	-	189	18	-	10,197	855	85	1
SDA Express Courier SpA	-	69	19	-	-	3	-	176	12
Milkman Deliveries SpA	-	-	-	-	-	3	8	6	-
Nexive Network Srl	-	9	1	3	-	-	5	-	2
Nexive Scarl	-	-	13	-	-	-	6	-	1
Sengi Express Limited LIM	-	-	66	-	-	-	-	-	-
Agile Lab S.r.l.	-	1	-	-	-	-	-	2	-
SourceSense S.p.A.	-	4	-	-	-	-	-	4	-
<b>Indirect subsidiaries</b>									
Address Software Srl	-	-	-	-	-	-	-	1	-
Kipoint SpA	-	-	1	-	-	-	2	3	-
Poste Assicura SpA	-	-	16	6	-	6	-	-	-
Plurima SpA	-	46	-	-	-	-	-	-	1
Bridge Technologies Srl	-	-	-	-	-	-	-	2	-
Poste Insurance Broker	-	-	-	-	-	2	-	-	-
LIS Holding S.p.A.	-	-	-	6	-	-	85	-	-
LIS Pay S.p.A.	-	-	1	-	-	1	63	-	-
<b>Associates</b>									
ItaliaCamp Srl	-	-	1	-	-	-	-	-	-
Finaciti SpA	-	-	3	-	-	-	-	17	-
sender Italia Sr.l.	-	-	-	-	-	36	-	-	-
<b>External related parties</b>									
MEF	8,937	-	364	2	874	5,371	4	4	1
Cassa Depositi e Prestiti Group	2,891	-	251	1	-	-	-	16	-
Enel Group	-	-	24	-	-	-	-	-	-
Eni Group	-	-	4	-	-	-	-	3	-
Leonardo Group	-	-	-	-	-	-	-	11	-
Monte dei Paschi di Siena Group	224	-	1	-	-	351	-	-	-
Invitalia Group	-	20	1	-	-	-	-	-	-
Other external related parties	-	-	24	-	-	-	4	1	69
Provisions for doubtful debts from related parties	(7)	(20)	(36)	-	-	-	-	-	-
<b>Total</b>	<b>12,230</b>	<b>414</b>	<b>1,398</b>	<b>155</b>	<b>874</b>	<b>16,705</b>	<b>1,390</b>	<b>496</b>	<b>94</b>

## Impact of related party transactions on the financial position at 31 December 2022

Name (€m)	Balance at 31.12.2022								
	BancoPosta's financial assets	Financial assets	Trade receivables	Other receivables and assets	Cash and cash equivalents	BancoPosta's financial liabilities	Financial liabilities	Trade payables	Other liabilities
<b>Direct subsidiaries</b>									
BancoPosta Fondi SpA SGR	-	-	20	1	-	7	30	3	-
CLP ScpA	-	-	3	-	-	-	-	100	-
Consorzio PosteMotori	-	-	3	-	-	3	-	-	-
Consorzio Servizi Telef. Mobile ScpA	-	-	-	-	-	1	-	14	-
EGI SpA	-	-	1	-	-	1	56	-	-
Poste Welfare Servizi Srl	-	-	5	2	-	-	8	4	-
Poste Air Cargo Srl	-	5	1	-	-	-	-	-	-
PatentiViaPoste ScpA	-	-	4	-	-	3	13	-	-
Poste Vita SpA	-	253	333	-	-	197	190	2	121
Postel SpA	-	-	47	3	-	1	6	17	3
PostePay SpA	80	-	282	25	-	9,404	915	123	1
SDA Express Courier SpA	-	48	17	-	-	5	24	145	18
sennder Italia Sr.l.	-	-	-	-	-	20	9	-	-
Milkman Deliveries SpA	-	-	1	-	-	7	4	9	-
Nexive Network Srl	-	17	3	1	-	-	-	-	2
Nexive Scarl	-	-	11	-	-	-	6	-	1
Sengi Express Limited LIM	-	-	33	-	-	-	-	-	-
Sourcesense S.p.A.	-	-	-	-	-	-	-	1	-
<b>Indirect subsidiaries</b>									
Address Software Srl	-	-	-	-	-	-	-	1	-
Kipoint SpA	-	-	1	-	-	1	1	2	-
Poste Assicura SpA	-	-	23	-	-	12	4	1	1
Plurima Bidco Srl	-	43	-	-	-	-	-	-	-
Poste Insurance Broker	-	-	1	-	-	3	-	-	-
LIS Holding S.p.A.	-	-	-	-	-	-	50	-	-
LIS Pay S.p.A.	-	-	-	-	-	23	-	-	-
<b>Associates</b>									
Financit SpA	-	-	3	-	-	-	-	16	-
<b>External related parties</b>									
MEF	11,907	-	379	3	1,991	4,168	4	4	1
Cassa Depositi e Prestiti Group	2,865	-	24	-	-	-	-	13	-
Enel Group	-	-	22	-	-	-	-	-	-
Eni Group	-	-	4	-	-	-	-	7	-
Leonardo Group	-	-	-	-	-	-	-	15	-
Monte dei Paschi di Siena Group	276	-	1	-	-	396	-	-	-
Initalia Group	-	20	1	-	-	-	-	-	-
Other external related parties	-	-	18	-	-	-	3	2	67
Provisions for doubtful debts from related parties	(7)	(21)	(35)	-	-	-	-	-	-
<b>Total</b>	<b>15,121</b>	<b>365</b>	<b>1,207</b>	<b>35</b>	<b>1,991</b>	<b>14,252</b>	<b>1,323</b>	<b>479</b>	<b>215</b>

At 31 December 2023, total provisions for risks and charges made to cover probable liabilities arising from transactions with related parties external to the Company and attributable primarily to trading relations amount to €59 million (€67 million at 31 December 2022).

## Impact of related party transactions on profit or loss in FY 2023

Name (€m)	FY 2023									
	Revenue			Capital expenditure		Costs				
	Revenue from sales and services	Other operating income	Finance income	Property, plant and equipment	Intangible assets	Cost of goods and services	Expenses from financial activities	Personnel expenses	Other operating costs	Finance costs
<b>Direct subsidiaries</b>										
BancoPosta Fondi SpA SGR	103	28	-	-	-	13	-	(1)	-	1
CLP ScpA	1	-	-	2	-	314	-	-	1	-
Consorzio Servizi ScpA	-	-	-	-	-	27	-	-	1	-
EGi SpA	-	3	-	-	-	1	-	-	4	1
Poste Welfare Servizi Srl	4	3	-	-	-	2	-	-	-	-
Poste Air Cargo Srl	1	2	-	-	-	-	-	-	-	-
PatentiViaPoste ScpA	22	-	-	-	-	-	-	-	-	-
Poste Vita SpA	655	452	113	-	-	-	24	(1)	-	4
Postel SpA	43	2	1	-	-	30	-	-	-	-
PostePay SpA	491	309	-	-	-	207	43	(1)	-	28
SDA Express Courier SpA	21	38	4	-	-	839	-	(1)	-	1
Milkman Deliveries SpA	-	-	-	-	-	32	-	-	-	-
Nexive Network Srl	2	-	1	-	-	-	-	(1)	-	-
Nexive Scarl	-	3	-	-	-	-	-	-	-	-
Sengi Express Limited LIM	114	2	-	-	-	-	-	-	-	-
Agile Lab S.r.l.	-	-	-	-	2	-	-	-	-	-
Sourcesense S.p.A.	-	-	-	-	6	-	-	-	-	-
<b>Indirect subsidiaries</b>										
Address Software Srl	-	-	-	-	-	1	-	-	-	-
Kipoint SpA	1	-	-	-	-	3	-	-	-	-
Poste Assicura SpA	72	1	-	-	-	-	-	-	-	-
Plurima SpA	-	-	2	-	-	-	-	-	-	-
Bridge Technologies Srl	-	-	-	-	1	-	-	-	-	-
Poste Insurance Broker	1	-	-	-	-	-	-	-	-	-
LIS Holding S.p.A.	-	-	-	-	-	-	-	-	-	2
LIS Pay S.p.A.	-	-	-	-	-	-	-	-	-	1
<b>Associates</b>										
Anima Group	2	-	8	-	-	-	-	-	-	-
Finanot SpA	30	-	4	-	-	-	-	-	-	-
sennder Italia Srl	-	95	-	-	-	-	-	-	-	-
<b>External related parties</b>										
MEF	1,315	-	15	-	-	1	-	-	1	-
Cassa Depositi e Prestiti Group	1,832	-	-	8	2	10	-	-	-	-
Enel Group	35	-	-	-	-	-	-	-	-	-
Eni Group	21	-	-	-	-	30	-	-	-	-
Leonardo Group	-	-	-	-	4	23	-	-	-	-
Monte dei Paschi di Siena Group	14	2	-	-	-	-	7	-	-	-
Initalia Group	2	-	-	-	-	-	-	-	73	1
Other external related parties	31	3	-	-	-	6	-	-	-	-
<b>Total</b>	<b>4,813</b>	<b>943</b>	<b>148</b>	<b>10</b>	<b>15</b>	<b>1,539</b>	<b>74</b>	<b>68</b>	<b>8</b>	<b>38</b>

## Impact of related party transactions on profit or loss in FY 2022

Name (€m)	FY 2022										
	Revenue			Costs							
	Revenue from sales and services	Other operating income	Finance income	Capital expenditure		Current expenses			Other operating costs	Impairment losses/(Reversals of impairment losses) on debt instruments, receivables and other assets	Finance costs
<b>Direct subsidiaries</b>											
BancoPosta Fondi SpA SGR	75	27	-	-	-	13	-	(1)	-	-	-
CLP SpA	1	-	-	2	-	270	-	-	1	-	-
Consorzio PosteMotori	4	-	-	-	-	-	-	-	1	-	-
Consorzio Servizi Telef. Mobile SpA	-	-	-	-	-	18	-	-	-	-	-
EGI SpA	-	2	-	-	-	1	-	-	-	-	1
Poste Welfare Servizi Srl	4	-	-	-	-	1	-	-	-	-	-
Poste Air Cargo Srl	1	2	-	-	-	-	-	-	-	-	-
PatentiViaPoste SpA	27	-	-	-	-	-	-	-	-	-	-
Poste Vita SpA	571	400	63	-	-	-	3	(1)	-	-	-
Postel SpA	44	7	-	-	-	29	-	-	-	-	-
PostePay SpA	460	123	-	-	-	219	26	(1)	-	-	2
SDA Express Courier SpA	21	96	2	-	-	756	-	(2)	-	-	-
Milkman Deliveries SpA	-	-	-	-	-	34	-	-	-	-	-
Nexive Network Srl	2	1	-	-	-	1	-	(1)	-	-	-
Nexive Scarl	-	4	-	-	-	-	-	-	-	-	-
Sengi Express Limited LIM	92	2	-	-	-	-	-	-	-	-	-
<b>Indirect subsidiaries</b>											
Address Software Srl	-	-	-	-	-	1	-	-	-	-	-
Kipoint SpA	-	-	-	-	-	3	-	-	-	-	-
Poste Assicura SpA	63	-	-	-	-	-	-	-	-	-	-
Plurima Bidco Srl	-	-	1	-	-	-	-	-	-	-	-
Poste Insurance Broker	1	-	-	-	-	-	-	-	-	-	-
<b>Associates</b>											
Anima Group	2	-	11	-	-	-	-	-	-	-	-
Financit SpA	40	-	-	-	-	-	-	-	-	-	-
<b>External related parties</b>											
MEF	1,105	-	1	-	-	1	3	-	-	1	1
Cassa Depositi e Presti Group	1,679	-	-	9	3	10	-	-	-	-	1
Enel Group	40	-	-	-	-	-	-	-	-	-	-
Eni Group	11	-	-	-	-	29	-	-	-	-	-
Leonardo Group	-	-	-	-	3	25	-	-	-	-	-
Monte dei Paschi di Siena Group	12	1	-	-	-	-	1	-	-	-	-
Invitalia Group	3	-	-	-	-	-	-	-	-	-	-
Other external related parties	27	2	-	-	-	4	-	71	-	-	-
<b>Total</b>	<b>4,285</b>	<b>667</b>	<b>78</b>	<b>11</b>	<b>6</b>	<b>1,415</b>	<b>33</b>	<b>65</b>	<b>2</b>	<b>1</b>	<b>5</b>

At 31 December 2023, total provisions for risks and charges made to cover probable liabilities arising from transactions with related parties external to the Company and primarily attributable to trading relations amount to €0.07 million (€0.7 million at 31 December 2022).

The nature of the Company's principal transactions with related parties external to the Group is summarised below:

- The fees recognised by the MEF mainly relate to the remuneration for the performance of the Universal Service (USO), remuneration for delegated services, remuneration for postal current account management services, fees for the notification service and for consignments without material postage.
- Amounts received from CDP SpA primarily relate to payment for the collection of postal savings deposits.
- Amounts received from the Enel Group primarily relate to payment for bulk mail shipments, unfranked mail.
- Amounts received from the ENI Group primarily regard payment for mail shipments. The costs incurred relate to the supply of gas and of fuel for motorcycles and vehicles.
- Purchases from the Leonardo Group primarily relate to the supply, by Leonardo SpA, of equipment, maintenance and technical assistance for mechanised mail sorting equipment, and systems and IT assistance regarding the creation of document storage facilities, the supply of software licences and of hardware and the associated maintenance and specialist consulting services.
- Amounts received from the Monte dei Paschi di Siena group primarily regard payment for mail shipments.

Related party transactions have been carried out on terms equivalent to those prevailing in arm's length transactions between independent parties.

## Impact of related party transactions or positions

The impact of related party transactions on the financial position, profit or loss and cash flows is shown in the following table:

### Impact of related party transactions

Description (€m)	Balance at 31.12.2023			Balance at 31.12.2022		
	Total in financial statements	Total related parties	Impact (%)	Total in financial statements	Total related parties	Impact (%)
<b>Financial position</b>						
Financial assets	81,272	12,644	15.6	84,196	15,486	18.4
Trade receivables	2,774	1,397	50.4	2,657	1,207	45.4
Other receivables and assets	2,777	155	5.6	2,620	35	1.3
Cash and cash equivalents	1,223	874	71.5	2,258	1,991	88.2
Provisions for risks and charges	1,228	59	4.8	1,257	67	5.3
Financial liabilities	96,863	18,095	18.7	104,703	15,575	14.9
Trade payables	1,967	496	25.2	1,970	479	24.3
Other liabilities	3,361	94	2.8	3,362	215	6.4
<b>Profit or loss</b>						
Revenue from sales and services	9,880	4,814	48.7	8,904	4,285	48.1
Other operating income	1,004	943	94.0	721	667	92.5
Cost of goods and services	2,640	1,539	58.3	2,498	1,415	56.6
Expenses from financial activities	633	74	11.7	215	33	15.3
Personnel expenses	5,348	68	1.3	4,987	65	1.3
Other operating costs	223	8	3.6	473	8	1.7
Finance costs	111	38	34.2	71	5	7.0
Finance income	176	148,357	84.3	94	78	83.0
<b>Cash flows</b>						
Net cash flow from /(for) operating activities	850	4,970	584.7	2,064	2,766	134.0
Net cash flow from /(for) investing activities	(843)	(43)	5.1	(2,255)	(1,096)	48.6
Net cash flow from/(for) financing activities and shareholder transactions	(1,042)	758	n.a.	1,419	(417)	n.a.



## Key management personnel

Key management personnel consist of Directors, members of the Board of Statutory Auditors and the Supervisory Board, managers at the first organisational level of the Company and Poste Italiane's manager responsible for financial reporting. The related remuneration, gross of expenses and social security contributions, is as follows:

### Remuneration of key management personnel

Description (€k)	Balance at 31.12.2023	Balance at 31.12.2022
Remuneration to be paid in short/medium term	14,343	13,164
Post-employment benefits	580	571
Other benefits to be paid in longer term	(787)	1,871
Share-based payments	4,936	2,469
<b>Total</b>	<b>19,072</b>	<b>18,075</b>

### Remuneration of Statutory Auditors

Description (€k)	Balance at 31.12.2023	Balance at 31.12.2022	Changes
Remuneration	263	264	(1)
Expenses	3	1	2
<b>Total</b>	<b>266</b>	<b>265</b>	<b>1</b>

The remuneration paid to members of the Company's Supervisory Board for 2023 amounts to approximately €96 thousand. In determining the remuneration, the amounts paid to managers of Poste Italiane who are members of the Supervisory Board is not taken into account, as this remuneration is passed on to the employer.

No loans were granted to key management personnel during the year and, at 31 December 2023, the Company does not report receivables in respect of loans granted to key management personnel.

## Transactions with personnel pensions funds

Poste Italiane SpA and the subsidiaries that apply the National Collective Labour Agreement are members of the Fondoposte Pension Fund, the national supplementary pension fund for Poste Italiane personnel, established on 31 July 2002 as a non-profit entity. The Fund's officers and boards are the General Meeting of delegates, the Board of Directors, the Chairman and Deputy Chairman of the Board of Directors and Board of Statutory Auditors. Representation of members on the above boards is shared equally between the companies and the workers that are members of the Fund. The participation of members in the running of the Fund is guaranteed by the fact that they directly elect the delegates to send to the Shareholders' Meeting.

## 6. RISK MANAGEMENT

### INTRODUCTION

The note "Risk Management" presents information on the Poste Italiane Group's exposure to risks of various kinds and includes a discussion of financial risks (pursuant to IFRS 7 - *Financial Instruments: Disclosures*), risks of an insurance nature (pursuant to the new IFRS17 - *Insurance Contracts*) as well as other risks for which it is deemed appropriate/necessary to provide information, also taking into account the recommendations published by ESMA and Consob<sup>281</sup> during the year.

Qualitative information on the objectives, policies and processes adopted by the Group for the measurement and management of risks is provided in a single section, common to the Poste Italiane Group and Poste Italiane SpA, while the quantitative information required by the above-mentioned principles is provided in separate paragraphs within this note, unless otherwise indicated.

### QUALITATIVE INFORMATION

#### Financial risk

Within the Parent Company, the management of lending and risk hedging operations relating to BancoPosta RFC and Poste Italiane are entrusted to BancoPosta Fondi SpA SGR, while finance activities, relating to treasury and medium/long-term funding operations, including on the capital market, as well as extraordinary and subsidised finance initiatives, are entrusted to the Administration, Finance and Control function.

Management of the Group's financial transactions and of the associated risks relates mainly to the operations of Poste Italiane SpA and the Poste Vita insurance group.

- **Poste Italiane SpA's** financial transactions primarily relate to BancoPosta's operations, asset financing and liquidity investment.

BancoPosta RFC's operations consist in the active management of liquidity generated by postal current account deposits, carried out in the name of BancoPosta but subject to statutory restrictions, and collections and payments on behalf of third parties. The funds raised by private customers on postal current accounts must be used in euro area government securities and, for a portion not exceeding 50% of the funds raised, in other securities backed by the Italian government guarantee<sup>282</sup>, whilst deposits by Public Administration entities are deposited with the MEF. Moreover, within the 50% of deposits from private customers that can be invested in Italian government-guaranteed securities, BancoPosta RFC may use up to a maximum of 30% of that portion to purchase tax credits transferable pursuant to Law Decree no. 34/2020 (the so-called Relaunch Decree) and subsequent amendments and additions, or other tax credits transferable pursuant to current legislation<sup>283</sup>.

The investment profile is based on the constant monitoring of habits of current account holders and the use of a statistical/econometric model that forecasts the interest rates and maturities typical of postal current accounts. Accordingly, the portfolio composition aims to replicate the financial structure of postal current accounts by private customers. Management of the relationship between the structure of deposits and investments is handled through an appropriate Asset & Liability Management system. The above-mentioned model is thus the general reference for the

<sup>281</sup> Public statement ESMA32-193237008-1793 of 25 October 2023 "European common enforcement priorities for 2023 annual financial reports" and Consob communication of 27 October 2023.

<sup>282</sup> As provided for by Law no. 296 of 27 December 2006 and subsequent amendments provided for by the 2015 Stability Law, no. 190 of 23 December 2014.

<sup>283</sup> As provided for in Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021.

investments, in order to limit exposure to interest rate risk and liquidity risks. The prudential requirements introduced by the third revision of the Bank of Italy Circular 285/2013 require Bancoposta to apply the same regulations applicable to banks in terms of its controls, establishing that its operations are to be conducted in accordance with the Consolidated Law on Banking (TUB) and the Consolidated Law on Finance (TUF). BancoPosta RFC is, therefore, required to establish a system of internal controls in line with the provisions of Circular 285<sup>284</sup>, which, among other things, requires definition of a Risk Appetite Framework (RAF<sup>285</sup>), the containment of risks within the limits set by the RAF, protection of the value of assets and against losses, and identification of material transactions to be subject to prior examination by the risk control function.

BancoPosta's capital structure, which is subject to the prudential provisions introduced with the 3rd update of Bank of Italy Circular 285/2013, is particularly solid due to its CET1 ratio, which stood at 18.9% at 31 December 2023. The Leverage Ratio showed a year-end value of 3.2%, an increase compared to 31 December 2022, also as a result of the contraction in the assets of the Statement of financial position linked, mainly, to the decrease in loans.

By contrast, operations not covered by BancoPosta RFC, primarily relating to management of the Parent Company's own liquidity, are carried out in accordance with investment guidelines, which require the Company to invest in instruments such as government securities, high-quality corporate or bank bonds, term bank deposits and tax credits. Liquidity is also deposited in postal current accounts, subject to the same requirements applied to the investment of deposits by private current account holders.

- Financial instruments held by companies in the **Poste Vita Group** relate primarily to investments designed to cover its contractual obligations to policyholders on traditional build-up life policies and unit-linked policies. For these types of products, therefore, the financial results recorded not only change the value of financial assets, but also have an impact on insurance liabilities. Other investments in financial instruments regard investment of the insurance companies' free capital.

As regards the life business, in particular for the parent company Poste Vita SpA, traditional Life policies, classified under Classes I and V, primarily include products whose benefits are revalued based on the return generated through the management of pools of financial assets, which are separately identifiable in accounting terms only, within the Company's assets (Separately Managed Accounts). In the case of policies sold in previous years, the Company has guaranteed a minimum return payable at maturity on such products (at 31 December 2023, this minimum return at maturity on existing policies ranged between 0% and 2%). Gains and losses from valuation are retroceded to policyholders and recognised in the statement of profit or loss and/or in a special reserve recognised in the Statement of Comprehensive Income, net of the over-hedging component. The recognition technique, referred to as mirroring, sets forth that the component to be passed on to policyholders is identified through the analysis of the income generated by the securities portfolio correlated to the Separately Managed Accounts (as further specified in Section 2.4 - *Changes to accounting policies*).

As outlined, the economic effect of financial risks on investments impacts both the pure investment component, i.e. the financial assets backing the insurance liabilities, and the insurance liability itself, as there is a financial component in the valuation. These effects may be partly passed on to the policyholders. In particular, this absorption is generally based on the level and structure of guarantees of minimum returns and the profit-sharing mechanisms of Separately Managed Accounts for the policyholder. The company determines the sustainability of minimum returns through periodic analyses using an internal financial-actuarial (Asset-Liability Management) model which simulates, for each separate portfolio, the change in value of the financial assets and the expected returns, as well as the relevant impacts

<sup>284</sup> See in particular the provisions laid down in Part I – Section IV – Chapter 3.

<sup>285</sup> The RAF consists of a framework that defines, in keeping with the maximum acceptable risk, the business model and strategic plan, the risk appetite, risk tolerance thresholds, risk limits, and risk management policies, together with the processes needed to define and implement them.

on insurance liabilities, under a "central scenario" (based on current financial and commercial assumptions) and under stress and other scenarios based on different sets of assumptions. This model makes it possible to manage the risks assumed by Poste Vita SpA on a quantitative basis, thereby fostering reduced earnings volatility and optimal allocation of financial resources.

Unit-linked products, relating to Class III insurance products, regard policies where the premium is invested in mutual investment funds. The Company constantly monitors the evolution of the risk profile of individual products.

The investment policies of the insurance companies **Poste Assicura**, **Net Insurance** and **Net Insurance Life**, which are characterised by businesses that do not envisage a direct correlation between the products placed and the financial investments, are aimed at preserving the Group's capital solidity, as outlined in the framework resolution approved by **Poste Vita's** Board of Directors on 5 December 2023. Regular analyses of the macroeconomic context, the market trends for the different asset classes and the relevant effects on integrated asset-liability management, are conducted, which is focussed on the optimal management to meet claims.

Within the above context, balanced financial management and monitoring of the main risk/return profiles are carried out and ensured by dedicated organisational structures that operate separately and independently. In addition, specific processes are in place governing the assumption and management of and control over financial risks, including the progressive introduction of appropriate information systems.

In this regard, on 16 February 2021, Poste Italiane SpA's Board of Directors adopted a revised version of the Guidelines for Internal Control and Risk Management System (SCIGR), which contains integrated guidelines for Poste Italiane SpA's Internal Control and Risk Management System.

From an organisational viewpoint, the model consists of:

- the **Control and Risk Committee**, established in 2015 within the Board, has the task of supporting, through an appropriate investigative, proposal-making and advisory activity, the evaluations and decisions of the Board of Directors on the internal control and risk management system and on the approval of the relative periodic financial and non-financial reports;
- the **Financial and Insurance Services Committee**, established on 19 March 2018 has the objective of overseeing the process of developing the products and services distributed by BancoPosta, in order to take a uniform, integrated view of the entire offering and to monitor the performance of the financial investments in which private customer deposits are invested;
- an **Investment Committee established at the Group's insurance company, Poste Vita SpA**, which, based on analyses by the relevant functions, provides advice to senior management on the development, implementation and oversight of investment strategy;
- appropriate functions established within the Parent Company and the subsidiaries providing financial and insurance services (**BancoPosta Fondi SGR SpA** and **Poste Vita SpA**) that perform **Risk Measurement** and **Control** activities, ensuring the organisational separation of risk assessment from risk management activities; the results of these activities are examined by the relevant advisory Committees, which are responsible for carrying out an integrated assessment of the main risk profiles;
- the **Investment Committee of the Net Insurance and Net Insurance Life insurance companies**, which is entrusted with investment-related tasks, as well as the verification and monitoring of the companies' compliance with investment policies, guidelines and recommendations;

- the **Internal Control, Risk and Related Parties Committee of the Net Insurance and Net Insurance Life insurance companies**, set up in order to strengthen the control and risk management system, assists the Board of Directors in evaluations and decisions relating to the internal control and risk management system.

In constructing the Risk Model used by BancoPosta RFC, account was also taken of the existing prudential supervisory standards for banks and the specific instructions for BancoPosta, published by the Bank of Italy on 27 May 2014 with the third revision of Circular 285 of 17 December 2013.

The financial risks to which the Poste Italiane Group as a whole is exposed are broken down into the types of risk indicated below. The sensitivity analyses performed on individual risks at the reporting date of this Annual Report, described at a theoretical level below, are common to all operating segments, unless otherwise indicated in the context of insurance operations. In fact, the application of the new accounting standard IFRS 17-Insurance Contracts has forced a revision of the way in which the insurance business is monitored and managed as regards the risks to which it is exposed, as well as the way in which sensitivity analyses are performed, in order to better represent the exposure to risks and the close correlation of the impacts of these on financial assets and insurance liabilities in a manner that is consistent with the accounting representation.

- **Market risk**, defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk:
  - **Fair value interest rate risk**: the risk that the value of a financial instrument fluctuates as a result of movements in market interest rates. The analyses on this type of risk refers primarily to the effects of changes in interest rates on the price of fixed-rate financial instruments or variable-rate financial instruments converted to fixed rate via cash flow hedges and, to a lesser degree, the effects of changes in interest rates on the fixed components of variable-rate financial instruments or fixed-rate financial instruments converted to variable rate via fair value hedges. The impact of these effects is directly related to the financial instrument's duration. The sensitivity analysis to the interest rate risk of the positions concerned was calculated as a result of a hypothetical parallel shift in the market rate curve of +/- 100 bps, providing a baseline reference that can be used to appreciate potential changes in fair value in the event of interest rate fluctuations.
  - **Price risk**: the risk that the value of a financial instrument fluctuates as a result of market price movements, deriving from factors specific to the individual instrument or the issuer, and factors that influence all instruments traded on the market. Price risk relates to financial assets classified as measured at fair value through other comprehensive income ("FVTOCI") or measured at fair value through profit or loss ("FVTPL"), and certain derivative financial instruments where changes in value are recognised in profit or loss. The sensitivity analysis took into account positions potentially exposed to fluctuations in value. Financial statement balances have been subjected to a stress test, based on actual volatility during the year, considered to be representative of potential market movements. In the context of its insurance activities, the Group considered a sensitivity analysis represented by a parallel shift in the price curve of +/-25% to be more representative of its risk exposure, departing from what had been done in the past.
  - **Foreign exchange risk**: the risk that the value of a financial instrument fluctuates as a result of movements in exchange rates for currencies other than the functional currency. Sensitivity analysis of the items subject to foreign exchange risk was based on the most significant positions, assuming a stress scenario determined by the levels of exchange rate volatility applicable to each foreign currency position. The test applies an exchange rate movement based on volatility during the year, which was considered to be representative of potential market movements.
- **Spread risk** or country risk: the risk relates to the potential fall in the value of bonds held, following a deterioration in the creditworthiness of issuers. This is due to the importance that the impact of the spread of returns on government securities had on the fair value of euro zone government and corporate securities, reflecting the market's perception of the credit rating of issuers. The value of the portfolio of bonds issued or guaranteed by the Italian government is

much more sensitive to the credit risk associated with the Italian Republic than to changes in so-called risk-free interest rates. This is due to the fact that changes in credit spreads are not hedged and regard the entire securities portfolio, meaning both the fixed and variable rate components. In this latter case, in fact, fair value derivatives, used to convert variable rate instruments, hedge only the risk-free interest rate risk and not credit risk. This means that a change in the credit spread has an equal impact on both fixed and variable instruments. The sensitivity to the spread has been calculated by applying a shift of +/- 100 bps to the yield curve for Italian government bonds. For insurance activities, since the portfolio is also diversified over securities belonging to the corporate sector, stresses are applied and evaluated separately between the purely government and private issue portfolios. Furthermore, in assessing the actual risk exposure, the Group considered only a worst-case scenario of stress conditions, i.e. a parallel shift of the curve of +100 bps, to be more significant in terms of potential impact on results;

- **Credit risk:** this is the risk of default of one of the counterparties to which there is an exposure, with the exception of equity instruments and units of mutual funds. For more detailed information on the inputs, assumptions and estimation techniques used to calculate Expected Credit Losses (ECL), please see Section "2.6 - Use of estimates - Impairment and stage allocation for financial instruments".
- **Liquidity risk;** this is the risk that an entity may have difficulties in raising sufficient funds, at market conditions, to meet its obligations deriving from financial instruments. In order to minimise this risk, the Poste Italiane Group applies a financial policy based on diversification of the various forms of short-term and long-term borrowings and counterparties; availability of relevant credit lines in terms of amounts and the number of banks; gradual and consistent distribution of the maturities of medium/long-term borrowings; and use of dedicated analytical models to monitor the maturities of assets and liabilities.
- **Cash flow interest rate risk:** this is defined as the uncertainty related to the generation of future cash flows, due to interest rate fluctuations. Such risk may arise from the mismatch – in terms of interest rate, interest rate resets and maturities – of financial assets and liabilities until their contractual maturity and/or expected maturity (banking book), with effects in terms of interest spreads and, as such, an impact on future results. The performed analysis refers to the uncertainty over future cash flows generated by variable-rate instruments and variable-rate instruments created through fair value hedges following fluctuations in market interest rates. Sensitivity to cash flow interest rate risk relating to these instruments is calculated by assuming a parallel shift in the yield curve of +/- 100 bps.
- **Cash flow inflation rate risk:** this is defined as the uncertainty related to the generation of future cash flows, due to fluctuations in inflation rates recorded on the market.

### Insurance risks

This type of risk emerges as a consequence of the placement, by insurance companies belonging to the Group, of products that fall under the definition of insurance contracts. These contracts have conditions, such as technical bases adopted, premium calculation, lapse conditions, etc., which bring out risks typical of the insurance business.

In order to combine strategic and business objectives with those of profitability and quality of the risks assumed, as well as mitigating the exposure to said typical risks, at the underwriting phase, the Group has defined an underwriting policy which provides for the following:

- the development of products consistent with the needs and characteristics of the various customer segments;
- the assumption of risks for the management of which there are adequate supporting skills and resources;
- the assumption of risks consistent with the Risk Strategy and Risk Appetite;
- the elimination or non-renewal, where possible, of "accepted" risks that are not consistent with the Risk Appetite Framework and/or that imply exceeding the limits established by the specific guidelines of the Group;
- the underwriting of risks that ensure adequate mitigation techniques, in particular consistency between reinsurance treaties underwritten, product characteristics (e.g. guarantees covered, contract duration) and portfolio mix;

- the adequacy of procedures and control systems to ensure the completeness, relevance and accuracy of the accounting and statistical data used for risk pricing/analysis purposes;
- the evaluation, when designing a new product and/or a new commercial initiative, of the following aspects:
  - adequate reinsurance structures;
  - assumption limits;
  - contractual clauses (possibility of splitting the premium, possibility of tacit renewal, withdrawal in the event of a claim, etc.);
  - expenses (for the acquisition, management and administration of contracts including claims settlement expenses, etc.);
  - changes (in terms of risk and concentration) to the portfolio mix that the issuance of the new product may entail;
  - assessment of the impact of non-payment of premiums (e.g. impossibility of recovering expenses and commissions) with relative repercussions on solvency.

In the assumption of risks, the Group must therefore undertake to guarantee the sufficiency of the premiums collected with respect to the future commitments made to policyholders and the costs of managing and acquiring contracts, developing the skills and professionalism of the parties involved in product definition, assumption of risks and, more generally, of all parties involved in the underwriting process.

The Group also guarantees ever-increasing quality standards in the management of underwriting activities in order to avoid reputational losses and anti-selection phenomena.

The underwriting policy is aimed at strengthening the Group's market position, increasing its share in the various insurance lines in which it operates by developing a profitable risk portfolio.

As a result of the assumption of risks typical of the insurance business, types of exposures emerge that are significant for the Group and for which specific monitoring and containment activities need to be implemented. Specifically:

- **Lapse risk:** insurance contracts may theoretically contain implicit options such as lapse options, guaranteed minimum return options and/or annuity conversion options. These options give the policyholder the right or the ability to obtain profits or changes in the relationship that give rise to a risk borne by the company, assuming a risk other than the insurance risk associated with taking out the contract. In the specific case of the Poste Italiane Group, for almost all the products in its portfolio, no penalties are envisaged in the event of lapse by the policyholder, so that this risk becomes significant in the event of mass lapses, which cannot be foreseen and are concentrated in specific, excessively short time periods that would not allow for easy management of potential redemptions in the portfolio. This would entail a significant monetary outlay for the companies belonging to the Group, which would find themselves in the position of having to dispose of assets to cover their liabilities, with the possible realisation of potential capital losses in the event of unfavourable market situations, as well as to use their cash and cash equivalents to cover the contractually guaranteed minimum levels. It is stressed that, considering the historical trend observed to date, the probability of this hypothesis occurring is considered remote (lapse rate for 2023 of approximately 4.4%), and furthermore, any adverse event would be covered by specific reinsurance contracts to cover massive lapse phenomena. The aforementioned phenomenon has a greater impact on the portfolios associated with the Separately Managed Accounts, for which any devaluation of securities would entail a loss in the current year and a carry-over effect on future returns, resulting in a significant reduction that could compromise the sound and prudent management of the company, as well as the dynamics of short- and medium-term funding. In the current context of economic uncertainty, an increase in the rate at which customers are exercising the policy lapse option can be observed in the Italian market. This phenomenon in the policy portfolio of the subsidiary Poste Vita remains well below the level observed in the market; however, the characteristics of Multi-class products placed in recent years, which make provision for a gradual transfer of

investments to the target unit-linked unit chosen by the customer, will result in a gradual increase in the stock of reserves pertaining to Class III products, which have historically shown a higher lapse rate than traditional build-up products. In light of this consideration, the **risk related to lapse dynamics** was considered significant by the Group, and a sensitivity analysis was performed on this risk equal to +10% instantaneous lapse rate of investment products. Considering the portfolio structure of the Group's companies, the decision was taken to apply only an incremental lapse stress scenario, i.e. only the worst-case scenario for the Poste Italiane Group;

- **Provisioning risk:** referring to the risk that technical provisions are not sufficient to meet obligations to policyholders and injured parties. This insufficiency may be due to incorrect estimates by the company and/or changes in the general environment. This risk was considered significant for the P&C business managed by the Group, and a sensitivity analysis was performed to measure exposure under scenarios involving a +/-2% change in the loss ratio<sup>286</sup>.
- **Concentration risk:** it is the risk that the business is excessively concentrated only on certain types of risk, products, customers and geographical areas and is therefore not adequately diversified. The Group assesses its exposure to this risk differentially between life and P&C business, evaluating the concentration based on the types of products placed.

The expected evolution of the portfolio and the different degree of risk of the products distributed required the adoption of a careful reinsurance policy, aimed at mitigating the risks to which the Group is exposed.

The reinsurance strategy adopted by Poste Assicura, based mainly on a non-proportional approach, makes it possible to:

- mitigate risks, stabilising the variability of insurance business results and ensuring the technical balance of the portfolio;
- mitigate risks arising from peak exposures or catastrophic events;
- support the development of underwriting activities;
- strengthen the Company's financial solidity.

In particular, reinsurance treaties with market operators of primary standing were entered into with non-proportional coverage in the form of "excess loss" (per risk and per event), separately for the various ministerial classes, to cover all Poste Assicura's risks (Retail and Employee Benefits) such as: risks included in the accident, health, fire, general liability and other property damage classes, and "catastrophic risks" such as earthquake or pandemic. For all risks relating to health guarantees (excluding those arising from the Credit Protection line), the reinsurance policy provides for an additional "quota share" treaty<sup>287</sup>. For some accident and credit protection risks, the risk-attaching, proportional treaties<sup>288</sup>, underwritten during the Company's start-up phase, remain in force.

Poste Assicura defines, on a case-by-case basis, the share of risk and the reinsurance structure deemed most appropriate in relation to the characteristics of the risk in question.

As regards companies in the Net Group, the expected growth of the portfolio and the different degrees of risk associated with the products distributed has required the company to adopt a highly prudent approach to reinsurance. The reinsurance strategy, based mainly on a proportional approach, but also on some non-proportional covers (especially for hail, suretyship and, to a lesser extent, other insurance lines), makes it possible to:

- mitigate unfavourable technical trends and risks arising from peak exposures;

<sup>286</sup> Indicator of the cost-effectiveness of insurance technical management representing the ratio of incurred claims to premiums collected in the same financial year and administrative period.

<sup>287</sup> "Quota share" treaties are defined as agreements under which the insurer transfers insurance risk (through the transfer of premiums, claims and reserves) based on a contractually defined percentage share.

<sup>288</sup> Reinsurance on a risk attaching basis is defined as a contract under which the reinsurer is liable for all claims related to policies issued or renewed during the term of the treaty.



- optimise reinsurance structures with a view to risk transfer and, if possible, also improve overall costs in economic and capital allocation terms;
- make reinsurance structures more efficient from a management point of view;
- mitigate risks, stabilising the variability of insurance business results;
- stabilise the Solvency Ratio.

The Group assesses the exposure of the insurance business under stress scenarios in order to verify the solvency of companies even under adverse market conditions, also in line with the Solvency II regulatory framework.

#### Other non-significant insurance risks

From a technical point of view, one of the main risk factors characterising life underwriting risk is **mortality risk**, i.e. any risk related to the randomness of the life span of policyholders. Particular attention is paid in selling term life insurance policies, an area where procedures set underwriting limits to the capital and the age of the policyholder. In terms of "pure life" insured amounts the Group's insurance companies transfer their risks to reinsurers in keeping with the nature of the products sold and conservation levels adequate to the companies' capital structure.

For products with the capital sum subject to positive risk, such as term life insurance, this risk has negative consequences if the actual frequency of death exceeds the death probabilities realistically calculated (second order technical bases).

For products with the capital sum subject to negative risk, such as annuities, there are negative consequences when actual death frequencies are lower than the death probabilities realistically calculated (longevity risk).

That said, at 31 December 2023, mortality risk is considered to be of modest significance for the Group, considering the characteristics of the products offered, although this risk represents almost the entire life underwriting risk for Net Insurance Life SpA, considering the characteristics of the products offered. The only area where this risk is somewhat significant is term life insurance. With reference to these products, a comparison is periodically made between actual deaths and those predicted by the demographic bases adopted for pricing. On the basis of the above, for risk management purposes, it was decided not to subject mortality risk to sensitivity analysis, but to continuous monitoring over time in order to identify any changes in its significance in the context of the Poste Italiane Group.

The **longevity risk** is also small, being represented by a small share of insurance exposures to class IV (Long Term Care policies). In fact, for most Life insurance products the probability of annuity conversion is very close to zero, as historical experience shows that policyholders never use the option of annuity conversion. Pension products, in particular, still account for a limited share of insurance liabilities. In addition, for these products, the Group may, if certain conditions materialise, change the demographic base and the composition by sex used to calculate the annuity rates.

With regard to **pricing risk**, it is defined as the risk of incurring losses due to inappropriate pricing of the insurance products sold, for example: inappropriate choice of technical bases (demographic or financial), incorrect valuation of the options implicit in the products, and/or incorrect valuation of the parameters for calculating loadings for expenses. As the products placed by the Group mostly relate to insurance contracts issued by Poste Vita SpA, i.e. mixed and whole-life policies with mostly cash value build-up features, accumulating in accordance with a technical rate of zero, the technical basis adopted does not affect premium calculation (and/or the insured capital). In fact, there is nearly no pricing risk associated with the choice between technical bases in the Poste Italiane Group's portfolio, except for the term life insurance products discussed above.

Insurance risks in the P&C business instead include:

**Underwriting risk**: this is the risk arising from the commitments entered into by the underwriting of insurance contracts, taking into account all the risks covered and the procedures used in the conduct of business. This risk can be subdivided into provisioning risk, already mentioned in the previous paragraph, and **pricing risk** arising from the underwriting of

insurance contracts and associated with the events covered, the processes followed for underwriting and selecting risks, the processes followed for pricing, and the unfavourable trend in the actual loss ratio compared to the estimated one.

**Early termination risks:** risk linked to the possibility of the policyholder's early termination of the contract with the consequent request for reimbursement of the premium. This dynamic, unlike the one represented above for the lapse risk, does not depend directly on economic dynamics and the dynamic behaviour of policyholders, and is therefore less related to the current economic condition. The specific risk of early repayment is not assessed at the Poste Italiane Group level as a significant risk because:

- it depends solely on the willingness to pay off insurance policies on mortgages and loans early, and does not depend directly on market income dynamics;
- is limited to a portfolio considered non-material, as this business is residual for the Group.

Lastly, **catastrophe risk**, which represents the risk of loss resulting from extreme or exceptional events, including major epidemics covered by insurance, is considered as insignificant for the Group.

### Operational risk

Operational risk refers to the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. This category of risk includes losses resulting from fraud, human error, business disruption, systems failures, breach of contracts and natural disasters. Operational risk includes legal risk.

To protect against this form of risk, BancoPosta RFC has formalised a methodological and organisational framework to identify, measure and manage the operational risk related to its products/processes.

The framework, which is based on an integrated (qualitative and quantitative) measurement model, makes it possible to monitor and manage risk on an increasingly informed basis.

In 2023, activities continued to refine the operational risk management framework, with the aim of making the process of recording operational losses, monitoring and reporting more efficient and mitigating such risks by cross-functional working groups. Support has also been provided to the specialist units and the owner of the process of analysing and assessing IT risk, in keeping with the approach adopted in 2022, and the monitoring of IT risk recovery plans was reinforced.

The activities carried out in 2023 also included assessments of the risk profile related to the assignment and outsourcing of BP RFC, the definition of the model for monitoring outsourcing risk, and ex-ante assessments of the risk profile related to the innovation of BP's offering and/or specific project initiatives.

At 31 December 2023, the risk map prepared in accordance with the aforementioned framework shows the type of operational risks BancoPosta RFC's products are exposed to. In particular:

Event type	Number of types
Internal fraud	28
External fraud	44
Employee practices and workplace safety	8
Customers, products and business practices	37
Damage caused by external events	4
Business disruption and system failure	8
Execution, delivery and process management	107
<b>Total at 31 December 2023</b>	<b>236</b>

For each type of mapped risk, the related sources of risk (internal losses, external losses, scenario analysis and risk indicators) have been recorded and classified in order to construct complete inputs for the integrated measurement model. Systematic measurement of the mapped risks has enabled the prioritization of mitigation initiatives and the attribution of responsibilities in order to contain any future impact.

The insurance companies in the Group have also drawn up and finalised their own framework for identifying, assessing and managing operational risks. The adopted approach reflects the specific nature of the processes and operational risk events typical of an insurance company. The process of assessing operational risk exposure is carried out in keeping with the related solvency requirements, and involves both qualitative and quantitative analysis, conducted through a structured process for identifying internal losses and assessing potential risks in terms of frequency, impact and mitigation. The exposure to risks is, on the whole, in line with the previous year, and the main types of operating losses are related to customer litigation expenses.

### Energy business risks

In the energy business, the subsidiary PostePay is exposed to the following risks, which were appropriately mitigated at the balance sheet date:

- **Price risk:** this is the risk generated by any difference in price levels between the selling and buying position, managed through physical purchases of commodities at a fixed price, for which the Company has availed itself of the own use exemption;
- **Volume risk:** generated by the difference between the actual consumption of the sales portfolio and the notional initially planned, managed and supplied. The risk is managed through careful forecasting of sales volumes and pricing of the risks themselves;
- **Counterparty risk:** defined as the risk arising from a supplier's failure to fulfil its contractual obligations to supply the physical commodity. This risk is managed through a process of assessing the creditworthiness of counterparties;
- **Credit risk:** defined as the risk arising from a customer's failure to fulfil its payment obligations. This risk is managed through input credit check processes (ex-ante assessment of creditworthiness), credit management and recovery.

For the proper management of the above-mentioned risks, a special governance and monitoring structure has been established within the subsidiary PostePay. The management and operational process of applying the governance principles requires that each risk subject to assessment is monitored using Key Risk Indicators. Verification of the extent of these risks and the effectiveness of any mitigation actions taken is entrusted to a managerial and advisory committee, the **Control and Risk Operating Committee** dedicated to the energy business.

### Reputational risk

The main element of reputational risk to which the Group is, by its nature, exposed is linked to market performance and primarily associated with the placement of postal savings products and investment products issued by third-party entities (bonds, certificates and real estate funds) or by Group companies (insurance policies issued by the subsidiary, Poste Vita SpA, and mutual funds managed by BancoPosta Fondi SpA SGR).

### Climate change risks

The Poste Italiane Group is aware of the relevance in terms of its widespread presence within the territory in which it operates and the risks to which it is exposed. In an attempt to counter these risks, considering the potential economic impacts of climate change risks, the Group:

- aims to reduce its environmental impact and contribute to the low-carbon transition of the country's economy; as well as
- adopts a responsible approach in carrying out its activities.

For the proper management of environmental issues, a Sustainability Committee has been set up to assist the Board of Directors, which approves the sustainability guidelines and strategies, supporting it in evaluating and deciding on environmental, social and governance factors.

The Poste Italiane Group's approach to climate risk is reported extensively in the specific section of the Non-Financial Statement within the Report on Operations on issues relating to the management of risks and opportunities related to climate change, to which reference should be made for a full discussion, as well as in Section 2.7 - *Climate change and macroeconomic environment* of these Annual Accounts.

## QUANTITATIVE INFORMATION - POSTE ITALIANE GROUP

As defined in the introduction, quantitative information on exposure to risks of various kinds is provided separately by operating segment.

### FINANCIAL ACTIVITIES

#### Fair value interest rate risk

Description (€m)	31 December 2022		31 December 2023			
	Risk exposure		Risk exposure		Equity reserves before taxation	
	Nominal	Fair value	Nominal	Fair value	+100bps	-100bps
Financial assets						
Financial assets at FVTOCI	37,521	33,190	34,892	33,100	(1,045)	1,069
Derivative financial instruments	1,564	350	-	-	-	-
Financial liabilities						
Derivative financial instruments	2,968	(96)	-	-	-	-
<b>Total</b>	<b>42,053</b>	<b>33,444</b>	<b>34,892</b>	<b>33,100</b>	<b>(1,045)</b>	<b>1,069</b>

**Financial assets at fair value through other comprehensive income** that are relevant to the risk in question relate to fixed income government bonds held primarily by BancoPosta RFC with a total fair value of €33,100 million.

At 31 December 2023, with reference to the interest rate risk exposure determined by the average financial duration of the portfolios<sup>289</sup>, the duration of BancoPosta's overall investments went from 5.01 to 5.38.

## Price risk

### Financial Activities-Price risk

Description (€m)	31 December 2022		31 December 2023	
	Risk exposure	Risk exposure	Profit/(Loss) before tax	
			+ Vol	- Vol
Financial assets				
Financial assets at FVTPL	40	26	4	(4)
Derivative financial instruments	(4)	(3)	(3)	3
<b>Total</b>	<b>36</b>	<b>24</b>	<b>1</b>	<b>(1)</b>

**Financial assets at fair value through profit or loss** exposed to price risk relate to shares held by BancoPosta RFC, totalling €26 million consisting of Visa Incorporated preference shares. For the purpose of the sensitivity analysis, the equities are matched with the corresponding amount of the Class A shares, considering the volatility of the shares listed on the NYSE.

In the area of **Derivative Financial Instruments**, price risk mainly relates to the forward sale contract of 95,000 Visa Incorporated ordinary shares entered into by the Parent Company.

## Foreign exchange risk

### Financial Activities-Currency risk

Description (€m)	31 December 2022		31 December 2023		Profit/(Loss) before tax	
	Position in USD	Position in Euro	Position in USD	Position in Euro	+ Vol 260 days	- Vol 260 days
	Notional	Notional	Notional	Notional		
Financial assets						
Financial assets at FVTPL	42	40	29	26	2	(2)
Derivative financial instruments	(4)	(4)	(3)	(3)	(2)	2
<b>Total</b>	<b>38</b>	<b>36</b>	<b>26</b>	<b>24</b>	<b>0</b>	<b>(0)</b>

At 31 December 2023, the **financial assets** exposed to the risk in question refer to an equity investment held by BancoPosta RFC in Visa (€26 million), as well as to a derivative contract on the ordinary shares of Visa Incorporated entered into by the Parent Company (negative fair value of €3 million at 31 December 2023).

## Spread risk

The financial year 2023 was characterised by a reduction in yields on Italian government bonds (the 10-year BTP fell from 4.72% to 3.7%), which brought the BTP-Bund spread to 168 basis points compared to 214 last year. These movements led to an increase in the price of securities.

The following is the result of the analysis of the sensitivity<sup>290</sup> to spread risk carried out at 31 December 2023, limited to the financial assets subject to the risk in question in the context of financial activities:

<sup>289</sup> Duration is the indicator used to estimate the percentage change in price in response to a shift in market returns.

<sup>290</sup> For sensitivity purposes, the swap rate curve and the BTP curve were used (10-year swap rate of 249 bps)

Description (€m)	31 December 2022		31 December 2023			
	Risk exposure		Risk exposure		Equity reserves before taxation	
	Nominal	Fair value	Nominal	Fair value	+100bps	-100bps
Financial assets						
Financial assets at FVTOCI	37,521	33,190	34,892	33,100	(2,995)	3,510
Financial assets at FVTPL	-	-	-	-	-	-
Derivative financial instruments	1,564	350	-	-	-	-
Financial liabilities						
Derivative financial instruments	2,968	(96)	-	-	-	-
<b>Total</b>	<b>42,053</b>	<b>33,444</b>	<b>34,892</b>	<b>33,100</b>	<b>(2,995)</b>	<b>3,510</b>

The portfolio of *Financial assets at fair value through other comprehensive income* held almost entirely by BancoPosta RFC experienced a generally positive change in fair value of around €2 billion during the period, almost entirely recognised in consolidated equity for the portion of unhedged securities and the spread risk component (not hedged).

For the purposes of full disclosure, a movement in the spread would have no accounting effect on financial assets measured at amortised cost, but would only impact unrealised gains and losses. In other words, fixed income instruments measured at amortised cost attributable entirely to BancoPosta, which at 31 December 2023 amounted to €30,398 million (nominal value of €30,877 million) and have a fair value of €28,318 million, would be reduced in fair value by approximately €2.7 billion following an increase in the spread of 100 bps, with the change not reflected in the accounts.

Movements in the spread have no impact on BancoPosta RFC's ability to meet its capital requirements, as the fair value reserves are not included in the computation of own funds for supervisory purposes.

### Credit risk

Information on credit risk exposure is presented in the following section only for financial assets other than trade and other receivables and assets subject to impairment provisions, for which information is provided in *Note A8 - Trade receivables* and *Note A9 - Other receivables and assets*.

### Exposure to credit risk

The following table shows the credit risk exposure of **Financial assets** related to the financial segment for which the General impairment model is used for the application of the impairment provisions. The analysis shows the exposure by financial asset class by stages. The amounts refer to the gross carrying amount (amortised cost before ECL), unless otherwise indicated, and do not take into account guarantees or other credit enhancements.

#### Financial Activities - Credit Risk - Rating

Description (€m)	from AAA to AA-		from A+ to BBB-		from BB+ to C		Not rated	Hedge accounting effects	Total
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2			
<b>2023</b>									
Financial assets at amortised cost									

and spread of the BTP against the 10-year swap rate of 121 bps).

Gross carrying amount	-	-	44,289	-	-	-		44,289
Provision to cover expected losses	-	-	(23)	-	-	-		(23)
<b>Total amortised cost at 31 December 2023</b>	-	-	<b>44,266</b>	-	-	-	<b>351 (1,944)</b>	<b>42,673</b>
<b>Financial assets at FVTOCI</b>								
Gross carrying amount	-	-	35,544	-	-	-		35,544
Provision to cover expected losses - OCI	-	-	(19)	-	-	-		(19)
<b>Carrying amount - Fair value at 31 December 2023</b>	-	-	<b>33,100</b>	-	-	-		<b>33,100</b>
<b>2022</b>								
<b>Financial assets at amortised cost</b>								
Gross carrying amount	195	-	45,953	-	-	-		46,149
Provision to cover expected losses	-	-	(19)	-	-	-		(19)
<b>Total amortised cost at 31 December 2022</b>	<b>195</b>	-	<b>45,935</b>	-	-	-	<b>486 (2,714)</b>	<b>43,902</b>
<b>Financial assets at FVTOCI</b>								
Gross carrying amount	-	-	38,981	-	-	-		38,981
Provision to cover expected losses - OCI	-	-	(16)	-	-	-		(16)
<b>Carrying amount - Fair value at 31 December 2022</b>	-	-	<b>33,190</b>	-	-	-		<b>33,190</b>

**Financial assets at amortised cost**, relevant to the risk in question, refer only to Bancoposta RFC's assets and concern fixed income instrument with a gross carrying amount of €44,289 million, decreased by a total of €1,944 million to take into account the effects of fair value hedges and approximately €23 million of the related impairment provision.

**Financial Assets at fair value through other comprehensive income** that are relevant to the risk in question refer exclusively to fixed income instruments held by companies belonging to the financial segment.

The following table shows the counterparty concentration of credit risk by financial asset class.

### Financial Activities - Credit risk - Credit risk concentration

Description (€m)	31.12.2023		31.12.2022	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Financial assets at amortised cost	44,289	(23)	46,149	(19)
Sovereign	38,405	(21)	39,327	(17)
Corporate	4,937	(2)	5,354	(1)
Banking	946	-	1,468	(0)
Financial assets at FVTOCI	35,544	(19)	38,980	(16)
Sovereign	35,544	(19)	38,980	(16)
Corporate	-	-	-	-
Banking	-	-	-	-
<b>Total</b>	<b>79,833</b>	<b>(42)</b>	<b>85,129</b>	<b>(35)</b>

#### Collateral held and other credit enhancements

In order to mitigate credit risk, the Poste Italiane Group adopts credit and counterparty risk mitigation tools in its financial activities. In particular, as regards BancoPosta RFC, the counterparty risk associated with hedging derivatives and repurchase agreements is mitigated by entering into a master netting agreement and requiring collateral in the form of cash or government bonds; with reference to credit risk, in addition, there are safeguards such as government guarantees on securities.

At 31 December 2023, the Group does not hold financial instruments secured by guarantees or other risk mitigation instruments for which no loss provisions have been made (except for the temporary use of liquidity in repurchase agreements).

In the context of financial activities, the main types of credit risk mitigation instruments are detailed below.

#### Fixed income instruments

Debt instruments secured by guarantees or other credit risk mitigation instruments are bonds issued by CDP SpA guaranteed by the Italian State and subscribed by BancoPosta RFC, amounting to a nominal value of €3,000 million at 31 December 2023. These are recognised as financial assets measured at amortised cost and, in determining the expected credit losses, account was taken of the PD of the Italian Republic.

#### Derivative financial instruments and repurchase agreements

In order to limit the counterparty risk exposure, BancoPosta RFC has concluded standard ISDA master agreements (with attached CSA) and GMRA which govern the collateralisation of derivative transactions and repurchase agreements, respectively.

In addition, in order to mitigate counterparty risk and gain easier access to the market, from December 2017, BancoPosta RFC has entered into repurchase agreements with the Central Counterparty, the Cassa di Compensazione e Garanzia. As of 2021, certain derivatives entered into by Bancoposta RFC through bilateral contracts will be routed to a Qualified Central Counterparty for centralised clearing through the services provided by a clearing broker.

The calculation of positions in derivatives and repurchase agreements and the related risk mitigation instruments are illustrated in "Note 13 - Additional information - Offsetting financial assets and liabilities", to which reference should be made.



## ECL measurement

The following tables show, for Financial assets belonging to the financial segment, the reconciliation between the opening and closing balances of the ECL provisions required by IFRS 9.

### Financial Activities - Credit risk - Details of the provision to cover expected losses on financial instruments

Description (€m)	Financial assets at amortised cost		Financial assets at FVOCI	
	Stage 1	Total	Stage 1	Total
<b>Balance at 1 January 2023</b>	<b>19</b>	<b>19</b>	<b>16</b>	<b>16</b>
Impairment of securities / receivables held at the beginning of the period	3	3	3	3
Reversal of securities / receivables held at the beginning of the period	(0)	(0)	(1)	(1)
Impairment of securities / receivables purchased/paid in the period	2	2	2	2
Reversal for write-off	-	-	-	-
Reversal due to sale / collection	(0)	(0)	(2)	(2)
<b>Balance at 31 December 2023</b>	<b>23</b>	<b>23</b>	<b>19</b>	<b>19</b>

At 31 December 2023, estimated expected losses on **Financial assets at amortised cost** amount to approximately €23 million; the provision increased by roughly €5 million compared to 31 December 2022. Of the grand total, €18 million related to expected losses calculated on fixed income instruments (€13 million at 31 December 2022).

At 31 December 2023, estimated expected losses on **Financial assets at fair value through other comprehensive income** amount to approximately €19 million. This provision, which refers entirely to expected losses calculated on fixed income instruments in the portfolio, increased by approximately €3 million compared to 31 December 2022.

## Liquidity risk

The following tables compare financial liabilities and assets belonging to the financial segment and outstanding at 31 December 2023.

### Financial Activities - Liquidity risk - Liabilities

Description (€m)	31.12.2023				31.12.2022			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial liabilities	37,391	19,431	26,290	83,112	45,274	21,080	26,967	93,321
Trade payables	73	-	-	73	81	-	-	81
Other liabilities	234	1,756	0	1,990	86	1,738	-	1,824
<b>Total Liabilities</b>	<b>37,697</b>	<b>21,187</b>	<b>26,290</b>	<b>85,174</b>	<b>45,441</b>	<b>22,818</b>	<b>26,967</b>	<b>95,226</b>

In the presentation of financial liabilities, the expected cash outflows at the date of the financial statements, are broken down by maturity, while the payables for postal current account deposits are reported on the basis of the estimates made with a statistic/econometric model. Repayments of principal at nominal value are increased by interest payments calculated, where applicable, on the basis of the yield curve applicable at 31 December 2023.

### Financial Activities - Liquidity risk - Assets

Description (€m)	31.12.2023				31.12.2022			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial assets	19,866	19,155	76,154	115,175	24,336	19,317	80,653	124,306
Trade receivables	588	-	-	588	375	-	-	375
Other receivables and assets	603	1,752	0	2,356	571	1,738	0	2,309
Tax credits Law no. 77/2020	1,701	4,905	2,241	8,847	1,506	5,267	2,972	9,746
Cash and deposits attributable to BancoPosta	4,671	-	-	4,671	5,848	-	-	5,848
Cash and cash equivalents (*)	940	-	-	940	2,018	-	-	2,018
<b>Total Assets</b>	<b>28,368</b>	<b>25,812</b>	<b>78,396</b>	<b>132,576</b>	<b>34,654</b>	<b>26,322</b>	<b>83,626</b>	<b>144,602</b>

(\*) shown gross of liquidity elimination

In the case of assets, cash inflows are broken down by maturity, shown at nominal value and increased, where applicable, by interest receivable. Investments include financial instruments held by BancoPosta RFC and, to a residual extent, the company BancoPosta Fondi SpA sgr, shown on the basis of expected cash flows, consisting of principal and interest paid at the various payment dates.

In terms of BancoPosta RFC's specific operations, the liquidity risk regards current account deposits and prepaid cards<sup>291</sup>, the related investment of the deposits in Eurozone government securities and/or securities guaranteed by the Italian government, and the margins on derivative transactions as well as tax credits acquired in relation to the Decreto Rilancio no. 34/2020 (later converted with Law no. 77 of 17 July 2020). The potential risk derives from a mismatch between the maturities of investments in securities and those of liabilities, represented by current accounts where the funds are available on demand, thus compromising the ability to meet its obligations to current account holders. This potential mismatch between assets and liabilities is monitored via comparison of the maturity schedule for assets with the statistical model of the performance of current account deposits, in accordance with the various likely maturity schedules and assuming the progressive total withdrawal of deposits over a period of twenty-four years for retail customers, six years for business customers, ten years for PostePay cards and six years for Public Administration customers.

Lastly, for the proper evaluation of the liquidity risk attributable to BancoPosta RFC, it should be borne in mind that, unless they are restricted, investments in euro area government securities are highly liquid assets and can be used as collateral in interbank repurchase agreements to obtain short-term financing. This practice is normally adopted by BancoPosta.

In order to effectively manage the risk in question, there are also uncommitted credit facilities available for overnight operations by BancoPosta RFC, a three-year committed facility granted by Cassa Depositi e Prestiti for repurchase agreement transactions up to a maximum of €3 billion, undrawn at 31 December 2023 and, finally, for intraday interbank transactions, BancoPosta RFC can access an intraday advance from the Bank of Italy and secured by securities with a nominal value of €2,758 million, undrawn at 31 December 2023.

Additional liquidity needs can be met by resorting to credit lines stipulated by the Parent Company, for details of which please refer to the section on liquidity risk of postal and business activities.

Based on the above information, the existing credit lines and the loans are adequate to meet financing requirements expected to date.

<sup>291</sup> Since 1 October 2018, prepaid cards are the responsibility of Postepay SpA. The liquidity raised through these cards is transferred to BancoPosta, which invests the funds raised in euro area government bonds or bonds guaranteed by the Italian State. As such, for the purposes of specific risk analyses, the rationales related to each model underlying the different types of deposit inflow continue to apply.

## Cash flow interest rate risk

Description (€m)	31 December 2022		31 December 2023	
	Risk exposure	Risk exposure	Profit/(Loss) before tax	
	Nominal	Nominal	+100 bps	-100 bps
Financial assets				
Financial assets at amortised cost	22,480	16,616	166	(166)
Financial assets at FVTOCI	10,541	8,905	89	(89)
Financial assets at FVTPL	-	-	-	-
Cash and deposits attributable to BancoPosta	1,888	762	8	(8)
Cash and cash equivalents	1,993	875	9	(9)
Financial liabilities				
Loans	(3,996)	(3,996)	(40)	40
Other financial liabilities	(4,824)	(2,831)	(28)	28
<b>Total</b>	<b>28,081</b>	<b>20,330</b>	<b>203</b>	<b>(203)</b>

With respect to **financial assets**, cash flow interest rate risk primarily relates to:

- **Financial assets at amortised cost** are represented by:
  - receivables at amortised cost totalling €1,223 million, reflecting collateral posted to secure liabilities arising in relation to financial derivatives and repurchase agreements held by BancoPosta RFC;
  - investment by the Parent Company of the funds deriving from the current account deposits of Public Administration entities in the following: deposits with the MEF, with a nominal value of €8,937 million;
  - fixed income government bonds held by BancoPosta RFC, for a nominal value of €6,456 million;
- fixed income government bonds measured at fair value through other comprehensive income, almost entirely relating to Bancoposta RFC;
- bank deposits held by BancoPosta RFC, including €873 million for the deposit held with the MEF on the operating current account known as the "Buffer" account.

In the area of **Financial Liabilities**, the risk in question relates to loans for repurchase agreements put in place by the Parent Company and guarantee deposits referable exclusively to the Parent Company.

## Cash flow inflation risk

At 31 December 2023, cash flow inflation risk relates to inflation-linked government securities not subject to cash flow hedges or fair value hedges, held entirely by BancoPosta RFC for a nominal amount of €1,301 million (€1,022 million at 31 December 2022). The results of the sensitivity analyses performed on these securities do not show any significant effects on the pre-tax result.

## INSURANCE ACTIVITIES

In relation to insurance liabilities, given the way in which they are constructed, it is impractical to identify which component of the unit of account is exposed to individual risks of a financial nature, also in relation to the concept of mutuality that governs the products issued by the Group (for the definition of "mutuality", please refer to what is presented in Section 2.4

- *Changes to accounting policies*). For this reason, the Group's exposure to risks is represented by the totality of its insurance liabilities, which are therefore subjected to individual stresses, assessing their impacts as a whole.

## Fair value interest rate risk

### Insurance Activities - Fair value interest rate risk

Description (€m)	Risk exposure			
	31 December 2022		31 December 2023	
	Nominal	Fair value	Nominal	Fair value
Financial assets	114,584	132,593	118,850	146,477
Financial assets at FVTOCI	110,471	96,501	114,434	105,847
Financial assets at FVTPL*	4,113	36,092	4,416	40,630
		-	-	-
Insurance liabilities		141,380	-	155,338

\* Financial assets at FVTPL include Mutual investment funds; the nominal value of said funds indicates the number of units held without taking into account the face value of the equity security.

In terms of **financial assets recognised at fair value through other comprehensive income**, the risk in question primarily relates to:

- fixed income government bonds held by Poste Vita SpA, totalling €86,096 million; of this amount, €83,976 million is used to cover Class I and V policies linked to Separately Managed Accounts, and €2,120 million relates to the company's free capital;
- non-government debt securities held by Poste Vita SpA, for a total fair value of €18,991 million, mainly used to meet obligations towards policyholders;
- the remainder relates to approximately €760 million in investments in fixed income instruments, both government and corporate exposures made by the other companies in the segment.

**Financial assets at fair value through profit or loss**, relevant to the risk in question, are primarily used to cover commitments to policyholders. This relates to a portion of investments invested in fixed income instruments totalling €2,564 million, of which €2,556 million related to Poste Vita, and to the position in *Other investments* totalling €38,044 million consisting mainly of units in Class III funds and multi-asset funds linked to Separately Managed Accounts. Finally, the remaining €22 million is represented by the bond issued by Cassa Depositi e Prestiti as a private placement.

The **insurance liabilities** relevant to the risk in question relate to insurance contracts placed by companies belonging to the segment, totalling €155,338 million.

With respect to Class I and Class V policies sold by Poste Vita SpA, the duration of the matching assets went from 6.95 at 31 December 2022 to 6.27 at 31 December 2023, whilst the duration of the liabilities went from 7.50 to 7.45 (assessment of the duration was carried out using the new Coherent Duration method<sup>292</sup>). The financial instruments intended to cover the technical provisions for Class III policies have maturities that match those of the liabilities.

<sup>292</sup> The Coherent Duration of assets and liabilities is defined as changes in the value of assets and liabilities, in proportion to the total amount of assets exposed to interest rate risk, following parallel shocks raising and lowering interest rates by 10 basis points.

Below is the result of the sensitivity analysis performed at 31 December 2023 on the assets and liabilities exposed to the risk in question.

#### Insurance Activities - Stress Effects - Fair Value Interest Rate Risk

Description (€m)	Change in value	
	+100bps	-100bps
Contractual service margin	(17)	(296)
Profit/(Loss) before tax	12	(56)
Equity reserves before taxation	(135)	152

The results of the sensitivities<sup>293</sup> show that:

- As a result of the increase in the rate curve, there would be a negative change in the Contractual service margin of €17 million due to capital losses impacting the returns of products linked to the Separately Managed Accounts; an increase in the profit/(loss) before tax of €12 million arising from the higher release of the Contractual service margin determined by the increase in the coverage unit, only partly offset by the financial result<sup>294</sup>; and finally, a negative change in Equity reserves of €135 million generated by the decrease in the financial result of FVOCI securities not retroceded to policyholders.
- as a result of the decrease in the interest rate curve, there would be a negative change in the Contractual service margin of €296 million due to a reduction in commissions on assets under management; a negative impact of €56 million on the profit/(loss) before tax due to the lower Contractual service margin as a result of the reduction in the coverage unit, partially offset by the financial result; and finally a positive change of €152 million in OCI Reserves generated mainly by the increase in the financial result of FVOCI securities not retroceded to policyholders.

<sup>293</sup> For sensitivity purposes, the swap component was stressed by the end-2023 risk-free curve as published by EIOPA.

<sup>294</sup> IFRS9 income from FVTPL securities not retroceded to policyholders.

## Price risk

## Insurance Activities - Price Risk

Description (€m)	Risk exposure	
	31 December 2022	31 December 2023
Financial assets	<b>36,156</b>	<b>40,785</b>
Financial assets at FVTOCI	-	-
Financial assets at FVTPL*	36,156	40,785
Insurance liabilities	<b>141,099</b>	<b>154,560</b>

\* Financial assets at FVTPL include Mutual investment funds; the nominal value of said funds indicates the number of units held without taking into account the face value of the equity security.

The **Financial assets at fair value through profit or loss** exposed to the risk in question refer to:

- investments in units of mutual investment funds held by Poste Vita SpA, with a fair value of €40,300 million, including approximately €28,392 million used to cover Class I policies, and approximately €11,908 million used to cover Class III policies;
- equity instruments held by Poste Vita SpA, totalling €485 million, used to cover Class I policies linked to Separately Managed Accounts and to cover Class III policies.

**Insurance liabilities** exposed to the risk in question refer to insurance contracts placed by Group companies with investments in assets exposed to the risk in question, i.e. Poste Vita SpA, totalling €154,560 million.

Below is the result of the sensitivity analysis performed at 31 December 2023 on the instruments exposed to the risk in question:

## Insurance Activities- Stress Effects - Price Risk

Description (€m)	Change in value	
	+25%	-25%
Contractual service margin	266	(282)
Profit/(Loss) before tax	28	(30)
Equity reserves before taxation	-	-

The results of the sensitivities show that:

- in the scenario characterised by the increase in the value of market prices, the sensitivity results show an increase in the Contractual service margin of approximately €266 million as a result of the increase in commissions received on investments relating to the unit-linked portfolio, as well as an increase in profit/(loss) before tax of approximately €28 million as a result of the combined effect of a higher release of Contractual service margin (due to the increase in the stock) and a higher financial result for the portion not retroceded to policyholders;
- the opposite scenario, i.e. characterised by a decrease in the value of market prices, would entail a decrease in the Contractual service margin of approximately €282 million as a result of the simultaneous decrease in commissions received on investments relating to the unit-linked portfolio, and a decrease in profit/(loss) before tax of approximately €30 million as a result of the combined effect of the lower release of Contractual service margin (due to the reduction in the stock) and lower financial result, for the portion not retroceded to policyholders.

## Foreign exchange risk

## Insurance Activities - Currency Risk

Description (€m)	31 December 2022		31 December 2023			
	Position in USD	Position in Euro	Position in USD	Position in Euro	Profit/(Loss) before tax	
					+ Vol 260 days	- Vol 260 days
Financial assets						
Financial assets at FVTOCI	-	-	-	-	-	-
Financial assets at FVTPL	106	99	106	95	7	(7)
<b>Total</b>	<b>106</b>	<b>99</b>	<b>106</b>	<b>95</b>	<b>7</b>	<b>(7)</b>

In the insurance business, the **Financial assets** exposed to the risk in question refer exclusively to units in US dollar mutual funds held by the insurance company Poste Vita SpA. The company considers the exposure to currency risk in relation to the effects on insurance liabilities to be insignificant, as these positions are held in Separately Managed Accounts.

## Government spread risk

## Insurance Activities - Fair Value Government Spread Risk

Description (€m)	Risk exposure			
	31 December 2022		31 December 2023	
	Nominal	Fair value	Nominal	Fair value
Financial assets	<b>90,445</b>	<b>87,309</b>	<b>95,331</b>	<b>99,021</b>
Financial assets at FVTOCI	89,303	77,726	94,007	86,663
Financial assets at FVTPL*	1,142	9,583	1,324	12,358
Derivative financial instruments	-	-	-	-
Insurance liabilities		<b>141,380</b>		<b>155,338</b>

\* Financial assets at FVTPL include Mutual investment funds; the nominal value of said funds indicates the number of units held without taking into account the face value of the equity security.

In the period under review, the portfolio of *Financial assets at fair value through other comprehensive income* exposed to the risk in question, referring exclusively to fixed income government bonds, amounted to €86,663 million.

*Financial assets at fair value through profit or loss* exposed to the risk in question, amounting to a fair value of about €12,358 million, mainly refer to units of mutual funds held by Poste Vita SpA.

*Insurance liabilities* exposed to risk amount to approximately €155,338 million.

## Insurance Activities - Fair Value Government Spread Risk

Description (€m)	Change in value +100bps
Contractual service margin	(95)

Profit/(Loss) before tax	13
Equity reserves before taxation	(92)

The results of the sensitivities<sup>295</sup> show a negative change in the Contractual service margin of approximately €95 million due to capital losses impacting the returns of the underlying assets related to the portfolios of the Separately Managed Accounts; a positive effect on profit/(loss) before tax of €13 million, mainly attributable to the higher release of the Contractual service margin determined by the increase in the coverage unit, partially offset by the financial result; and, finally, a negative change in Equity reserves of €92 million, generated by the deterioration of the financial result of FVOCI instruments not retroceded to policyholders, which represent the majority of securities under stress.

## Corporate spread risk

### Insurance Activities - Fair Value Corporate Spread Risk

Description (€m)	Risk exposure			
	31 December 2022		31 December 2023	
	Nominal	Fair value	Nominal	Fair value
Financial assets	25,267	54,853	24,830	59,800
Financial assets at FVTOCI	21,168	18,775	20,427	19,184
Financial assets at FVTPL*	4,100	36,079	4,403	40,616
Derivative financial instruments	-	-	-	-
Insurance liabilities		141,380	-	155,338

\* Financial assets at FVTPL include Mutual investment funds; the nominal value of said funds indicates the number of units held without taking into account the face value of the equity security.

The portfolio of *Financial assets at fair value through other comprehensive income* exposed to this risk amounted to approximately €19,184 million, exclusively related to corporate debt security exposures.

*Financial assets at fair value through profit or loss* exposed to risk amounted to approximately €40,616 million, of which €38,004 million related to mutual funds held by Poste Vita SpA, €2,550 million to exposures in debt securities issued by corporate counterparties, and €22 million to bonds issued by Cassa Depositi e Prestiti.

<sup>295</sup> For the purposes of sensitivity on government bonds, the end-2023 risk-free curve was used as published by EIOPA with the Illiquidity Premium calibrated to the outstanding government portfolio and including the 100bps stress on the Italian government spread.



Insurance liabilities exposed to risk amount to approximately €155,338 million.

### Insurance Activities - Fair Value Corporate Spread Risk

Description (€m)	Change in value
	+100bps
Contractual service margin	(149)
Profit/(Loss) before tax	(18)
Equity reserves before taxation	(19)

The results of the sensitivities<sup>296</sup>, lead to a negative change in the Contractual service margin of approximately €149 million, due to capital losses impacting the returns of the underlying assets; a loss before tax of €18 million due to the reduction in the financial result and, finally, a negative change of €19 million in the Equity reserves, generated by the worsening of the financial result of the FVOCI securities not retroceded to policyholders.

### Credit risk

Information on credit risk exposure is presented in the following section only for financial assets other than trade and other receivables and assets subject to impairment provisions, for which information is provided in *Note A8 - Trade receivables* and *Note A9 - Other receivables and assets*.

### Exposure to credit risk

The following table presents an analysis of the risk exposure at 31 December 2023 of **financial assets** belonging to the insurance segment for which the General impairment model is used. The analysis shows the exposure by financial asset class by stages. The amounts refer to the gross carrying amount (amortised cost before ECL), unless otherwise indicated, and do not take into account guarantees or other credit enhancements.

<sup>296</sup> For the purposes of sensitivity on corporate bonds, the risk-free curve of end-2023 as published by EIOPA was used, with the Illiquidity Premium calibrated to the outstanding corporate portfolio and including the 100 bps stress on the corporate spread.

**Insurance Activities - Credit Risk - Rating**

Description (€m)	from AAA to AA-		from A+ to BBB-		from BB+ to C			Total
	Stage 1	Stage 3	Stage 1	Stage 2	Stage 1	Stage 2	Stage 3	
<b>2023</b>								
<b>Financial assets at amortised cost</b>								
Gross carrying amount	133	-	1,988	-	2	0	-	2,124
Provision to cover expected losses	(0)	-	(1)	-	(0)	(0)	-	(1)
<b>Total amortised cost at 31 December 2023</b>	<b>133</b>	<b>-</b>	<b>1,987</b>	<b>-</b>	<b>2</b>	<b>0</b>	<b>-</b>	<b>2,123</b>
<b>Financial assets at FVTOCI</b>								
Gross carrying amount	13,486	-	95,735	46	20	2,640	124	112,051
Provision to cover expected losses - OCI	(1)	-	(44)	(0)	(0)	(8)	(2)	(55)
<b>Carrying amount - Fair value at 31 December 2023</b>	<b>13,103</b>	<b>-</b>	<b>90,072</b>	<b>44</b>	<b>20</b>	<b>2,493</b>	<b>114</b>	<b>105,847</b>
<b>2022</b>								
<b>Financial assets at amortised cost</b>								
Gross carrying amount	54	209	1,930	-	-	-	-	2,194
Provision to cover expected losses	-	(0)	(1)	-	-	-	-	(1)
<b>Total amortised cost at 31 December 2022</b>	<b>54</b>	<b>209</b>	<b>1,929</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,193</b>
<b>Financial assets at FVTOCI</b>								
Gross carrying amount	8,709	-	97,615	13	2,058	58	-	108,454
Provision to cover expected losses - OCI	(0)	-	(39)	(0)	(8)	(2)	-	(48)
<b>Carrying amount - Fair value at 31 December 2022</b>	<b>7,650</b>	<b>-</b>	<b>86,973</b>	<b>12</b>	<b>1,815</b>	<b>51</b>	<b>-</b>	<b>96,501</b>

**Financial assets at amortised cost**, relevant to the risk in question, refer exclusively to fixed income instruments held by companies belonging to the insurance segment with a gross carrying amount of €2,123 million, decreased by a total of €1 million to account for the related impairment provision in the Company's free assets.

**Financial assets at fair value through other comprehensive income** that are relevant to the risk in question refer for a gross carrying amount of €112,051 million exclusively to fixed income instruments.

The following table shows the counterparty concentration of credit risk by financial asset class. Amounts refer to the gross carrying amount. Of the provision to cover expected losses on financial instruments at fair value through other comprehensive income, an amount of approximately €53 million was retroceded to policyholders.

**Insurance Activities - Credit risk - Credit risk concentration**

Description (€m)	31.12.2023		31.12.2022	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Financial assets at amortised cost	2,124	(1)	2,194	(1)
Sovereign	2,050	(1)	2,143	(1)
Corporate	64	(0)	42	(0)
Banking	9	(0)	9	(0)
Financial assets at FVTOCI	112,051	(55)	108,454	(48)
Sovereign	88,892	(38)	85,677	(32)
Corporate	16,270	(14)	14,933	(14)
Banking	6,889	(3)	7,844	(2)
<b>Total</b>	<b>114,175</b>	<b>(56)</b>	<b>110,648</b>	<b>(49)</b>

The following table presents information on the credit quality of net amounts due from reinsurers and the exposure of assets for outward reinsurance (totalling €233 million) and amounts due from policyholders, classified under insurance

liabilities and amounting to €155,338 million (of which €170 million related to the balance of amounts due from customers at 31 December 2023):

## ECL measurement

The following tables show, for each class of financial instrument, the reconciliation between the opening and closing balances of the ECL provisions required by IFRS 9, relating exclusively to the free capital of the companies in the segment.

### Insurance Activities - Credit risk - Details of the provision to cover expected losses on financial instruments

Description (€m)	Financial assets at amortised cost				Financial assets at FVOCI			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Balance at 1 January 2023</b>	1	-	-	1	1	-	-	1
Impairment of securities / receivables held at the beginning of the period	0	0	0	0	0	0	0	0
Reversal of securities / receivables held at the beginning of the period	(0)	0	0	0	0	0	0	(0)
Impairment of securities / receivables purchased/paid in the period	0	0	0	0	0	0	0	0
Reversal for write-off		0	0	0	0	0	0	(0)
Reversal due to sale / collection	(0)	0	0	0	0	0	0	(0)
<b>Balance at 31 December 2023</b>	1	-	-	1	1	0	-	2

At 31 December 2023, estimated expected losses on financial instruments at amortised cost amount to approximately €1 million; the provision did not record any significant changes compared to 31 December 2022.

At the end of the reference period, the estimated expected losses on financial instruments measured at fair value through other comprehensive income amount to approximately €55 million, of which €53 million passed on to policyholders. This provision increased by approximately €7 million compared to 31 December 2022, mainly as a result of purchases made during the period.

### Collateral held and other credit enhancements

In order to mitigate the exposure to credit risk, the Poste Vita insurance Group invests in, among other things, corporate bonds that are guaranteed in order to mitigate the overall exposure to credit risk.

At 31 December 2023, the insurance Group does not hold financial assets secured by guarantees or other credit risk mitigation instruments for which no loss coverage provisions have been made.

Within insurance activities, the main types of credit risk mitigation instruments relate to fixed income instruments held by insurance companies. In detail, debt securities backed by guarantees or other credit risk mitigation instruments are mainly represented by bonds held by the Poste Vita Group, with a nominal amount of €6,485 million at 31 December 2023. In these cases, the guarantee covers 100% of the nominal value of the securities. The guarantees securing these financial instruments are as follows:

- corporate bonds backed by personal guarantees provided by the parent company or another associate, amounting to a nominal value of €5,569 million;
- covered bonds backed by mortgages, primarily property mortgages, amounting to a nominal value of €179 million;
- bonds guaranteed by sovereign states, amounting to a nominal value of €737 million.

In the case of instruments backed by personal guarantees provided by a sovereign state or one or more companies, expected losses are calculated on the basis of the credit rating of the guarantor. With regard to covered bonds, the underlying guarantees were considered through the recognition of upgrades according to the type of guarantee.

### Exposure to credit risk - insurance components

The following table presents an analysis of the risk exposure under review at 31 December 2023, by counterparty rating class, generated as a result of the placement of insurance and reinsurance contracts in place.

### Insurance Activities - Credit Risk - Rating

Description (€m)	from AAA to AA-	from A+ to BBB-	from BB+ to C	Not rated	Total
<b>2023</b>					
Assets for outward reinsurance					<b>233</b>
- of which net Amounts due from reinsurers	-	-	-	-	-
Insurance liabilities					<b>155,338</b>
- of which due from policyholders	-	-	-	170	<b>170</b>
<b>2022</b>					
Assets for outward reinsurance					<b>44</b>
- of which net Amounts due from reinsurers	1	0	(0)	(0)	<b>0</b>
Insurance liabilities					<b>141,380</b>
- of which due from policyholders	-	-	-	110	<b>110</b>

**Assets for outward reinsurance** that are relevant to the risk in question refer to the component of the item relating to the net exposure to reinsurers, which is included in the valuation. These receivables are not subject to impairment as the credit or debit balance is used to offset the payment or collection of reinsurance items. The reinsurance structure has very tight deadlines, annual at most, so the possibility of balances remaining unpaid for a period longer than 12 months is remote. Moreover, since these receivables are related to contracts falling under IFRS 17, they must not be impaired as required by IFRS 9. At 31 December 2023, the balance of these net receivables was nil, as the exposure to reinsurers was a liability at the balance sheet date.

The **insurance liabilities** that are taken into account in the valuation of this risk refer to the component relating to amounts due from policyholders. Amounts due from policyholders relate to contracts issued at the reporting date for which the customer has not yet paid the premium. As is the case for net amounts due from reinsurers, this type of receivable arises as a result of insurance contracts, and is therefore not subject to impairment as required by IFRS 9. In any case, the Group performs recoverability analyses of the receivable in question, and in fact a full write-down of the receivable is made if it is more than 6 months old.

## Liquidity risk

The following tables compare the financial liabilities and assets belonging to the insurance segment and outstanding at 31 December 2023.

### Insurance Activities - Liquidity Risk - Liabilities

Description (€m)	Within 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years	Total
<b>2023</b>							
Flows from Poste Vita group's policies	10,574	9,053	8,543	8,523	9,930	175,196	221,818
Financial liabilities	59	-	-	-	-	-	59
Trade payables	41	-	-	-	-	-	41
Other liabilities	702	3	-	-	-	74	778
<b>Total at 31 December 2023</b>	<b>11,375</b>	<b>9,056</b>	<b>8,543</b>	<b>8,523</b>	<b>9,930</b>	<b>175,270</b>	<b>222,697</b>
<b>2022</b>							
Flows from Poste Vita group's policies	14,494	10,384	8,984	8,098	7,885	171,345	221,191
Financial liabilities	38	1	1	-	-	-	40
Trade payables	35	-	-	-	-	-	35
Other liabilities	567	-	-	-	54	-	621
<b>Total at 31 December 2022</b>	<b>15,135</b>	<b>10,385</b>	<b>8,986</b>	<b>8,098</b>	<b>7,939</b>	<b>171,345</b>	<b>221,887</b>

In the presentation of financial liabilities, expected cash outflows are broken down by maturity. Repayments of principal at nominal value are increased by interest payments calculated, where applicable, on the basis of the yield curve applicable at 31 December 2023. The commitments of the insurance companies of the Group are reflected in the item "Flows from Poste Vita group's policies".

### Insurance Activities - Liquidity Risk - Assets

Description (€m)	Within 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years	Total
<b>2023</b>							
Financial assets	19,132	13,159	11,588	13,843	12,861	173,474	244,057
Trade receivables	2	-	-	-	-	-	2
Other receivables and assets	134	-	-	-	2,280	-	2,414
Cash and cash equivalents (*)	3,561	-	-	-	-	-	3,561
<b>Total at 31 December 2023</b>	<b>22,830</b>	<b>13,159</b>	<b>11,588</b>	<b>13,843</b>	<b>12,861</b>	<b>175,754</b>	<b>250,035</b>
<b>2022</b>							
Financial assets	16,690	12,345	12,378	10,867	12,564	165,710	230,554
Trade receivables	0	-	-	-	-	-	0
Other receivables and assets	223	-	-	-	2,321	-	2,544
Cash and cash equivalents (*)	2,732	-	-	-	-	-	2,732
<b>Total at 31 December 2022</b>	<b>19,645</b>	<b>12,345</b>	<b>12,378</b>	<b>10,867</b>	<b>14,885</b>	<b>165,710</b>	<b>235,830</b>

\* Shown gross of liquidity elimination

In the case of assets, cash inflows are broken down by maturity, shown at nominal value and increased, where applicable, by interest receivable. Investments include financial instruments held by the Group's insurance companies, shown on the basis of expected cash flows, consisting of principal and interest paid at the various payment dates.

The key point of note is the liquidity risk associated with the Class I and V policies issued by Poste Vita SpA. For said reason, for the purpose of analysis of the liquidity risk, for the policies issued by Poste Vita SpA, Asset/Liability Management (ALM) analyses are conducted to manage assets effectively in relation to its obligations to policyholders, and projections

of the effects deriving from financial market shocks (asset dynamics) and of the behaviour of policyholders (liability dynamics) are also drawn up.

At 31 December 2023, there were uncommitted credit lines for unsecured loans of €4 million, of which about €1 million was utilised.

Additional liquidity needs can be met by resorting to credit lines stipulated by the Parent Company, for details of which please refer to the section on liquidity risk of postal and business activities.

Based on the above information, the existing credit lines and the loans are adequate to meet financing requirements expected to date.

### Cash flow interest rate risk

#### Insurance Activities - Cash flow interest rate risk

Description (€m)	31 December 2022	31 December 2023		
	Risk exposure	Risk exposure		Profit/(Loss) before tax
	Nominal	Nominal	+100 bps	-100 bps
<b>2023 effects</b>				
Financial assets				
Financial assets at FVTOCI	4,341	3,332	2	(2)
Financial assets at FVTPL	94	112	-	-
Cash and cash equivalents	2,537	2,852	7	(7)
<b>Total</b>	<b>6,971</b>	<b>6,296</b>	<b>9</b>	<b>(9)</b>

With respect to **Financial assets**, cash flow interest rate risk concerns:

- a portion of the securities portfolio held by Poste Vita SpA, with a total nominal value of €3,361 million, mainly relating to fixed income instruments;
- a portion of the securities portfolio held by Poste Assicura SpA, with a total nominal value of €67 million;
- a portion of the securities portfolio held by Net Insurance SpA and Net Insurance Life SpA, with a total nominal value of €16 million;
- variable-rate bank deposits held by companies in the insurance segment.

With regard to insurance liabilities, the Group considers that the risk exposure does not entail a significant risk and, for this reason, deemed it inappropriate to stress.

## Cash flow inflation risk

## Insurance Activities - Cash flow inflation rate risk

Description (€m)	31 December 2022		31 December 2023			
	Risk exposure		Risk exposure		Profit/(Loss) before tax	
	Nominal	Carrying amount	Nominal	Carrying amount	+100bps	-100bps
Financial assets						
Financial assets at amortised cost	72	89	72	91	0	(0)
Financial assets at FVTOCI	9,159	10,389	6,676	7,893	1	(1)
Financial assets at FVTPL	-	-	-	-	-	-
<b>Total</b>	<b>9,232</b>	<b>10,478</b>	<b>6,748</b>	<b>7,984</b>	<b>1</b>	<b>(1)</b>

At 31 December 2023, cash flow inflation risk relates to inflation-linked government securities not subject to cash flow hedges or fair value hedges. Of the total nominal value, securities totalling €6,701 million are held by Poste Vita SpA and securities totalling €41 million by Poste Assicura SpA.

With regard to insurance liabilities, the Group considers that the risk exposure does not entail a significant risk and, for this reason, deemed it inappropriate to stress.

## Lapse risk

The sensitivity analysis at 31 December 2023 took into account insurance liabilities exposed to fluctuations in value and subjected to a variability test, calculated with reference to possible changes in the lapse risk (increase of 10%). Exposures to this risk are set out below:

## Insurance Activities - Lapse Risk

Description (€m)	31 December 2022		31 December 2023			
	Risk exposure	Risk exposure	Contractual service margin	Profit/(Loss) before tax	Equity reserves before taxation	
	Fair value	Fair value	+10%	+10%	+10%	
Insurance liabilities	141,099	154,560	(390)	(7)		-

The sensitivity analysis shows that a possible 10% increase in the lapse rate would generate a negative change in the Contractual service margin of €390 million, mainly attributable to the reduction in the duration of the liabilities due to the higher outflows, and a negative change in the profit/(loss) before tax of €7 million, mainly attributable to the lower release of CSM resulting from the reduction in the stock.

The effects net of reinsurance mitigation are substantially in line with what is presented in the table since the existing cover is not activated in the event of a 10% increase in the lapse rate.

With regard to the investment in Cronos Vita, which is recognised in the balance sheet at its acquisition value, as defined by *IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations*, please refer to paragraph A14 - Non-current assets and disposal groups held for sale.

## Provisioning risk

The sensitivity analysis at 31 December 2023 took into account insurance liabilities exposed to fluctuations in value and subjected to a variability stress test, based on actual volatility during the year, calculated with reference to possible changes in the loss ratio (up/down by 2%). Below are the exposures and this risk both gross and net of the mitigation effect related to reinsurance:

## Insurance Activities - Provisioning risk gross of reinsurance



Description (€m)	31 December 2022		31 December 2023							
	Risk exposure		Risk exposure		Contractual service margin		Profit/(Loss) before tax		Equity reserves before taxation	
	Nominal	Fair value	Nominal	Fair value	+2%	-2%	+2%	-2%	+2%	-2%
Insurance liabilities		279		499	(2)	2	(2)	2	-	-

The sensitivity analysis shows that a possible 2% increase in the loss ratio would generate a reduction in the Contractual service margin of about €2 million and a reduction in the profit/(loss) before tax of about €2 million, attributable to the negative change in the loss component. The values net of reinsurance are in line with the gross values shown.

The sensitivity analysis for the opposite case, i.e. a possible decrease in the loss ratio of 2%, would generate an increase in the Contractual service margin before reinsurance of about €2 million, an increase in the profit/(loss) before tax of about €2 million, attributable to the recovery of the loss component, and a positive change in Equity of about €2 million, generated almost entirely by the increase in the profit/(loss) for the year. The values net of reinsurance are in line with the gross values shown.

### Concentration risk

As regards the Life business, the products currently placed have fairly standardised characteristics and relatively low minimum guarantees for the majority of the portfolio that are not consolidated year by year. The geographical distribution of these products is homogeneous throughout the country as a result of the widespread distribution network. The Group's product portfolio is still highly concentrated in traditional build-up products. On the basis of these considerations, the risk of concentration of the Life business is medium.

Below is a representation of the concentration of life business at 31 December 2023 by product type, where it can be seen that the highest concentration of risks relates to build-up products (Separately Managed Accounts).

#### Insurance Activities - Concentration Risk - Life

Product type	31 December 2023
Products linked to Separately Managed Accounts	92%
Protection products	0%
Index/Unit-linked products	8%

With regard to P&C business, the products currently placed by the Group have fairly standardised characteristics. The geographical distribution of these products is homogeneous throughout the country as a result of the widespread distribution network. The product portfolio is mainly concentrated on health products (Line of business Medical Expenses and Income Protection). On the basis of these considerations, the risk of concentration of the P&C business is medium.

Below is a breakdown of gross inflows at 31 December 2023 by product type, which shows that the highest concentration of risks relates to products belonging to the "modular" line and the "Welfare" segment, the latter referring to collective policies taken out with corporate customers (Employee Benefits).

### Insurance Activities - Concentration Risk - P&C

Product type	31 December 2023
Asset & Personal Protection & Modular Line	37%
Third-party networks	8%
Payment protection line	8%
Salary-backed loans	6%
Integration Life - P&C	3%
Welfare and other management	38%

### Claims development

Below is information on the development of undiscounted claims, both in terms of cumulative amount paid at the date and in terms of ultimate cost values<sup>297</sup>, gross and net of reinsurance.

The claims development table shows the development of cumulative paid claims and ultimate cost per year of generation.

### Insurance Activities - Claims Development Before Reinsurance

Claims/Times	Cumulative paid claims and other directly attributable costs paid (A)										Total
	Year T-9	Year T-8	Year T-7	Year T-6	Year T-5	Year T-4	Year T-3	Year T-2	Year T-1	Year T	
1. At the end of the year of occurrence	-	-	-	-	-	-	-	(104)	(126)	(191)	
2. One year later	-	-	-	-	-	-	(115)	(186)	(216)		
3. Two years later	-	-	-	-	-	(115)	(123)	(200)			
4. Three years later	-	-	-	-	(64)	(116)	(124)				
5. Four years later	-	-	-	(61)	(64)	(118)					
6. Five years later	-	-	(53)	(61)	(64)						
7. Six years later	-	(63)	(53)	(61)							
8. Seven years later	(75)	(62)	(52)								
9. Eight years later	(74)	(62)									
10. Nine years later	(74)										
<b>Total</b>	<b>(74)</b>	<b>(62)</b>	<b>(52)</b>	<b>(61)</b>	<b>(64)</b>	<b>(118)</b>	<b>(124)</b>	<b>(200)</b>	<b>(216)</b>	<b>(191)</b>	<b>(1,162)</b>
Claims/Times	Estimated ultimate cumulative claims cost (amount before reinsurance and undiscounted) (B)										Total
	Year T-9	Year T-8	Year T-7	Year T-6	Year T-5	Year T-4	Year T-3	Year T-2	Year T-1	Year T	
1. At the end of the year of occurrence	-	-	-	-	-	-	-	(220)	(278)	(384)	
2. One year later	-	-	-	-	-	-	(149)	(230)	(274)		
3. Two years later	-	-	-	-	-	(131)	(139)	(222)			
4. Three years later	-	-	-	-	(70)	(126)	(134)				
5. Four years later	-	-	-	(65)	(66)	(123)					
6. Five years later	-	-	(55)	(62)	(66)						
7. Six years later	-	(64)	(54)	(62)							
8. Seven years later	(75)	(63)	(53)								

<sup>297</sup> Ultimate cost value means the estimate of the final settlement that the insurer expects to pay for a single claim or for an entire generation of claims. This amount includes all values to be paid to the insured and/or injured party, including settlement costs.

9. Eight years later	(74)	(63)										
10. Nine years later	(74)											
<b>Total</b>	<b>(74)</b>	<b>(63)</b>	<b>(53)</b>	<b>(62)</b>	<b>(66)</b>	<b>(123)</b>	<b>(134)</b>	<b>(222)</b>	<b>(274)</b>	<b>(384)</b>	<b>(1,456)</b>	
<b>C. Gross undiscounted liability for incurred claims - T to T-9 (B - A)</b>	<b>(0)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(2)</b>	<b>(5)</b>	<b>(10)</b>	<b>(22)</b>	<b>(58)</b>	<b>(194)</b>	<b>(293)</b>	
<b>D. Gross undiscounted liability for incurred claims - years prior to T-9</b>												<b>(0)</b>
<b>E. Discount effect</b>												<b>11</b>
<b>F. Effect of adjustment for non-financial risks</b>												<b>(14)</b>
<b>G. Gross liability for incurred claims of insurance contracts issued</b>												<b>(296)</b>

Cumulative paid claims, at 31 December 2023, amounted to €1,162 million, of which more than 50% related to claims occurred between 2021 and 2023.

Cumulative paid claims, including the ultimate cost estimate, amounted to 1,456 at 31 December 2023, of which more than 60% related to claims occurred between 2021 and 2023.

At the reporting date, approximately 80% of cumulative claims including the ultimate cost estimate had been settled. In fact, the ending balance of the undiscounted liability for remaining coverage at 31 December 2023 amounts to EUR 293<sup>298</sup> million. This amount remains set aside to support commitments to policyholders for future years and relates, for approximately 65%, to claims occurred in the year 2023.

The discount effect on these expected future cash flows amounts to €11 million, while the adjustment for non-financial risk amounts to approximately €14 million.

#### Insurance Activities - Claims Development Net of Reinsurance

Claims/Times	Cumulative paid claims and other directly attributable costs paid net of reinsurance (A)										Total	
	Year T-9	Year T-8	Year T-7	Year T-6	Year T-5	Year T-4	Year T-3	Year T-2	Year T-1	Year T		
1. At the end of the year of occurrence	-	-	-	-	-	-	-	(86)	(117)	(158)		
2. One year later	-	-	-	-	-	-	(83)	(156)	(198)			
3. Two years later	-	-	-	-	-	(81)	(87)	(168)				
4. Three years later	-	-	-	-	(32)	(82)	(88)					
5. Four years later	-	-	-	(37)	(32)	(83)						
6. Five years later	-	-	(32)	(37)	(32)							
7. Six years later	-	(44)	(32)	(37)								

<sup>298</sup> This amount relates to the liability for incurred claims of Poste Assicura SpA and the reserve for incurred claims of Net Insurance SpA gross of the amounts attributable to flows related to receivables for amounts to be recovered on such incurred claims.

8. Seven years later	(60)	(44)	(32)								
9. Eight years later	(59)	(44)									
10. Nine years later	(59)										
<b>Total</b>	<b>(59)</b>	<b>(44)</b>	<b>(32)</b>	<b>(37)</b>	<b>(32)</b>	<b>(83)</b>	<b>(88)</b>	<b>(168)</b>	<b>(198)</b>	<b>(158)</b>	<b>(901)</b>

Claims/Times	Estimated ultimate cumulative claims cost (amount net of reinsurance and undiscounted) (B)										Total
	Year T-9	Year T-8	Year T-7	Year T-6	Year T-5	Year T-4	Year T-3	Year T-2	Year T-1	Year T	
1. At the end of the year of occurrence	-	-	-	-	-	-	-	(188)	(256)	(312)	
2. One year later	-	-	-	-	-	-	(110)	(196)	(255)		
3. Two years later	-	-	-	-	-	(93)	(101)	(190)			
4. Three years later	-	-	-	-	(37)	(89)	(97)				
5. Four years later	-	-	-	(40)	(34)	(87)					
6. Five years later	-	-	(34)	(38)	(33)						
7. Six years later	-	(45)	(33)	(38)							
8. Seven years later	(61)	(44)	(33)								
9. Eight years later	(60)	(44)									
10. Nine years later	(60)										
<b>Total</b>	<b>(60)</b>	<b>(44)</b>	<b>(33)</b>	<b>(38)</b>	<b>(33)</b>	<b>(87)</b>	<b>(97)</b>	<b>(190)</b>	<b>(255)</b>	<b>(312)</b>	<b>(1,148)</b>
<b>C. Net undiscounted liability for incurred claims - year of occurrence T to T-9 (Total B - Total A)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(1)</b>	<b>(1)</b>	<b>(4)</b>	<b>(9)</b>	<b>(21)</b>	<b>(57)</b>	<b>(154)</b>	<b>(247)</b>
<b>D. Net undiscounted liability for incurred claims - years prior to T-9</b>											<b>(0)</b>
<b>E. Discount effect</b>											<b>9</b>
<b>F. Effect of adjustment for non-financial risks</b>											<b>(12)</b>
<b>G. Net liability for incurred claims of insurance contracts issued</b>											<b>(250)</b>

Mitigation related to reinsurance improves the result by about 15%.

## POSTAL AND BUSINESS ACTIVITIES

### Fair value interest rate risk

#### Postal and Business Activities - Fair value interest rate risk

Description (€m)	31 December 2022		31 December 2023			
	Risk exposure		Risk exposure		Equity reserves before taxation	
	Nominal	Fair value	Nominal	Fair value	+100bps	-100bps
Financial assets						
Financial assets at FVTOCI	110	91	110	99	(4)	4
Derivative financial instruments	50	0	-	-	-	-
<b>Total</b>	<b>160</b>	<b>91</b>	<b>110</b>	<b>99</b>	<b>(4)</b>	<b>4</b>

Within the framework of postal and commercial activities, the risk exposure in question relates to **Financial assets at fair value through other comprehensive income** represented by fixed income government bonds held by the Parent Company.

### Price risk

#### Postal and Business Activities - Price risk

Description (€m)	Risk exposure	31 December 2023		
		Risk exposure	Equity reserves before taxation	
			+ Vol	- Vol
Financial assets				
Financial assets at FVTOCI	343	345	120	(120)
Financial assets at FVTPL	1	0	-	-
Derivative financial instruments	-	-	-	-
<b>Total</b>	<b>344</b>	<b>345</b>	<b>120</b>	<b>(120)</b>

**Financial assets at fair value through other comprehensive income** refer to Nexi shares held by Poste Italiane SpA for €345 million; the Parent Company holds additional shares in *Moneyfarm*, *sender Technologies GmbH*, *Milkman* and *Scalapay Limited*, which are also classified as Financial assets at fair value through other comprehensive income, not subject to sensitivity analysis in the above table.

## Foreign exchange risk

## Postal and Business Activities - Currency Risk

Description (€m)	31 December 2022		31 December 2023		Equity reserves before taxation	
	Position in GBP	Position in Euro	Position in GBP	Position in Euro		
					+ Vol 260 days	- Vol 260 days
Financial assets						
Financial assets at FVTOCI	50	57	48	55	3	(3)
<b>Total</b>	<b>50</b>	<b>57</b>	<b>48</b>	<b>55</b>	<b>3</b>	<b>(3)</b>

At 31 December 2023, the risk in question related exclusively to an equity investment held by the Parent Company in *Moneyfarm*.

In addition, below is indicated the risk related to the net receivable/(payable) position in DSP, a synthetic currency resulting from the weighted average of the exchange rates of four major currencies (the euro, US dollar, British pound and Japanese yen) held by Poste Italiane SpA and used worldwide to settle debts and credits among postal operators.

Description (€m)	31 December 2022		31 December 2023		Profit/(Loss) before tax	
	Position in SDRs	Position in Euro	Position in SDRs	Position in Euro		
					+ Vol 260 days	- Vol 260 days
Current assets in SDRs	166	208	77	94	4	(4)
Current liabilities in SDRs	(201)	(251)	(67)	(82)	(3)	3
<b>Total</b>	<b>(34)</b>	<b>(43)</b>	<b>10</b>	<b>12</b>	<b>0</b>	<b>(0)</b>

Lastly, it should be noted that the Poste Italiane Group is subject to translation currency risk, which is the exchange rate risk associated with the conversion into euro of items relating to investments in companies whose functional currency is not the euro. At 31 December 2023, however, a significant change in exchange rates would not have a material impact on the Group's consolidated financial statements.

## Spread risk

The following is the result of the sensitivity analysis<sup>299</sup> to spread risk carried out at 31 December 2023 limited to the Financial assets at FVTOCI involving fixed income government bonds:

## Postal and Business Activities - Fair Value Spread Risk

Description (€m)	31 December 2022		31 December 2023		Equity reserves before taxation	
	Risk exposure		Risk exposure			
	Nominal	Fair value	Nominal	Fair value	+100bps	-100bps
Financial assets						
Financial assets at FVTOCI	110	91	110	99	(4)	4
<b>Total</b>	<b>110</b>	<b>91</b>	<b>110</b>	<b>99</b>	<b>(4)</b>	<b>4</b>

<sup>299</sup> For sensitivity purposes, the swap rate curve and the BTP curve were used (10-year swap rate of 250 bps and the spread of the BTP compared to the 10-year swap rate of 121 bps).

## Credit risk

Information on credit risk exposure is presented in the following section only for financial assets other than trade and other receivables and assets subject to impairment provisions, for which information is provided in *Note A8 - Trade receivables* and *Note A9 - Other receivables and assets*.

### Exposure to credit risk

The table below provides an analysis of the exposure at 31 December 2023 of the **Financial Assets** pertaining to the Postal and Business segment for which the General impairment model is used. The analysis shows the exposure by financial asset class by stages. The amounts refer to the gross carrying amount (amortised cost before ECL), unless otherwise indicated, and do not take into account guarantees or other credit enhancements.

#### Postal and Business Activities - Credit Risk - Rating

Description (€m)	from A+ to BBB-		Not rated	Hedge accounting effects	Total
	Stage 1	Stage 2			
<b>2023</b>					
<b>Financial assets at amortised cost</b>					
Gross carrying amount	20	-			20
Provision to cover expected losses	(20)	-			(20)
<b>Total amortised cost at 31 December 2023</b>	<b>(0)</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>
<b>Financial assets at FVTOCI</b>					
Gross carrying amount	101	-	-	-	101
<b>Carrying amount - Fair value at 31 December 2023</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99</b>
<b>2022</b>					
<b>Financial assets at amortised cost</b>					
Gross carrying amount	19	-			20
Provision to cover expected losses	(20)	-			(20)
<b>Total amortised cost at 31 December 2022</b>	<b>(1)</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>Financial assets at FVTOCI</b>					
Gross carrying amount	99	-	-	-	99
<b>Carrying amount - Fair value at 31 December 2022</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91</b>

The **Financial assets** that are relevant to the risk in question refer to financial receivables held by the Parent Company Poste Italiane SpA (RFC) and measured at amortised cost for a gross carrying amount of €20 million, fully written down; as well as fixed income instruments measured at **fair value through other comprehensive income** for a carrying amount of €99 million.

The following table shows an analysis of the counterparty concentration of credit risk by financial asset class.

**Postal and Business Activities - Credit risk - Credit risk concentration**

Description (€m)	31.12.2023		31.12.2022	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Financial assets at amortised cost	24	(20)	23	(20)
Corporate	24	(20)	23	(20)
Financial assets at FVTOCI	101	-	99	-
Sovereign	101	-	99	-
<b>Total</b>	<b>125</b>	<b>(20)</b>	<b>123</b>	<b>(20)</b>

**ECL measurement**

At 31 December 2023, the estimated expected losses on financial instruments related almost exclusively to financial receivables at amortised cost amounting to approximately €20 million. The provision remained unchanged from 31 December 2022.

**Liquidity risk**

The following tables present a comparison of the financial liabilities and assets of the Postal and Business segment at 31 December 2022.

**Postal and Business Activities - Liquidity risk - Liabilities**

Description (€m)	31.12.2023				31.12.2022			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial liabilities	825	2,219	304	3,348	369	1,879	1,081	3,329
Trade payables	1,749	-	-	1,749	1,811	-	-	1,811
Other liabilities	1,264	224	1	1,489	1,284	209	5	1,498
<b>Total Liabilities</b>	<b>3,838</b>	<b>2,443</b>	<b>305</b>	<b>6,586</b>	<b>3,464</b>	<b>2,088</b>	<b>1,086</b>	<b>6,638</b>

In the table above, the expected cash outflows are broken down by maturity. Repayments of principal at nominal value are increased by interest payments calculated, where applicable, on the basis of the yield curve applicable at 31 December 2022.

**Postal and Business Activities - Liquidity risk - Assets**

Description (€m)	31.12.2023				31.12.2022			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial assets	2	122	2	125	35	2	111	149
Trade receivables	1,658	2	-	1,660	1,708	2	-	1,710
Other receivables and assets	378	310	153	842	293	284	182	759
Tax credits Law no. 77/2020 (*)	59	273	137	469	63	247	162	472
Cash and cash equivalents (**)	650	-	-	650	575	-	-	575
<b>Total Assets</b>	<b>2,747</b>	<b>707</b>	<b>292</b>	<b>3,746</b>	<b>2,674</b>	<b>535</b>	<b>455</b>	<b>3,664</b>

(\*) The amount shown in the table also includes receivables for which seizure orders were received from judicial authorities.

(\*\*) shown gross of liquidity elimination



In the case of assets, cash inflows are broken down by maturity, shown at nominal value and increased, where applicable, by interest receivable. Investments include financial instruments held by the Parent Company, shown on the basis of expected cash flows, consisting of principal and interest paid at the various payment dates.

The committed and uncommitted credit lines available to the Group companies belonging to the operating segment in question, and the related uses are summarised in the table below.

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022
<b>Committed credit lines</b>	<b>2,450</b>	<b>2,450</b>
Short-term loans	2,450	2,450
<b>Uncommitted credit lines</b>	<b>2,162</b>	<b>2,120</b>
Short-term loans	960	1,005
Current account overdrafts	185	145
Unsecured loans	1,017	969
<b>Total</b>	<b>4,612</b>	<b>4,570</b>
<b>Uncommitted uses</b>	<b>554</b>	<b>622</b>
Short-term loans	0	1
Unsecured loans	554	621
<b>Total</b>	<b>554</b>	<b>622</b>

No collateral has been provided to secure the credit lines obtained.

At 31 December 2023, the Parent Company had an EMTN - Euro Medium Term Note program of €2.5 billion in place, thanks to which the Group can raise an additional €1.5 billion on the capital market. As part of this programme, the loan with a nominal value of €50 million, privately placed and issued at par on 25 October 2013, was repaid in October 2023.

The existing credit lines and the loans are adequate to meet financing requirements expected to date.

### Cash flow interest rate risk

Within **Financial assets** belonging to the postal and business segment, the interest rate risk on cash flows relates to variable-rate bank deposits held by the Parent Company for approximately €75 million (€110 million at 31 December 2022), while under Financial liabilities it relates to the variable-rate CEB loan taken out by the Parent Company, for which the first tranche of €125 million was disbursed on 28 December 2023. The sensitivity analyses performed at 31 December 2023 do not show any significant effects on the profit/(loss) before tax.

## PAYMENT SERVICES AND CARD PAYMENTS ACTIVITIES

### Foreign exchange risk

Within the Payment Services and Card Payments segment, the **financial assets** exposed to the risk under review refer to the investment held by the company Postepay in Volanté (approximately €7 million at 31 December 2023 and 31 December 2022) and the convertible loan issued by the company Volanté subscribed in 2023 by Postepay and recognised in financial

assets at fair value through profit or loss for approximately €1 million. The sensitivity analyses performed did not reveal any significant effects on the company's profit/(loss) before tax or equity reserves.

### Credit risk

See *Note A8 - Trade receivables* and *Note A9 - Other receivables and assets* for information on credit risk exposure on trade receivables and on other receivables and assets subject to impairment provisions.

The financial assets exposed to risk at 31 December 2023 refer to financial receivables from corporate counterparties, measured at amortised cost, for a gross carrying amount of approximately €32 million in the A+/BBB- rating category and stage 1, and for a gross carrying amount of approximately €27 million in the BB+/C rating category and stage 1. At 31 December 2023, the estimated expected losses on these financial instruments were not significant.

### Liquidity risk

The following tables show the comparison between financial liabilities and assets falling within the Payments and Card payments segment and outstanding at 31 December 2023.

#### Payment Services and Card Payments Activities - Liquidity Risk - Liabilities

Description (€m)	31.12.2023				31.12.2022			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial liabilities	10,275	8	-	10,282	9,342	8	-	9,350
Trade payables	390	-	-	390	307	-	-	307
Other liabilities	84	2	0	85	61	1	-	62
<b>Total Liabilities</b>	<b>10,748</b>	<b>10</b>	<b>0</b>	<b>10,757</b>	<b>9,710</b>	<b>9</b>	<b>-</b>	<b>9,720</b>

In the table above, the expected cash outflows are broken down by maturity. Repayments of principal at nominal value are increased by interest payments calculated, where applicable, on the basis of the yield curve applicable at 31 December 2023.

#### Payment Services and Card Payments Activities - Liquidity Risk - Assets

Description (€m)	31.12.2023				31.12.2022			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial assets	299	0	-	299	198	-	-	198
Trade receivables	155	-	-	155	94	-	-	94
Other receivables and assets	56	2	-	58	51	1	-	51
Cash and cash equivalents (*)	65	-	-	65	172	-	-	172
<b>Total Assets</b>	<b>575</b>	<b>2</b>	<b>-</b>	<b>577</b>	<b>514</b>	<b>1</b>	<b>-</b>	<b>515</b>

(\*) Shown gross of liquidity elimination

In the case of assets, cash inflows are broken down by maturity, shown at nominal value and increased, where applicable, by interest receivable.

At 31 December 2023, the companies in this segment also had credit lines of about €35 million for unsecured loans of around €15 million drawn.

Additional liquidity needs can be met by resorting to credit lines stipulated by the Parent Company, for details of which please refer to the section on liquidity risk of postal and business activities.

No collateral has been provided to secure the credit lines obtained.

The existing credit lines and the loans are adequate to meet financing requirements expected to date.

### Cash flow interest rate risk

As part of the Payment Services and Card Payments segment, the **Financial assets** exposed to the risk in question refer entirely to variable-rate bank deposits held by LIS Pay for a nominal value, at 31 December 2023, of approximately €42 million. The sensitivity analyses performed show that as a result of a parallel shift of +/- 100 bps in the interest rate, the impact on the profit/(loss) before tax would in both cases be positive by about €3 million and about €1 million, respectively.

**QUANTITATIVE INFORMATION - POSTE ITALIANE SPA**

The following is quantitative information on Poste Italiane SpA's exposure to financial risks.

**Fair value interest rate risk****Poste Italiane SpA - Fair value interest rate risk**

Description (€m)	31.12.2022		31.12.2023			
	Risk exposure		Risk exposure		Impact of equity reserves before taxation	
	Nominal	Fair Value	Nominal	Fair Value	+100bps	-100bps
Financial assets attributable to BancoPosta RFC						
Financial assets at FVTOCI	37,489	33,161	34,859	33,069	(1,044)	1,067
Derivative financial instruments	1,564	350	-	-	-	-
Financial assets - Capital outside the ring-fence						
Financial assets at FVTOCI	110	91	110	99	(4)	4
Derivative financial instruments	50	-	-	-	-	-
Financial liabilities attributable to BancoPosta RFC						
Derivative financial instruments	2,968	(96)	-	-	-	-
<b>Total</b>	<b>42,181</b>	<b>33,506</b>	<b>34,969</b>	<b>33,168</b>	<b>(1,048)</b>	<b>1,071</b>

**Financial assets at fair value through other comprehensive income** that relate to the risk under review are composed of fixed income government bonds held by BancoPosta RFC which consist of: fixed-rate securities amounting to €16,192 million, variable-rate securities converted into fixed-rate securities via cash flow hedges interest rate swaps, totalling €3,729 million, variable-rate securities for €1,769 million (of which inflation-linked securities amounting to €1,116 million), and

fixed- or variable-rate bonds converted to variable-rate positions via fair value hedges amounting to €11,478 million (including €4,680 million in forward starts).

At 31 December 2023, with reference to the interest rate risk exposure determined by the average financial duration<sup>300</sup> of the portfolios and relating mainly to BancoPosta RFC, overall investments went from 5.01 to 5.38.

### Price risk

#### Poste Italiane SpA - Price risk

Description (€m)	31.12.2022		31.12.2023			
	Risk exposure	Risk exposure	Impact of Profit/(Loss) before tax		Impact of Equity reserves before taxation	
			+ Vol	- Vol	+ Vol	- Vol
Financial assets attributable to BancoPosta RFC						
Financial assets at FVTPL	40	26	4	(4)	-	-
Financial assets outside ring-fence						
Financial assets at FVTOCI	343	345	-	-	120	(120)
Financial liabilities attributable to BancoPosta RFC						
Derivative financial instruments	(4)	(3)	(3)	3	-	-
<b>Total</b>	<b>379</b>	<b>368</b>	<b>1</b>	<b>(1)</b>	<b>120</b>	<b>(120)</b>

The financial instruments that are relevant to the risk under comment concern:

- **Financial assets at fair value through other comprehensive income** consisting of the shares held by the RFC in Nexi SpA;
- **Financial assets at fair value through profit or loss** and relating to preference shares held by BancoPosta RFC in Visa Incorporated. For the purpose of the sensitivity analysis, the equities are matched with the corresponding amount of the Class A shares, considering the volatility of the shares listed on the NYSE;
- **Derivative financial instruments** related to the forward sale agreement for 95,000 Visa Incorporated ordinary shares. The shares in Moneyfarm Holding Ltd, sender Technologies GmbH, Milkman and Scalapay Limited, classified as **Financial Assets at fair value through other comprehensive income**, and held by RFC are not subject to sensitivity in the above table.

### Foreign exchange risk

#### Poste Italiane SpA - Currency risk

Description (€m)	31.12.2022			31.12.2023						
	Position in USD	Position in GBP	Position in Euro	Position in USD	Position in GBP	Position in Euro	Impact of Profit/(Loss) before tax		Impact of Equity reserves before taxation	
							+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days
Financial assets attributable to BancoPosta RFC										
Financial assets at FVTPL	42	-	40	29	-	26	2	(2)	-	-
Financial assets outside ring-fence										
Financial assets at FVTOCI	-	50	57	-	48	55	-	-	3	(3)
Financial liabilities attributable to BancoPosta RFC										
Derivative financial instruments	(4)	-	(4)	(3)	-	(3)	(2)	2	-	-
<b>Total</b>	<b>38</b>	<b>50</b>	<b>93</b>	<b>26</b>	<b>48</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>(3)</b>

At 31 December 2023, the risk in question concerns:

- the equity investment in Visa Incorporated by BancoPosta RFC and the related derivative financial instrument entered into on the ordinary shares;
- the equity investment in the company MFM Holding Ltd by the RFC.

Below is also the risk concerning the net trading position in DSP<sup>301</sup> held by Poste Italiane SpA and used worldwide for the settlement of trade positions between Postal Operators:

<sup>300</sup> Duration is the indicator used to estimate the percentage change in price in response to a shift in market returns.

**Poste Italiane SpA - Currency risk SDR**

Description (€m)	31.12.2022		31.12.2023		Impact of Profit/(Loss) before tax	
	Position in SDR	Position in EUR	Position in SDR	Position in EUR	+ Vol 260 days	- Vol 260 days
	Current assets in SDRs	167	208	77	94	4
Current liabilities in SDRs	(201)	(251)	(67)	(82)	(3)	3
<b>Total</b>	<b>(34)</b>	<b>(43)</b>	<b>10</b>	<b>12</b>	<b>1</b>	<b>(1)</b>

**Spread risk****Poste Italiane SpA - Fair value spread risk**

Description (€m)	31.12.2022		31.12.2023		Impact of equity reserves before taxation	
	Risk exposure		Risk exposure		+100bps	-100bps
	Nominal	Fair value	Nominal	Fair value		
Financial assets attributable to BancoPosta						
Financial assets at FVTOCI	37,489	33,161	34,859	33,069	(2,993)	3,508
Derivative financial instruments	1,564	350	-	-	-	-
Financial assets outside ring-fence						
Financial assets at FVTOCI	110	91	110	99	(4)	4
Financial liabilities attributable to BancoPosta						
Derivative financial instruments	2,968	(96)	-	-	-	-
<b>Total</b>	<b>42,131</b>	<b>33,506</b>	<b>34,969</b>	<b>33,168</b>	<b>(2,997)</b>	<b>3,512</b>

**Financial assets at fair value through other comprehensive income** that are relevant to the risk in question concern fixed income government securities held mainly by BancoPosta RFC and underwent an overall net increase in fair value of approximately €2,327 million: this change was recognised in profit or loss for an amount of €383 million relating to the change in the fair value of securities hedged against interest rate risk, whilst the change in the fair value of unhedged securities and the spread risk component (not hedged) was reflected in equity for €1,944 million.

For further details on the risk in question, see the section in this paragraph entitled "Quantitative Information - Poste Italiane Group - Financial Activities".

**Credit risk****Exposure to credit risk**

The credit risk exposure at 31 December 2023 of **Financial assets** for which, for the purposes of application of the impairment provisions, the General impairment model is used, is shown below. The analysis shows the exposure by financial asset class by stages. The amounts refer to the gross carrying amount (amortised cost before ECL), unless otherwise indicated, and do not take into account guarantees or other credit enhancements.

<sup>301</sup> Synthetic currency determined by the weighted average of the exchange rates of four major currencies (Euro, US Dollar, British Pound Sterling, Japanese Yen).

## Credit risk - Ratings for BancoPosta RFC

Description (€m)	from AAA to AA-			from A+ to BBB-			from BB+ to C		Not Rated	Hedge accounting effects	Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2			
<b>2023</b>											
<b>Financial assets at amortised cost</b>											
Gross carrying amount	-	-	-	44,289	-	-	-	-	-	-	44,289
Provision to cover expected losses	-	-	-	(23)	-	-	-	-	-	-	(23)
<b>Total amortised cost at 31 December 2023</b>	-	-	-	<b>44,266</b>	-	-	-	-	<b>536</b>	<b>(1,944)</b>	<b>42,858</b>
<b>Financial assets at FVTOCI</b>											
Gross carrying amount	-	-	-	35,512	-	-	-	-	-	-	35,512
Provision to cover expected losses - OCI	-	-	-	(18)	-	-	-	-	-	-	(18)
<b>Carrying amount - Fair value at 31 December 2023</b>	-	-	-	<b>33,069</b>	-	-	-	-	-	-	<b>33,069</b>
<b>2022</b>											
<b>Financial assets at amortised cost</b>											
Gross carrying amount	195	-	-	45,954	-	-	-	-	-	-	46,149
Provision to cover expected losses	-	-	-	(19)	-	-	-	-	-	-	(19)
<b>Total amortised cost at 31 December 2022</b>	<b>195</b>	-	-	<b>45,935</b>	-	-	-	-	<b>566</b>	<b>(2,714)</b>	<b>43,982</b>
<b>Financial assets at FVTOCI</b>											
Gross carrying amount	-	-	-	38,949	-	-	-	-	-	-	38,949
Provision to cover expected losses - OCI	-	-	-	(16)	-	-	-	-	-	-	(16)
<b>Carrying amount - Fair value at 31 December 2022</b>	-	-	-	<b>33,161</b>	-	-	-	-	-	-	<b>33,161</b>

## Credit risk - Ratings for capital outside the ring-fence

Description (€m)	from AAA to AA-			from A+ to BBB-			from BB+ to C		Not Rated	Hedge accounting effects	Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2			
<b>2023</b>											
<b>Financial assets at amortised cost</b>											
Gross carrying amount	-	-	-	434	-	-	-	-	-	-	434
Provision to cover expected losses	-	-	-	(21)	-	-	-	-	-	-	(21)
<b>Total amortised cost at 31 December 2023</b>	-	-	-	<b>413</b>	-	-	-	-	<b>4</b>	-	<b>417</b>
<b>Financial assets at FVTOCI</b>											
Loans	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-
Fixed income instruments	-	-	-	101	-	-	-	-	-	-	101
Gross carrying amount	-	-	-	101	-	-	-	-	-	-	101
Provision to cover expected losses - OCI	-	-	-	-	-	-	-	-	-	-	-
<b>Carrying amount - Fair value at 31 December 2023</b>	-	-	-	<b>99</b>	-	-	-	-	-	-	<b>99</b>
<b>2022</b>											
<b>Financial assets at amortised cost</b>											
Gross carrying amount	-	-	-	386	-	-	-	-	-	-	386
Provision to cover expected losses	-	-	-	(21)	-	-	-	-	-	-	(21)
<b>Total amortised cost at 31 December 2022</b>	-	-	-	<b>365</b>	-	-	-	-	<b>3</b>	-	<b>368</b>
<b>Financial assets at FVTOCI</b>											
Gross carrying amount	-	-	-	99	-	-	-	-	-	-	99
Provision to cover expected losses - OCI	-	-	-	-	-	-	-	-	-	-	-
<b>Carrying amount - Fair value at 31 December 2022</b>	-	-	-	<b>91</b>	-	-	-	-	-	-	<b>91</b>

**Financial assets at amortised cost** that are relevant to the risk in question regard: fixed income instruments held by BancoPosta RFC with a gross carrying amount of €32,360 million, decreased by a total of €1,962 million to take account of the effects of fair value hedges and the related impairment provision; loans and receivables with a gross carrying amount of €12,363 million, including €8,937 million relating to BancoPosta RFC and deriving from Deposits with the MEF and €409 million referring to the RFC and relating to loans and running current accounts receivable from subsidiaries.

**Financial assets at fair value through other comprehensive income** that are relevant to the risk in question concern fixed income instruments held mainly by BancoPosta RFC.

The following table also shows the counterparty concentration of credit risk by financial asset class.

#### Credit risk - Concentration of credit risk

Description (€m)	31.12.2023		31.12.2022	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Financial assets attributable to BancoPosta RFC				
Financial assets at amortised cost	44,289	(23)	46,149	(18)
Sovereign	38,406	(21)	39,327	(17)
Corporate	4,937	(2)	5,354	(1)
Banking	946	-	1,468	-
Financial assets at FVTOCI	35,512	(18)	38,949	(16)
Sovereign	35,512	(18)	38,949	(16)
Corporate	-	-	-	-
Banking	-	-	-	-
Financial assets outside ring-fence				
Financial assets at amortised cost	438	(21)	389	(21)
Sovereign	-	-	-	-
Corporate	438	(21)	389	(21)
Banking	-	-	-	-
Financial assets at FVTOCI	101	-	99	-
Sovereign	101	-	99	-
Corporate	-	-	-	-
Banking	-	-	-	-
<b>Total</b>	<b>80,340</b>	<b>(62)</b>	<b>85,586</b>	<b>(55)</b>

#### Collateral held and other credit enhancements

At 31 December 2023, the Company does not hold financial instruments secured by guarantees or other risk mitigation instruments for which no loss provisions have been made (except for the temporary use of liquidity in repurchase agreements).

For further details on the risk in question and, in particular, on the main types of credit risk mitigation instruments, please refer to the section in this paragraph entitled "Quantitative Information - Poste Italiane Group - Financial Activities".

#### ECL measurement

The following tables show, for **Financial assets**, the reconciliation between the opening and closing balances of the ECL provisions required by IFRS 9.

#### BancoPosta RFC - Credit risk - Details of the provision to cover expected losses on financial instruments of BancoPosta RFC

Description (€m)	Financial assets at amortised cost		Financial assets at FVTOCI	
	Stage 1	Total	Stage 1	Total
<b>Balance at 1 January 2023</b>	<b>19</b>	<b>19</b>	<b>16</b>	<b>16</b>
Impairment of financial instruments in portfolio at the beginning of the period	3	3	3	3
Reversal of financial instruments in portfolio at the beginning of the period	-	-	(1)	(1)
Impairment of financial instruments acquired/disbursed in the period	1	1	3	3
Reversal for write-off	-	-	-	-
Reversal due to sale / collection	-	-	(2)	(2)
<b>Balance at 31 December 2023</b>	<b>23</b>	<b>23</b>	<b>19</b>	<b>19</b>

#### Credit risk - Details of the provision to cover expected losses on financial instruments of Capital outside the ring-fence

Description (€m)	Financial assets at amortised cost		Financial assets at FVTOCI	
	Stage 1	Total	Stage 1	Total
<b>Balance at 1 January 2023</b>	<b>21</b>	<b>21</b>	<b>-</b>	<b>-</b>
Impairment of financial instruments in portfolio at the beginning of the period	-	-	-	-
Reversal of financial instruments in portfolio at the beginning of the period	-	-	-	-
Impairment of financial instruments acquired/disbursed in the period	-	-	-	-
Reversal for write-off	-	-	-	-
Reversal due to sale / collection	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>21</b>	<b>21</b>	<b>-</b>	<b>-</b>

At 31 December 2023, the estimate of expected losses on financial instruments at amortised cost includes €18 million for the provision related to fixed income instruments held by BancoPosta RFC (increased by €5 million compared to 31 December 2022) and €20 million for the provision related to the residual receivable from Invitalia SpA for the sale of Banca del Mezzogiorno-MedioCreditoCentrale SpA (unchanged compared to 31 December 2022).



At 31 December 2023, estimated expected losses on financial instruments measured at fair value through other comprehensive income amount to €19 million and concern the provision relating to government bonds held mainly by BancoPosta RFC.

### Liquidity risk

A comparison between liabilities and assets at 31 December 2023 is shown below:

#### Liquidity risk - Liabilities

Description (€m)	31.12.2023				31.12.2022			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial liabilities attributable to BancoPosta RFC	41,461	21,702	30,913	94,076	49,200	23,062	30,815	103,077
Financial Liabilities outside ring-fence	2,117	2,006	249	4,372	1,598	1,674	1,024	4,296
Trade payables	1,967	-	-	1,967	1,970	-	-	1,970
Other liabilities	1,436	1,925	1	3,362	1,456	1,903	5	3,364
<b>Total Liabilities</b>	<b>46,981</b>	<b>25,633</b>	<b>31,163</b>	<b>103,777</b>	<b>54,224</b>	<b>26,639</b>	<b>31,844</b>	<b>112,707</b>

The above table shows expected cash outflows, broken down by maturity and payables deriving from postal current accounts classified under Financial liabilities of BancoPosta RFC, represented on the basis of the statistical/econometric model that forecasts the interest rates and maturities typical of postal current accounts. Repayments of principal at nominal value are increased by interest payments calculated, where applicable, on the basis of the yield curve applicable at 31 December 2023.

#### Liquidity risk - Assets

Description (€m)	31.12.2023				31.12.2022			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial assets attributable to BancoPosta RFC	20,050	19,144	76,135	115,329	24,401	19,303	80,653	124,357
Financial assets outside ring-fence	80	209	552	841	45	90	643	778
Trade receivables	2,774	1	-	2,775	2,656	1	-	2,657
Other receivables and assets	982	1,784	17	2,783	832	1,775	21	2,628
Tax credits Law 77/2020 <sup>(1)</sup>	1,760	5,178	2,378	9,316	1,569	5,514	3,134	10,217
Cash and deposits attributable to BancoPosta	4,671	-	-	4,671	5,848	-	-	5,848
Cash and cash equivalents	1,222	-	-	1,222	2,258	-	-	2,258
<b>Total Assets</b>	<b>31,539</b>	<b>26,316</b>	<b>79,082</b>	<b>136,937</b>	<b>37,609</b>	<b>26,683</b>	<b>84,451</b>	<b>148,743</b>

<sup>(1)</sup>The amount shown in the table also includes claims for which seizure orders have been received amounting to approximately €530 million

In the case of assets, cash inflows are broken down by maturity, shown at nominal value and increased, where applicable, by interest receivable. Investments include financial instruments held mainly by BancoPosta RFC, shown on the basis of expected cash flows, consisting of principal and interest paid at the various payment dates.

Poste Italiane SpA's liquidity risk is mainly attributable to funding from BancoPosta RFC in postal current accounts and prepaid cards<sup>302</sup> (€73,011 million) and the related investment in euro-government and/or Italian government-guaranteed securities (€100,242 million), margining inherent in derivative transactions, and tax credits acquired with reference to the Decreto Rilancio no. 34/2020 (later converted into Law no. 77 of 17 July 2020). The potential risk derives from a mismatch between the maturities of investments in securities and those of liabilities, represented by current accounts where the funds are available on demand, thus compromising the ability to meet its obligations to current account holders. For the monitoring of this mismatch, see the section in this paragraph entitled "Quantitative Information - Poste Italiane Group - Financial Activities".

In addition, in order to meet any liquidity needs, information on the committed and uncommitted credit lines available to the Company, as well as their utilisation, is presented below:

<sup>302</sup> Since 1 October 2018, prepaid cards are the responsibility of Postepay SpA. The liquidity raised through these cards is transferred to BancoPosta, which invests the funds raised in euro area government bonds or bonds guaranteed by the Italian State. As such, for the purposes of specific risk analyses, the rationales related to each model underlying the different types of deposit inflow continue to apply.

Description (€m)	Balance at 31.12.2023	Balance at 31.12.2022
<b>Committed credit lines</b>	<b>2,450</b>	<b>2,450</b>
Short-term loans	2,450	2,450
<b>Uncommitted credit lines</b>	<b>2,080</b>	<b>2,035</b>
Short-term loans	960	1,005
Current account overdrafts	184	144
Unsecured loans	936	886
<b>Total</b>	<b>4,530</b>	<b>4,485</b>
<b>Committed uses</b>	-	-
Short-term loans	-	-
<b>Uncommitted uses</b>	<b>525</b>	<b>588</b>
Short-term loans	-	-
Unsecured loans (*)	525	588
<b>Total</b>	<b>525</b>	<b>588</b>

(\*) At 31 December 2023, unsecured loans were used for €320 million on behalf of Poste Italiane SpA and for €205 million on behalf of Group companies.

No collateral has been provided to secure the credit lines available.

At 31 December 2023, no committed and uncommitted credit lines were used for short-term financing.

The uncommitted credit lines are also available for overnight transactions entered into by BancoPosta RFC. In addition, from 5 December 2023, it may access a 3-year committed facility granted by Cassa Depositi e Prestiti for repurchase agreements up to a maximum of €3 billion, undrawn at 31 December 2023. Finally, the Bank of Italy has granted BancoPosta RFC access to intraday credit in order to fund intraday interbank transactions. Collateral for this credit facility is provided by securities with a nominal value of €2,758 million, undrawn at 31 December 2023. For further details, see the section in this paragraph entitled "Quantitative Information - Poste Italiane Group - Financial Activities".

Lastly, at 31 December 2023, Poste Italiane SpA had an EMTN - Euro Medium Term Note programme of €2.5 billion in place, thanks to which can raise an additional €1.5 billion on the capital market. As part of this programme, the loan with a nominal value of €50 million, privately placed and issued at par on 25 October 2013, was repaid in October 2023.

**Cash flow interest rate risk****Poste Italiane SpA - Cash flow interest rate risk**

Description (€m)	31.12.2022		31.12.2023	
	Risk exposure		Risk exposure	
	Nominal		Impact of Profit/(Loss) before tax	
		Nominal	+100 bps	-100 bps
Financial assets attributable to BancoPosta RFC				
Financial assets at amortised cost	22,479	16,616	166	(166)
Financial assets at FVTOCI	10,540	8,895	89	(89)
Financial assets outside ring-fence				
Financial assets at amortised cost	362	403	4	(4)
Financial assets at FVTOCI	-	-	-	-
Cash and deposits attributable to BancoPosta	1,888	762	8	(8)
Cash and cash equivalents	2,104	950	9	(9)
Financial liabilities attributable to BancoPosta RFC				
Loans	(3,996)	(3,996)	(40)	40
Other financial liabilities	(4,824)	(2,831)	(28)	28
Financial Liabilities outside ring-fence				
Loans	-	(125)	(1)	1
Financial liabilities due to subsidiaries	(1,281)	(1,340)	(13)	13
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>27,272</b>	<b>19,334</b>	<b>194</b>	<b>(194)</b>

In detail, the financial instruments relevant to the risk under comment mainly concern:

- Receivables classified as **Financial assets at amortised cost** totalling €17,019 million, of which: €1,223 million for guarantee deposits pledged as collateral for derivative liabilities and repurchase agreements held by BancoPosta RFC; €8,937 million for the investment of liquidity from deposits in postal current accounts held by the Public Administration with the MEF; €403 million for loans and current accounts receivable from subsidiaries relating to the RFC;
- Fixed income government securities held by BancoPosta RFC, of which €6,456 million classified as **Financial assets at amortised cost** and €8,895 million classified as **Financial assets at fair value through other comprehensive income**. In particular, the following are relevant to the risk in question: variable-rate securities for a nominal total of €650 million, fixed-rate securities converted to variable-rate positions through fair value hedges, with a total nominal amount of €12,306 million (including €1,964 million in securities with fair value hedges, where the hedges will begin to have an effect in the 12 months after the end of the period under review) and an inflation-linked bond issued by the Italian Republic, with a nominal value of €2,395 million, subject to a fair value hedge;
- **Cash and cash equivalents** including €873 million for the deposit held with the MEF on the operating current account known as the "Buffer" account;
- Loans classified as **financial liabilities of BancoPosta RFC** that are hedged against interest rate risk through fair value hedges.

## Cash flow inflation risk

### Poste Italiane SpA - Cash flow inflation rate risk

Description (€m)	31.12.2022		31.12.2023					
	Risk exposure		Risk exposure		Impact of Profit/(Loss) before tax		Impact of Equity reserves before taxation	
	Nominal	Carrying amount	Nominal	Carrying amount	+100bps	-100bps	+100bps	-100bps
Financial assets attributable to BancoPosta RFC								
Financial assets at FVTOCI	730	775	1,009	1,116	-	-	-	-
Financial assets at amortised cost	292	335	292	328	-	-	-	-
<b>Total</b>	<b>1,022</b>	<b>1,110</b>	<b>1,301</b>	<b>1,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

At 31 December 2023, cash flow inflation risk relates to inflation-linked government securities not subject to cash flow hedges or fair value hedges and are held entirely by BancoPosta RFC.

## 7. FAIR VALUE OF FINANCIAL INSTRUMENTS

### 7.1 FAIR VALUE MEASUREMENT TECHNIQUES

The Poste Italiane Group has adopted a fair value policy, setting out the general principles and rules to be applied in determining fair value for the purposes of preparing the financial statements, conducting risk management assessments and supporting the market transactions carried out by the Finance departments of the various Group entities. The general principles for measuring financial instruments at fair value have not changed since 31 December 2022, except for appropriate additions to include models to support the fair value measurement of new types of financial instruments held by Net Group companies acquired during the financial year 2023. These general principles have been identified in compliance with the indications from the reference accounting standards and from the various Regulators (banking and insurance), ensuring uniformity in the valuation techniques adopted within the Group. The methods used have been revised, where necessary, to take into account developments in operational procedures and in market practices during the year.

In compliance with **IFRS 13 - Fair Value Measurement**, the following section provides information regarding the techniques used to measure the fair value of financial instruments within the Poste Italiane Group.

The assets and liabilities concerned (specifically assets and liabilities measured at fair value and measured at cost or amortised cost, for which fair value is required to be disclosed in the notes) are classified with reference to a hierarchy that reflects the materiality of the sources used for their valuation.

The hierarchy consists of 3 levels.

**Level 1:** this level is comprised of fair values determined with reference to unadjusted prices quoted in active markets for identical assets or liabilities to which the entity has access on the measurement date. For the Poste Italiane Group the following categories of financial instrument apply:

#### Bonds quoted on active markets:

- **Bonds issued by EU government bodies or non-government bodies:** the measurement is based on bid prices, according to a hierarchy of sources where the MTS (the wholesale electronic market for government securities) ranks first, MILA (Milan Stock Exchange) second, for bonds intended primarily for retail customers, and lastly, CBBT (Composite Bloomberg Price);
- **Financial liabilities:** measurement is based on the ask prices quoted by CBBT (Composite Bloomberg Bond Trader).

**Equity securities and ETFs (Exchange Traded Funds) quoted on active markets:** the valuation is made considering the price resulting from the last contract traded on the day on the relevant stock exchange.

**Quoted open-end investment funds:** measurement is based on the daily closing market price as provided by Bloomberg or the fund manager. Level 1 bond price quotations incorporate a credit risk component. Exchange rates published by the European Central Bank are used in determining the value of financial instruments denominated in currencies other than the euro.

**Level 2:** this level is comprised of fair values based on inputs other than Level 1 quoted market prices that are either directly or indirectly observable for the asset or liability<sup>303</sup>. For the Poste Italiane Group the following categories of financial instrument apply:

**Bonds either quoted on inactive markets or not at all:**

- **Straight Italian and international government and non-government bonds:** valuation is based on discounted cash flow techniques involving the computation of the present value of future cash flows, inputting rates from yield curves incorporating spreads reflecting credit risk that are based on spreads determined with reference to quoted and liquid benchmark securities issued by the issuer, or by other companies with similar characteristics to the issuer. Yield curves may be slightly adjusted to reflect liquidity risk relating to the absence of an active market.
- **Structured bonds:** valuation is based on a building block approach, entailing decomposition of a structured position into its basic components: the bond and option components. The bond component is measured by discounting cash flows to present value in line with the approach applicable to straight bonds, as defined above. The option component - which considering the features of the bonds included in the portfolio of the Poste Italiane Group relates to interest rate risk - is measured in accordance with a standard closed form expression as with classical option valuation models with underlyings exposed to such risks.

**Unquoted equities:** this category may be included here provided it is possible to use the price of quoted equities of the same issuer as a benchmark. The price inferred in this manner would be adjusted through the application of the discount, quoted by primary market counterparties, which represents the implicit cost in the process to align the value of the unquoted shares to the quoted ones.

**Unquoted open-end investment funds:** measurement is based on the latest available NAV (Net Asset Value) as provided by Bloomberg or as determined by the fund manager.

**Derivative financial instruments:**

- Interest Rate Swaps:  
**Plain vanilla interest rate swaps:** valued using discounted cash flow techniques, involving the computation of the present value of future differentials between the receiver and payer legs of the swap. The construction of yield curves to estimate future cash flows indexed to market parameters (money market rates and/or inflation) and computation of the present value of future differentials are carried out using techniques commonly used in capital markets.

**Interest rate swaps with an embedded option:** valuation is based on a building block approach, entailing decomposition of a structured position into its basic components: the linear and option components. The linear component is measured using the discounted cash flow techniques described for plain vanilla interest rate swaps above. Using the financial derivatives held in Poste Italiane's portfolio as an example, the option component is derived from interest rate or inflation rate risks and is valued using a closed form expression, as with classical option valuation models with underlyings exposed to such risks.

<sup>303</sup> Given the nature of Poste Italiane Group's operations, the observable data used as input to determine the fair value of the various instruments include, for example, quoted prices provided by third parties (pricing or brokerage services), yield and inflation curves, exchange rates provided by the European Central Bank, ranges of rate volatility, inflation option premiums, interest rate swap spreads or credit default spreads which represent the creditworthiness of specific counterparties and any liquidity adjustments quoted by primary market counterparties.

- **Bond forwards:** valuation is based on the present value of the differential between the forward price of the underlying instrument as of the measurement date and the settlement price.
- **Warrants:** considering the features of the securities held, measurement is based on the equity local volatility model. In particular, considering that buyback agreements have been entered into with the counterparties that structured these warrants, and that such counterparties use valuation models consistent with those used by the Group, these instruments are measured on the basis of the bid price quoted by the counterparties.
- **Currency forwards:** valuation is based on the differential between the reciprocal currency registered at the measurement date and the reciprocal currency fixed at the trade date.

The financial derivatives held in Poste Italiane's portfolio may be pledged as collateral and the fair value, consequently, need not be adjusted for counterparty risk. The yield curve used to compute present value is selected to be consistent with the manner in which cash collateral is remunerated. This approach is also followed for security in the form of pledged debt securities, given the limited level of credit risk inherent in the securities held as collateral by the Poste Italiane Group.

In the rare instances where collateral agreements do not substantially reduce counterparty risk, measurement takes place by discounting to present value the cash flows generated by the securities held as collateral, using as the input a yield curve that reflects the spread applicable to the issuer's credit risk. Alternatively, use is made of fair value to calculate the CVA/DVA (Credit Valuation Adjustment / Debit Valuation Adjustment), in relation to the main technical and financial characteristics of the agreements and the counterparty's probability of default.

**Reverse Repos:** are valued using discounted cash flow techniques involving the computation of future contractual cash flows. These instruments may also be used for collateral and in such cases fair value need not be adjusted for the counterparty's credit risk.

**Fixed-rate and variable-rate loans:** the measurement is carried out using discounted cash flow techniques. The counterparty's credit spread is considered through:

- use of the Italian government yield curve or the credit default swap (CDS) of the Italian Republic, in the case of Italian government agencies;
- use of quoted CDS yield curves or, if not available, the adoption of "synthetic" CDS yield curves represented by the counterparty's rating, as constructed starting from the input data observable on the market;
- use of yield curves based on the specific issuer's quoted bond prices.

**Financial liabilities either quoted on inactive markets or not at all:**

- **Straight bonds:** these are measured by discounting their future cash flows using as input a yield curve reflecting the spread applicable to the issuer's credit risk;
- **Structured bonds:** valuation is based on a building block approach, entailing decomposition of a structured position into its basic components: the bond and option components. The bond component is measured by discounting cash flows to present value in line with the approach applicable to straight bonds, as defined above. The option component attributable to interest rate risk which, considering the features of the bonds issued by companies in the Poste Italiane Group, is measured in accordance with a standard closed form expression as with classical option valuation models with underlyings exposed to such risks.
- **Borrowings:** these are measured by discounting their future cash flows using as input a yield curve reflecting the spread applicable to the credit risk.
- **Repurchase agreements:** are valued using discounted cash flow techniques involving the computation of future contractual cash flows. Repos may also be used for collateral and in such cases fair value need not be adjusted for the counterparty's credit risk.

**Level 3:** this category includes the fair value measurement of assets and liabilities using inputs which cannot be observed, in addition to Level 2 inputs. For the Poste Italiane Group the following categories of financial instrument apply:

**Fixed-rate and variable-rate loans:** the measurement is carried out using discounted cash flow techniques. The counterparty's credit spread is set according to best practices, by using the probability of default and transition matrices created by external information providers and loss given default parameters determined by prudential regulations for banks or in accordance with market standards.

**Closed-end unquoted funds:** these include funds that invest mainly in unquoted instruments. Their fair value is determined by considering the latest NAV (Net Asset Value), available at least every six months, reported by the fund manager. This NAV is adjusted according to the capital calls and reimbursements announced by the managers which occurred between the latest NAV date and the valuation date.

**Investment property (excluding former service accommodation) and inventories of properties held for sale:** The fair value of both investment property and inventories has been determined mainly by discounting to present value the cash flows expected to be generated by the rental agreements and/or proceeds from sales, net of related costs. The process uses a discount rate that considers analytically the risks typical of the property.

**Investment property (former service accommodation):** The value of this investment property is determined on the basis of the applicable law (Law 560 of 24 December 1993), which sets the selling price in case of sale to the tenant or the minimum selling price if the property is sold through a public auction.

**Unquoted equity instruments:** this category includes shares for which no price is observable directly or indirectly in the market. Measurement of these instruments is based on the price of quoted equities of the same issuer as a benchmark. The price inferred in this manner would be adjusted through the application of the discount implicit in the process to align the value of the unquoted shares to the quoted ones. In the specific case of equity instruments relating to unlisted companies at the "start-up" phase, by contrast the fair value is determined by considering the implicit valuation at the time of acquisition, adjusted by value adjustments to take account of any changes in price resulting from significant transactions<sup>304</sup> observable on the market in the 12 months prior to the reporting date. Alternatively, and in the absence of significant transactions, the fair value of the share is determined using alternative methods (verification of financial data that can be inferred from the company's Business Plans if available and analysis of the company's performance, multiple market use, etc.).

**Tax credits Law no. 77/2020:** this category includes credits acquired with reference to the relaunch decree no. 34/2020 (later converted into Law no. 77 of 17 July 2020) for which no directly or indirectly observable market prices are available. For this type of instrument, the method of determining fair value involves the application of the discounted cash flow valuation technique, which consists of discounting cash flows to maturity using the yield curve constructed by adding to the risk-free rate curve the extra yield calculated starting from the price at the date of purchase of the receivables. The spread remains fixed for the life of the instrument.

**Forwards on unquoted equities:** for these instruments, the valuation of the counterparty is recalculated by discounting the difference between the forward price of the equity security underlying the derivative updated to the valuation date and the settlement price.

**Equity held in co-operative banks:** this category includes shares that have been admitted to the Hi-MTF market (Vorvel) in light of Consob Communication no. 92492 of 1/10/2016 "*Recommendation on the distribution of financial instruments through a multilateral trading facility*" as well as following the changes introduced by Directive 2014/65/EU of 15 May 2014

<sup>304</sup> A significant transaction in this context is defined as a minimum investment of €10 million or at least 5% of the share capital of the investee entity over the last twelve months from the reporting date.

(MiFID II) and EU Regulation no. 600/2014 (MiFIR). For these equity instruments, the alternative model of "Hi-MTF market transactions" was adopted, which:

- uses the price of the last available transaction on the Hi-MTF market, provided there are at least two transactions per month over a 3-month horizon;
- applies a liquidity discount on the price equal to a maximum of between zero and the ratio between the value of the position held by the Group and the accumulated value of all transactions in the last 6 months, minus one.

**Alternative and Level 3 Funds:** this category includes quoted and unquoted open-ended funds that cannot be categorised as Level 2 and all alternative funds. The fair value of these Funds is represented by the NAV, based on the value of the underlying assets, adjusted if necessary on the basis of the internal control system

## 7.2 FAIR VALUE HIERARCHY

The following table shows an analysis of financial instruments measured at fair value at 31 December 2023, classified by level in the fair value hierarchy.

### Fair value hierarchy

Description (€m)	31.12.2023				31.12.2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets at FVTOCI	136,848	2,447	299	139,594	122,170	7,913	152	130,235
Equity instruments	345	0	204	549	343	0	110	453
Fixed income instruments	136,503	2,447	95	139,046	121,827	7,411	42	129,280
Other investments	-	-	-	-	-	502	-	502
Financial assets at FVTPL	4,441	35,892	7,873	48,205	4,996	30,335	8,170	43,501
Receivables	-	-	-	-	-	-	110	110
Equity instruments	482	3	27	512	258	26	20	304
Fixed income instruments	2,440	120	3	2,564	2,139	146	-	2,285
Other investments	1,519	35,768	7,843	45,129	2,599	30,163	8,040	40,802
Derivative financial instruments	-	4,257	-	4,257	-	6,110	-	6,110
<b>Total</b>	<b>141,289</b>	<b>42,596</b>	<b>8,172</b>	<b>192,056</b>	<b>127,166</b>	<b>44,358</b>	<b>8,323</b>	<b>179,846</b>
Financial liabilities								
Financial liabilities at fair value	-	-	-	-	-	-	-	-
Derivative financial instruments	(0)	(1,136)	(3)	(1,138)	(0)	(971)	(4)	(975)
<b>Total</b>	<b>(0)</b>	<b>(1,136)</b>	<b>(3)</b>	<b>(1,138)</b>	<b>(0)</b>	<b>(971)</b>	<b>(4)</b>	<b>(975)</b>

Transfers between levels 1 and 2, relating entirely to the Poste Vita insurance group, are shown below:

### Transfers from Level 1 to Level 2

Description (€m)	31.12.2023		31.12.2022	
	Level 1	Level 2	Level 1	Level 2
<b>Transfers of financial assets</b>	<b>(1,666)</b>	<b>1,666</b>	<b>(1,270)</b>	<b>1,270</b>
Financial assets at FVTOCI				
Equity instruments	-	-	-	-
Fixed income instruments	(137)	137	(583)	583



Structured bonds	-	-	-	-
Other investments	-	-	-	-
Financial assets at FVTPL				
Receivables	-	-	-	-
Equity instruments	(1)	1	(6)	6
Fixed income instruments	(43)	43	(66)	66
Structured bonds	-	-	-	-
Other investments	(1,484)	1,484	(613)	613
<b>Transfers of financial liabilities</b>	-	-	-	-
Financial liabilities at fair value	-	-	-	-
Derivative financial instruments	-	-	-	-
<b>Net transfers from Level 1 to Level 2</b>	<b>(1,666)</b>	<b>1,666</b>	<b>(1,270)</b>	<b>1,270</b>

Reclassifications from level 1 to level 2 relate to financial instruments whose value, at 31 December 2023, is not observable in a liquid and active market, as defined in the Group's Fair Value Policy. Reclassifications from level 2 to level 1, on the other hand, relate to financial instruments whose value, at 31 December 2023, is observable in a liquid and active market.

**Movements in level 3** during the year are shown below:

### Changes in financial instruments - level 3

Description (€m)	Financial assets			Total
	Financial assets at FVTOCI	Financial assets at FVTPL	Derivative financial instruments	
<b>Balance at 1 January 2023</b>	<b>153</b>	<b>8,170</b>	<b>-</b>	<b>8,323</b>
Purchases/Issues	27	687	-	714
Sales/Extinguishment of initial accruals	(27)	(482)	-	(509)
Redemptions	-	-	-	-
Changes in fair value through profit or loss	-	(76)	-	(76)
Changes in fair value through equity	(7)	-	-	(7)
Transfers to profit or loss	-	-	-	-
Gains/Losses in profit or loss due to sales	-	-	-	-
Transfers to level 3	66	13	-	79
Transfers to other levels	(16)	(461)	-	(477)
Changes in amortised cost	-	0	-	0
Write-off	(0)	(0)	-	(1)
Other changes (including accruals at end of period)	93	0	-	93
Change in scope	11	22	-	32
<b>Balance at 31 December 2023</b>	<b>299</b>	<b>7,873</b>	<b>-</b>	<b>8,172</b>

Financial instruments classified in level 3 are held primarily by Poste Vita SpA and, to a residual extent, by Poste Italiane SpA, PostePay SpA, and the companies Net Life and Net Insurance.

In the case of the Group's insurance company, instruments in level 3 regard funds that invest primarily in unquoted instruments, whose fair value measurement is based on the latest available NAV (Net Asset Value) as announced by the fund manager. This NAV is adjusted according to the capital calls and reimbursements announced by the managers and occurring between the latest NAV date and the measurement date. These financial instruments primarily consist of investments in private equity funds and, to a lesser extent, real estate funds associated entirely with Class I products

related to separately managed accounts. Movements during the period regard the purchase of new investments, redemptions of units of unquoted close-end funds and changes in fair value during the period.

At 31 December 2023, in compliance with both the aforementioned fair value guidelines of the Poste Italiane Group and additional requirements contained in the additional guidelines approved by the Poste Vita's Board of Directors on 15 December 2021, approximately €461.3 million of financial instruments were reclassified from level 3 fair value to level 2 fair value, referring mainly to class III UCITS reclassified following the analyses carried out from a look-through perspective.

## Poste Italiane SpA

For the sake of completeness, the following table shows an analysis of financial instruments of Poste Italiane SpA measured at fair value at 31 December 2023, classified by level in the fair value hierarchy.

### Fair value hierarchy

Description (€m)	31.12.2023				31.12.2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets attributable to BancoPosta RFC	32,901	4,425	26	37,352	33,017	6,274	20	39,311
Financial assets at FVTOCI	32,901	168	-	33,069	33,017	144	-	33,161
Fixed income instruments	32,901	168	-	33,069	33,017	144	-	33,161
Financial assets at FVTPL	-	-	26	26	-	20	20	40
Equity instruments	-	-	26	26	-	20	20	40
Derivative financial instruments	-	4,257	-	4,257	-	6,110	-	6,110
Financial assets outside ring-fence	444	-	201	645	434	-	103	537
Financial assets at FVTOCI	444	-	192	636	434	-	103	537
Fixed income instruments	99	-	-	99	91	-	-	91
Equity instruments	345	-	192	537	343	-	103	446
Financial assets at FVTPL	-	-	9	9	-	-	-	-
Convertible bond loan	-	-	9	9	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
<b>Total assets at fair value</b>	<b>33,345</b>	<b>4,425</b>	<b>227</b>	<b>37,997</b>	<b>33,451</b>	<b>6,274</b>	<b>123</b>	<b>39,848</b>
Financial liabilities attributable to BancoPosta RFC	-	(1,136)	(2)	(1,138)	-	(971)	(4)	(975)
Derivative financial instruments	-	(1,136)	(2)	(1,138)	-	(971)	(4)	(975)
Financial Liabilities outside ring-fence	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
<b>Total liabilities at fair value</b>	<b>-</b>	<b>(1,136)</b>	<b>(2)</b>	<b>(1,138)</b>	<b>-</b>	<b>(971)</b>	<b>(4)</b>	<b>(975)</b>

There were no transfers of the related financial instruments measured at fair value on a recurring basis between Level 1 and Level 2 in the year under review.

**Movements in level 3** during the year are shown below:

### Changes in financial instruments - level 3

Description (€m)	Financial assets		Total
	Financial assets at FVTOCI	Financial assets at FVTPL	
<b>Balance at 1 January 2023</b>	<b>103</b>	<b>20</b>	<b>123</b>
Purchases/Issues	3	9	12
Changes in fair value through profit or loss	-	6	6
Changes in fair value through equity	(7)	-	(7)
Other changes (including accruals at end of period)	93	-	93
<b>Balance at 31 December 2023</b>	<b>192</b>	<b>35</b>	<b>227</b>

The financial instruments classified in level 3 are mainly held by the RFC. Specifically, changes during the year mainly relate to the purchase of an additional share of sender Technologies GmbH, for a total of €93 million, classified as a financial asset at fair value through other comprehensive income, and the subscription, for approximately €8.5 million, of

a portion of the convertible bond issued by sender Technologies GmbH and classified as a financial asset at fair value through profit or loss.

## 8. HEDGING TRANSACTIONS

Below is a description of the hedging transactions entered into by the Poste Italiane Group, as distinguished between fair value hedges and cash flow hedges, which are accounted for as per IAS 39 – *Financial Instruments: Recognition and Measurement*. The fair value hedges and cash flow hedges described below refer mainly to fixed income instruments or inflation-linked securities in relation to BancoPosta operations.

### Hedging transactions - Fair value hedges

#### Hedging transactions on fixed income and inflation-linked government bonds

The Poste Italiane Group has a government bond portfolio – made up of fixed-rate BTPs and inflation-linked BTPs – subject to movements in fair value due to changes in interest rates and in the inflation rate.

To limit the effects of interest rates on fair value, BancoPosta RFC enters into Over the Counter (OTC) interest rate swaps to hedge the fair value of the bonds held in the portfolio. The objective of these transactions is to have instruments that can offset changes in fair value of the portfolio due to interest rate fluctuations and the rate of inflation. The credit risk of the Italian Republic is not hedged and is set for the duration of the swap.

Full hedges and partial hedges are implemented, with the start date equal to the date of purchase of the instrument (swap spot start) and after the purchase of the instrument (swap forward start), respectively.

The Group evaluates the effectiveness of every hedging relationship in offsetting movements in fair value through a retrospective effectiveness test and a prospective effectiveness test<sup>305</sup>, using the approaches illustrated in the following notes.

The retrospective effectiveness test is run by utilising the "dollar offset approach through the hypothetical derivative"<sup>306</sup>. With this approach, consideration is given to the hedge ratio of the change in fair value of the actual derivative to the change in fair value of the hypothetical derivative occurred between inception and the valuation date. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%. The hypothetical derivative and the actual hedging instrument have a settlement date consistent with the hedge inception (spot or forward start) and differ solely in their spread which is considered, as already indicated, the main source of ineffectiveness<sup>307</sup>. The partial

<sup>305</sup> IAS 39 requires two effectiveness tests:

- prospective effectiveness test: attests that the hedging relationship is expected to be highly effective in future periods;
  - retrospective effectiveness test: attests that the hedging relationship has been effective from inception to the reporting date.
- For a hedge to be effective, the prospective effectiveness test must show that the hedge is highly effective in offsetting fair value or cash flow movements attributable to the hedged instrument during the designation period, while the result of the retrospective test must show offset ratios ranging from 80% to 125%.

A hedge can be ineffective when the hedging instrument and the hedged item: are in different currencies; have different maturities; use different underlying interest rates; are exposed to different counterparty risks; and when the derivative is not equal to zero at inception.

<sup>306</sup> The dollar offset approach is a quantitative method that involves a comparison between movements in the fair value or cash flow of the hedging instrument and the movements in the fair value or cash flow of the hedged instrument attributable to the risk hedged. Depending on the policy selected, this approach can be used:

- on a cumulative basis, by observing the performance of the hedge since inception;
- on a periodic basis, by comparing the hedge performance with that of the last test.

The dollar offset approach can be implemented through a hypothetical derivative, that is by constructing a theoretical derivative to compare the relevant theoretical movements in fair value or cash flow with those of the hedged instrument (actual derivative).

<sup>307</sup> For the hypothetical derivative use is made of the mid-market spread, which makes the present value at the settlement date equal to 0, and for the actual derivative the interest rate agreed upon with the counterparty.

ineffectiveness of the hedge, equal to the difference between the changes in value of the two derivatives (hypothetical and actual) represents the net effect of the hedge recognised separately in profit or loss.

For the purposes of the prospective effectiveness test, different approaches have been adopted, depending on the characteristics of the hedging instrument. Specifically:

- the "Critical terms<sup>308</sup>" approach for swap spot start, for which it has been determined at inception that the characteristics of the fixed leg make it possible to replicate exactly the fixed cash flows generated by the hedged item;
- the "Dollar offset through the hypothetical derivative" approach for forward start swaps and forward sales of the subsidiary Poste Vita, for which the prospective effectiveness test is performed by calculating the hedge ratio between the change in fair value of the hypothetical derivative and the change in fair value of the actual derivative<sup>309</sup>. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%.

With respect to the Poste Vita Group, forward sales expired in 2021 and were entered into in order to preserve, following unexpected changes in interest rates and/or credit risk, unrealised gains on government bonds of the Separately Managed Account Posta ValorePiù. The maturity of these positions was set to take into account the mismatch of cash flows between the portfolio of financial assets and liabilities.

#### Hedging on repurchase agreements

The Poste Italiane Group carries out transactions in repurchase agreements, on euro-government securities or with the guarantee of the Italian state for various purposes, including to invest in government bonds, to meet liquidity needs arising from the dynamics of funding on current accounts, to actively manage the treasury position and to manage guarantee deposits for collateralisation transactions. These transactions are mainly fixed-rate transactions and are therefore exposed to changes in fair value due to fluctuations in interest rates.

To limit the effects of interest rates on fair value, the Group enters into Over the Counter (OTC) interest rate swaps (fair value hedges) designated as specific hedges of repurchase agreements in the portfolio.

The Group evaluates the effectiveness of every hedging relationship in offsetting movements in fair value through a retrospective effectiveness test and a prospective effectiveness test, using the approaches illustrated in the following notes. The retrospective effectiveness test is run by utilising the "dollar offset approach through the hypothetical derivative". With this approach, consideration is given to the hedge ratio of the change in fair value of the actual derivative to the change in fair value of the hypothetical derivative occurred between inception and the valuation date. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%. The hypothetical derivative and the actual derivative have a settlement date consistent with the hedge inception and differ solely in their fixed rate component which is considered the main source of ineffectiveness<sup>310</sup>. The partial ineffectiveness of the hedge, equal to the difference between the changes in value of the two derivatives (hypothetical and actual) represents the net effect of the hedge recognised separately in profit or loss.

<sup>308</sup> The critical terms approach involves a comparison between the critical terms of the hedging instrument with those of the hedged item. The hedging relationship is highly effective when all the critical terms of the two instruments match perfectly and there are no features or options that might invalidate the hedge. Critical terms include, for example: notional amount of the derivative and principal of the underlying, credit risk, timing, currency of the cash flows.

<sup>309</sup> Calculated by assuming a parallel shift of +/- 100 bps of the yield curves.

<sup>310</sup> Hedging is performed by defining the variable-rate component simply linked to the Euribor and the fixed-rate component incorporating market conditions. The hypothetical derivative uses the fixed rate at the market mid which makes the present value at the settlement date equal to 0, while the actual derivative uses the rate agreed upon with the counterparty.

For the purposes of the prospective effectiveness test, the Group adopts the "dollar offset approach through the hypothetical derivative", performed by calculating the hedge ratio between the change in fair value of the hypothetical derivative and the change in fair value of the actual derivative<sup>311</sup>. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%.

## Hedging transactions – Cash flow hedges

### Hedging transactions on inflation-linked government bonds and forecast transactions

To limit the exposure to interest rate risk deriving from the need to reinvest the cash generated by maturing bonds held in portfolio and the 10-year indexed component of yields on the deposit with the MEF of inflows from the Public Administration, BancoPosta RFC enters, if necessary, into forward purchases. In addition, to pursue the stabilisation of returns, forward sales are entered into. These derivatives qualify as cash flow hedges of forecast transactions.

In addition, the Group has a portfolio of inflation-linked BTPs subject to cash flow variability in relation to inflation.

To limit the effects of interest rates on cash flows, the Group enters into OTC interest rate swaps or inflation swaps to hedge the cash flows of the bonds held in portfolio. The objective of these transactions is to stabilise until maturity the return of the instrument, regardless of movements of the variable parameter.

The Group evaluates the effectiveness of the designated derivative in every hedging relationship through a retrospective effectiveness test and a prospective effectiveness test.

With regards to the hedges of forecast transactions, the retrospective effectiveness test involves the calculation of a hedge ratio defined as the ratio of the difference between the fair value of the forward transaction entered into with the counterparty on the test and inception date and the present value of the difference between the theoretical forward price of the BTP calculated at the test and inception date. Assuming a perfect match between the forward prices of the counterparties and the theoretical forward prices, the hedge ratio is always equal to 100%. As such, there are no sources of ineffectiveness.

For the purposes of the prospective effectiveness test, the critical terms approach is applied, considering at inception the consistency between the hedging instrument and the hedged item on the basis of the qualitative characteristics of the contracts<sup>312</sup>.

With respect to inflation-linked bonds, the retrospective effectiveness test considers the hedge ratio between the change in fair value of the actual derivative to the change in fair value of the hypothetical derivative occurred between the date of inception and the valuation date. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%.

The hypothetical derivative and the actual derivative have the settlement date that matches the inception of the hedge and differ in terms of their fixed income component<sup>313</sup>. Moreover, for the derivatives used to hedge inflation-linked BTP, the fair value at the settlement date reflects also the interest accrued of the instrument accrued from the latest interest payment date to the date of settlement of the derivative. As such, both are considered the main sources of ineffectiveness.

<sup>311</sup> Calculated by assuming a parallel shift of +/- 100 bps of the yield curves.

<sup>312</sup> The notional amount of the forward contract must be set, at the settlement date, as equal to the nominal amount of the instrument in case of purchase, and equal or lower than the nominal amount of the instrument in case of sale. The underlying of the forward contract must coincide with the instrument that must be purchased or sold (in this case it must be an instrument in the portfolio) at the settlement date. The settlement date must be the same as the date on which the cash flow to be hedged is expected, in case of forward purchase, or must be related to the year in which the total return must be stabilised, in case of forward sale.

<sup>313</sup> The hypothetical derivative uses the fixed rate, which makes the present value at the settlement date equal to 0, while the actual derivative uses the interest rate agreed upon with the counterparty.

The change in fair value of the actual derivative is recognised through equity, for the effective portion of the hedge, while the change in fair value of the ineffective portion is recognised through profit or loss.

For the purposes of the prospective effectiveness test, different approaches have been applied, depending on the characteristics of the hedging swap. Specifically:

- the "Critical terms" approach for derivatives for which it has been determined at inception that the characteristics of the indexed leg of the swap make it possible to replicate exactly the variable cash flows generated by the hedged item;
- the "Dollar offset through the hypothetical derivative" approach for derivative contracts with a fixed rate applicable to a nominal amount growing constantly at six-month intervals until the derivative expires. For these contracts the prospective effectiveness test is performed by calculating the hedge ratio between the change in fair value of the hypothetical derivative and the change in fair value of the actual derivative<sup>314</sup>. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%.

### Effects of hedging transactions on profit or loss and financial position

The table below shows the hedging instruments by expiration date. The average interest rate of the interest rate swaps shown represents the contractually expected average fixed rate of the hedging transaction by maturity band.

#### Time distribution based on remaining duration of cash flow hedge contracts

(€m)	Maturity			Total
	Up to 1 year	1 - 5 years	Over 5 years	
<b>Cash flow hedges - Interest rate risk</b>				
<i>Interest rate swaps</i>				
Nominal	-	609	2,678	3,287
Average rate %	-	4.832%	3.617%	3.842%

#### Time distribution based on remaining duration of fair value hedge contracts

(€m)	Maturity			Total
	Up to 1 year	1 - 5 years	Over 5 years	
<b>Fair value hedges - Interest rate risk</b>				
<i>Interest rate swaps</i>				
Nominal	4,021	-	25,006	29,027

The table below shows the effects of hedging transactions, broken down by type, on profit or loss and the financial position.

#### Fair value hedges - Interest rate risk

<sup>314</sup> Calculated by assuming a parallel shift of +/- 100 bps of the yield curves.

(€m)	Nominal	Carrying amount*		Accumulated amount of fair value hedge adjustments on the hedged item		Change in value used to recognise ineffective portion of hedge	Accumulated amount of fair value hedge adjustments on the hedged item in case of discontinuing
		Assets	Liabilities	Assets	Liabilities		
<b>Hedged items</b>		<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>		
Fixed income instruments, of which:							
at amortised cost		11,080	-	(1,944)		340	(419)
at FVTOCI		11,478	-			383	(615)
Repurchase agreements		-	(3,966)		38	(103)	-
<b>Hedging instruments</b>							
<i>Interest rate swaps</i>	29,027	4,252	(617)			(621)	
<b>Profits/(losses) on hedging recognised in P&amp;L</b>						<b>(1)</b>	

\*Not including provision to cover expected losses

**Cash flow hedges - Rate risk**

(€m)	Nominal	Carrying amount		Change in value used to recognise ineffective portion of hedge	Cash flow hedges	
		Assets	Liabilities		Hedge reserve	Discontinued
<b>Hedged items</b>		<b>Assets</b>	<b>Liabilities</b>		<b>Hedge reserve</b>	<b>Discontinued</b>
Fixed income instruments, of which:						
at FVTOCI		3,730	-	38		
<b>Hedging instruments</b>						
Forward purchases	-	-	-	-	46	-
<i>Interest rate swaps</i>	3,287	5	(518)	(38)	(461)	-
<b>Profits/(losses) on hedging recognised in P&amp;L</b>				<b>-</b>		

The table below shows the effects of cash flow hedges on other comprehensive income.

**Impact on OCI of cash flow hedges - Rate risk**

(€m)	Profits/(losses) on hedging recognised in OCI, period fair value (inc./dec.)	Transfers to profit or loss:	
		Hedge accounting effects	Discontinued
Fixed income instruments	75	(307)	-
MEF deposit yield	5	(5)	-
Bond	-	(6)	-
<b>Total</b>	<b>80</b>	<b>(318)</b>	<b>-</b>

**Reform of reference indices for determining interest rates**

The reform of key interest rate benchmarks, called the "InterBank Offered Rate (IBOR) Reform", involved regulators in various jurisdictions around the world with the aim of replacing some interbank rates with risk-free alternative rates and preparing guidelines to update contract models.

Currently, the main benchmarks for the euro area are:

- the Euro Short Term Rate - ESTR (administered by the European Central Bank and published as of 2 October 2019) which replaced the Euro OverNight Index Average (EONIA - no longer listed as of 1 January 2022) redefining it as ESTR plus 8.5 bps;
- the EURIBOR (administered by the European Money Market Institute), whose reform process ended in November 2019.



The Group has financial instruments indexed to the EURIBOR, which continues to be quoted daily, and the related cash flows continue to be exchanged with counterparties as usual. In relation to this parameter, there is therefore no uncertainty resulting from the IBOR reform on 31 December 2023. These instruments are subject to daily collateralisation remunerated to EONIA (from 2022 defined as ESTR plus 8.5 bps).

In addition, the Group holds interest rate swaps designated as fair value hedges that have the variable "leg" indexed to the EURIBOR, with a nominal value of €29,027 million, almost entirely held by Bancoposta RFC. For these instruments, the cash flows at 31 December 2023 are discounted at the EONIA rate (ESTR +8.5 bps) and, for €201 million, at the ESTR rate as defined in the contracts in place with the counterparties.

## 9. PROCEEDINGS PENDING AND PRINCIPAL RELATIONS WITH THE AUTHORITIES

The following information is provided in accordance with accounting standard IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*.

### TAX DISPUTES

On 19 April 2018, the Tax Authorities in Rome (Guardia di Finanza – Nucleo di Polizia economico-finanziaria) entered the offices of **SDA Express Courier**. The purpose of the inspection was to verify the company's compliance with the requirements regarding VAT, income tax, IRAP and withholding tax for the years 2014, 2015 and 2016, pursuant to and for the purposes of articles 52 and 63 of Presidential Decree no. 633/72, art. 33 of Presidential Decree no. 600/73, art. 2 of Legislative Decree no. 68/2001 and Law no. 4/1929. On 29 November 2018, the audit was formally declared at an end. The main finding in final notice of assessment for about €1 million regards the deduction of VAT relating to the adjustment entries issued by the company in connection with discounts granted to customers following an increase in the number of shipments. Subsequently, on 5 December 2019, a notice of assessment for the year 2014 alone was notified with a total claim of €0.4 million, which, referring to the Report on Findings (PVC), mainly contests the VAT deducted. On 3 February 2020, the Company appealed against this notice and provided for the provisional payment of the fine imposed. During the first half of 2023, the facilitated conciliation procedure was formalised, which led to the settlement of the case for the 2014 tax year.

In addition, on 27 May 2021, the DRE (Regional Tax Office) served a further notice of assessment for the tax year 2015 similar to the one already filed for the year 2014 in which primarily the VAT deducted was contested. This deed has not been challenged and a procedure has been initiated with the Lazio DRE for an overall re-examination of the dispute relating to the credit notes with reference to all the periods covered by the PVC (from 2014 to 2017) in an attempt to reach an out-of-court settlement.

During the course of 2022, an out-of-court settlement was reached with the Lazio Regional Tax Office for Large Taxpayers, which in fact resulted in the partial cancellation of the VAT findings resulting from the Guardia di Finanza's (Italian Tax Police) Report on Findings of 29 November 2018 also for the year 2015 and 2016. In particular, the annulment also includes the notice of assessment for the year 2015, which became final at the same time, and which was redetermined based on an internal review by the Agenzia delle Entrate from approximately €1.2 million to a total of €51 thousand.

On the other hand, the tax settlement procedure for the years 2017 and 2018 is being finalised according to the time-lines agreed with the Agency.

In November 2018, Consorzio Postemotori received notice of an order issued by the Criminal Court in Rome and of a precautionary seizure regarding the consortium, amounting to €4.6 million. On 13 May 2019, the G.U.P. (Preliminary judge) of the Ordinary Court of Rome downgraded the original charges, ordering the committal for trial only in relation to a portion of the charges relating to the passive invoicing transactions of a subcontractor and a tax consultant of one of the partners. The Consortium mandated an external criminal lawyer to file an application for release of the criminal seizure ordered against the Consortium. On 20 December 2021, a petition for release from seizure was filed and on 24 December 2021, the Court of Rome issued an order for the restitution of the sum of €0.3 million credited back to the Consortium's current account on 7 February 2022.

### SOCIAL SECURITY DISPUTES

Since 2012, and up until 31 December 2023, the Istituto Nazionale per la Previdenza Sociale (INPS, the National Institute of Social Security) office at Genoa Ponente and Roma Eur has issued **Postel** with some payment orders, for a total amount payable of €27.48 million. According to INPS, this amount represents social security contributions funding income support, extraordinary income support, unemployment benefit and family benefits not covered by the contributions paid to IPOST. Appeals against these requests were brought before the Court of Genoa. In support of the arguments of Postel in a memo issued on 20 October 2016, the Ministry of Labour stated that the social security contributions system applicable to Poste

Italiane also applies to all the other Group companies, with the sole exception of those that provide air transport, banking and express delivery services.

Some of the judgements have already been decided by the Court of Genoa and, on their outcome, against debit notices totalling €13.2 million, the Company was ordered to pay only the CUAFF contributions of 0.68%, less the family allowances paid by Postel to employees, amounting to €0.3 million, while nothing was deemed to be due under the CIG, CIGS and mobility being at the time Postel wholly owned by the State through Poste Italiane and therefore included among the industrial enterprises of the State for which the law excludes the obligation to pay redundancy and mobility. INPS filed an appeal for the first tranche of requests made (€9.16 million), contesting the merits of the judgement at first instance and the sum arrived at. In the view of INPS, the rate applicable for contributions for family benefits, in line with recent guidance issued by INPS, should have been 4.40% in place of the 0.68% applied in the payment notices involved in the court action. In two judgements dated 28 December 2018, the Court of Appeal in Genoa confirmed in full the judgements at the first instance, rejecting INPS' appeals, who filed appeals in Cassation notified on 28 June 2019 to Postel, which appeared before the court.

On 20 and 21 February 2024, the Court of Cassation filed its rulings rejecting the main appeals brought by INPS and absorbing the cross-appeals brought by the Company. The Court stated that given the special and exclusive nature of the Ipost scheme - which is a self-contained social security and welfare system - nothing else is owed by the Company by way of social security and welfare contributions. Assessments are currently being conducted as to what action should be taken to recover the sums paid following the first and second instance judgements.

Below are the judgements already decided and those pending:

- With the judgement of 19 September 2019, the Court of Genoa confirmed the position, ordering Postel to pay INPS, by way of CUAFF contributions relating to the period from May 2011 to November 2012, the sum of €0.08 million, deeming the higher sums claimed in the debit notices (amounting in total to approximately €4 million) not due. By judgement of 21 May 2021, the Court of Appeal of Genoa dismissed the main appeal and the cross-appeal. INPS appealed in Cassation and Postel joined the proceedings. On 26 January 2023, the Court of Cassation ordered the case to be remitted to the register for processing together with other appeals. The hearing before the Court of Cassation was held on 10 October 2023. On 11 January 2024, the Court of Cassation filed its ruling declaring the inadmissibility of the appeal filed by INPS against the ruling published on 21 May 2021, because it was out of time, and sentencing the Institute to reimburse the Company for legal costs. This judgement therefore renders final the finding made by both the Court and the Court of Appeal of Genoa.
- In a judgement of 1 February 2021, the Court of Genoa cancelled the debit notice (totalling approximately €0.64 million) for the period from December 2012 to April 2015 (excluding July 2014) and ordered INPS to pay Postel the sum of €0.06 million, plus interest. By judgement of 2 February 2022, the Court of Appeal of Genoa dismissed the appeal brought by the Institute. INPS appealed in at the Court of Cassation and Postel joined the proceedings. The Company is therefore waiting for the hearing in the Court of Cassation to be scheduled.
- By means of the judgements of 26 May 2021, the Court of Genoa cancelled the debit notices (for a total of approximately €3.1 million) for certain periods between February 2011 and January 2017 and ordered the payment of the lower amounts restated for a total of €0.17 million. In its judgements of 18 May 2022 and 6 June 2022, the Court of Appeal of Genoa rejected the Company's appeals, as well as the cross-appeals filed by the Institute. Postel and INPS appealed the judgements at the Court of Cassation, for which hearings are pending.
- With a ruling published on 20 September 2022, the Court of Appeal of Genoa, partially reforming the first instance ruling of 29 December 2020, ordered the Company to pay the amount indicated in the Debit Notice in the amount of approximately €0.009 million. The ruling became final because INPS did not bring the subsequent appeal in Cassation.
- Additional administrative proceedings are still pending relating to the appeals submitted by Postel against the notices of adjustment for the periods from May 2009 to August 2023.

In addition, on 8 October 2019, INPS requested to regularise contributions from September 2014 to September 2019 at the non-harmonised CUAF rate of 4.40% of taxable income for social security purposes. With regard to the latter request, the Company acted differently depending on the period under consideration:

- for October, November and December 2019, Postel has adjusted to the payment of the CUAF contribution in the amount of 4.40%, subject to repetition reserve;
- for the previous period from September 2014 to the end of 2015, Postel appealed through administrative channels against the debit notices received from INPS with a request for payment of the CUAF at 4.40%;
- for the year 2018 and the first 7 months of 2019, two Debit Notices were served with the request for payment of the CUAF at 0.68% and minor CIG, CIGS contributions to Postel, which paid, subject to repayment pending the decision of the appeal pending in the Supreme Court;
- as of January 2020, Postel shall pay the CUAF rate to INPS at the rate of 0.68% instead of the rate of 4.40%, as a result of the provisions of Article 11, paragraph 5 bis of Law Decree no. 162 of 2019, converted by Law no. 8 of 28 February 2020.

Taking into account the judgements issued thus far, the reasons given for the judgements and the latest appeals brought by INPS, the Company has adjusted its provisions for risks and charges based also on the opinion of its legal advisors.

Provisions recognised in the financial statements at 31 December 2023 amount to €13.36 million.

## MAIN PROCEEDINGS PENDING AND RELATIONS WITH THE AUTHORITIES

### [Autorità Garante della Concorrenza e del Mercato \(AGCM - the Italian Antitrust Authority\)](#)

On 9 March 2015, the Authority notified Poste Italiane SpA of an investigation of BancoPosta RFC for alleged violation of articles 20, 21 and 22 of the Consumer Code, regarding the "Libretto Smart" product. On 21 December 2015, the AGCM notified Poste Italiane of its final ruling in which it deemed the Company's conduct unfair and imposed a fine of €0.54 million, limited to a tenth of the maximum applicable amount taking into account the mitigating circumstance that Poste Italiane had adopted initiatives aimed at allowing customers to benefit from the bonus rate. The Lazio Regional Administrative Court's ruling, which did not uphold the appeal against the aforementioned penalty, was challenged before the Council of State, which set the hearing for 6 June 2024.

On 3 October 2018, **Poste Italiane** proceeded to pay the fine of €23 million plus interest imposed by the Autorità Garante della Concorrenza e del Mercato (AGCM - the Antitrust Authority) following its ruling, in January 2018, that Poste Italiane had abused its dominant market position in the period from 2014 to 2017 (proceedings **A493**), as per art. 102 of the TFEU. This did not constitute acceptance or admission of liability in relation to the alleged misconduct and does not affect the Company's right to defend its position through the appropriate channels. Poste Italiane challenged this measure before the Lazio Regional Administrative Court which, by means of ruling no. 13477/2023, rejected the appeal. Poste Italiane appealed to the Council of State. The setting of the hearing is pending.

On 19 November 2019, the AGCM initiated proceedings **PS/11563** against **Poste Italiane** in order to ascertain allegedly unfair commercial practice in the delivery of mail and, in particular, registered mail, in possible violation of articles 20, 21 and 22 of the Consumer Code. In particular, according to some customers: i) the advertised features of the "registered mail delivery" service are not reflected in the service actually provided; ii) the advertising for the "digital registered mail

collection" service does not make it clear that the service may no longer be free of charge in the near future and that, in any case, there are restrictions on its use, since it can only be accessed if the sender has authorised it. In January 2020, a number of consumer associations were admitted to the proceedings. At the conclusion of the proceedings, by way of a measure notified on 15 September 2020, the Authority imposed an administrative fine of €5 million, payment of which was made on 5 January 2021. The Authority acknowledged that Poste had correctly complied with the provision. However, the Company appealed to the Lazio Regional Administrative Court, which was not successful, and appealed to the Council of State whose hearing is scheduled for 26 March 2024.

On 6 April 2020, pursuant to art. 9, paragraph 3-bis of Law 192/98 and art. 14 of Law 287/90, the AGCM initiated proceedings **A539** against **Poste Italiane**, following a complaint by a third-party supplier that Poste Italiane had presumably imposed unjustifiably burdensome contractual clauses. In particular, following the termination of contractual relations in mid-2017, the supplier was not, in fact, able to otherwise offer the services it was providing on the market because of the obligation to comply with rules and organisational parameters considered such as to make the company structure excessively rigid, making it unsuitable to operate with parties other than Poste Italiane. A hearing was held on 8 June 2020 at which Poste Italiane stated its position and, subsequently, the Authority requested the delivery of documentation. The final hearing was held on 3 May 2021, during which Poste Italiane set out its position and presented its defence. At the conclusion of the proceedings, by way of a measure notified on 6 August 2021, the Authority imposed an administrative fine of more than €11 million for abuse of economic dependence, payment of which was made on 6 September 2021. Poste Italiane appealed against the above-mentioned measure before the Lazio Regional Administrative Court (TAR), which found that Poste Italiane's actions were lawful and annulled the above-mentioned sanction with ruling no. 10044/23 issued on 13 June 2023. AGCM appealed against the Lazio Regional Administrative Court's ruling on 10 October 2023, while Poste Italiane lodged a cross-appeal on 9 November 2023. The setting of the hearing is pending.

On 9 August 2022, the Italian Antitrust Authority ("AGCM" or "Authority") - as a result of proceedings PS/11936 ("Proceedings") - notified PostePay with measure no. 30286 ("Measure"), in which it censured the conduct of the Company, claiming that, for mobile telephony offers subscribed on a flat fee, PostePay charges a consumption-based fee - more expensive than the ordinary one - when it is impossible to periodically renew the offer due to lack of sufficient credit "in order to guarantee the continuity of the service" without adequate information and without, therefore, a prior and informed consent of the consumer. Therefore, in the Authority's view, the conduct engaged in by PostePay would constitute a breach of Article 26(1)(f) of the Consumer Code.

As a result, the Company (i) is ordered to pay an administrative fine of €1.8 million, calculated on the basis of the turnover relating to the provision of electronic communication networks and services, and then reduced to €1.5 million, in consideration of the mitigating circumstance "relating to certain measures taken by the professional to eliminate the conduct".

Due to, inter alia, the partial and insufficient acknowledgement of the measures adopted by the Company, the refusal to examine the further measures proposed and the failure to accept the defence petitions submitted, the Company deemed it appropriate to lodge an appeal against the Measure before the Lazio Regional Administrative Court with an appeal filed on 28 October 2022. Therefore, the payment of the fine imposed was made by PostePay with express reservation of appeal and, in the event, of repayment of the amount paid in the event of annulment (total or partial) of the Measure by the Lazio Regional Administrative Court and/or the Council of State. The purpose of the appeal before the Lazio Regional Administrative Court is to obtain (i) as a preliminary step, the annulment of the measure, (ii) in the alternative, the annulment of the penalty imposed or (iii) in the further alternative, its reduction to the minimum amount. The setting of the first trial hearing is pending.

On 7 November 2022, PostePay, while not accepting the Resolution, forwarded to AGCM the required compliance report, which illustrated the measures adopted by PostePay to overcome AGCM's objections, even though it had contested their grounds in the appeal pending before the Lazio Regional Administrative Court. On 2 December 2022, the Authority, having

received a response from PostePay to its request for further information, informed PostePay after the Council meeting of 13 December 2022 that it had taken note of its compliance with the order.

On 24 March 2022, the Italian Antitrust Authority (AGCM) initiated proceeding **PS/11287** against **Poste Italiane** for alleged unfair commercial practices in relation to the information on the expiry and prescription dates of paper Interest-bearing Postal Certificates, as (i) during the placement of the postal certificates, Poste allegedly omitted to indicate the maturity and/or prescription date, as well as to provide information regarding the legal consequences arising from the expiry of the aforementioned terms and/or provided such information with a confusing and deceptive wording; (ii) in the management of the postal certificates that had expired over the last five years, Poste allegedly omitted to inform the holders of postal certificates close to the expiry of the prescription period, of the expiry of that period and the legal consequences arising in the event of failure to request the redemption of the postal certificate within that period. On 13 April 2022, Poste sent a memorandum to the AGCM in which it responded to the request for information and the objections contained in the writ. On 30 August 2022, the AGCM notified Poste of the Notice of Investigative Findings, substantially confirming the objections of the opening proceedings. On 19 September 2022, Poste filed its final statement of defence, accompanied by the steps it had taken, on a voluntary basis, to eliminate the Authority's concerns, without complying with the objections raised in the proceedings. On 4 November 2022, the Authority notified Poste of its final decision imposing an administrative penalty of €1.4 million. This amount was thus quantified taking into account the actions implemented by the Company on a voluntary basis, which were deemed appropriate to improve the information provided to consumers; in fact, the Authority granted Poste Italiane a 60% reduction in the amount of the fine. In line with the provisions of the final measure, on 2 February 2023, the Company sent its Report of Compliance with the AGCM's warning. The Resolution itself was challenged at the Regional Administrative Court by the Company, which, at the outcome of the hearing on the merits of 7 June 2023, issued an order, on 13 September 2023, ordering the suspension of the trial in question, pending the definition of the preliminary referral to the Court of Justice of the European Union ordered by the same Regional Administrative Court with order no. 12962 of 1 August 2023.

With a measure adopted at the meeting of 30 January 2024 and notified to Poste Italiane on 7 February 2024, the AGCM initiated an investigation procedure against the Company in order to ascertain the existence of a possible breach of Article 8, paragraph 2-quater, of Law no. 287/1990. At the same time, the Authority initiated proceedings to verify the actual existence of the requirements for the adoption of precautionary measures pursuant to Article 14-bis of the same law. Specifically, the Authority observed that Poste, through its subsidiary PostePay SpA, is active in the electricity and gas supply sector, and allegedly denied two of the latter's competing companies access, pursuant to Article 8, paragraph 2-quater of Law no. 287/90, to the resources made available to PostePay, of which it has exclusive use in connection with its activities within the perimeter of the universal postal service. The Authority also ordered inspections, which were held on 7 February 2024, and set the conclusion of the proceedings at 19 July 2024, granting Poste a period of seven days to file pleadings and documents relating to the precautionary proceedings. On 14 February 2024, the Company filed its memorandum in the precautionary proceedings, contesting the Authority's approach and, in particular, the disapplication of the provisions of Article 1(6) of Law Decree no. 59/2021, as amended and supplemented, exempting Poste from the application of Article 8, paragraph 2-quater, of Law no. 287/1990 until 31 December 2026.

#### [Autorità per le Garanzie nelle Comunicazioni \(AGCOM - the Italian Communications Authority\)](#)

Pursuant to Law Decree no. 201 of 6 December 2011, converted into Law 214 of 22 December 2011, responsibility for regulation and supervision of the postal sector was transferred to the Italian Communications Authority (AGCom).

Following transposition into Italian law of the third European postal services directive (Directive 2008/6/EC), the so-called "net avoided cost" method has been applied in quantifying the cost of the universal service"<sup>315</sup>. In this regard:

- (i) On 24 February 2023, AGCom Resolution 28/23/CONS was published, initiating the procedure to verify the net cost of the universal postal service incurred by Poste Italiane for the years 2020 and 2021. On 22 December 2023, AGCom Resolution 322/23/CONS was published, with which the Authority launched the public consultation and Poste Italiane provided its comments within the deadline. On 14 March 2024, AGCom Resolution 62/24/CONS was published, concluding the procedure to verify the net cost of the universal postal service incurred by Poste Italiane for the years 2020 and 2021. In particular, the burden of the universal postal service for these years has been quantified at €585 and €480 million respectively. The Authority also established that the universal service charge for the years 2020 and 2021 is inequitable and that, for the same years, unlike what was established in previous years, the appropriate proceedings will be launched to evaluate the addition to the Compensation Fund referred to in article 10 of Legislative Decree no. 261/1999.
- (ii) On 1 July 2021, AGCom Resolution 199/21/CONS was published, concluding the procedure to verify the net cost of the universal postal service incurred by Poste Italiane for the years 2017, 2018 and 2019. In particular, the burden of the universal postal service for these years has been quantified at €354.5, €334.5 and €175 million respectively. For the 2019 financial year, although the quantified charge (€175 million) is lower than the authorised offsets (€262 million), the charge for the provision of the universal postal service over the entire period (i.e., the previous 2016-2019 Service Contract) is in any case higher than the offsets authorised by the European Commission. The Authority also established that the universal service charge for the years 2017, 2018 and 2019 is inequitable and that, for the same years, in continuity with what was established in previous years, the Compensation Fund referred to in article 10 of Legislative Decree no. 261/1999 is not established. On 22 September 2021, Poste Italiane appealed the aforementioned resolution at the Lazio Regional Administrative Court (still pending).
- (iii) AGCom Resolution 214/19/CONS regarding "Assessment of the net cost of the universal postal service for 2015 and 2016" was published on 2 July 2019. In addition to acknowledging that the cost is unfair, the Resolution quantified the cost of providing the Universal Postal Service in 2015 and 2016, respectively, as €389 million and €356 million, compared with compensation of €329 million and €262 million provided for in the Contratto di Programma. AGCom did not establish a Compensation Fund for 2015 and 2016, so it has not been possible to recover the difference between compensation provided by the state and the costs quantified by AGCom. On 2 October 2019, Poste Italiane appealed the aforementioned resolution at the Lazio Regional Administrative Court (still pending).
- (iv) AGCom Resolution 298/17/CONS regarding "Assessment of the net cost of the universal postal service for 2013 and 2014" was published on 6 September 2017. In addition to acknowledging that the cost is unfair, the Resolution quantified the cost of providing the Universal Postal Service in 2013 and 2014, respectively, as €393 million and €409 million, compared with compensation of €343 million and €336 million provided for in the Contratto di Programma. The Compensation Fund was also not established for the years 2013 and 2014. On 6 November 2017, Poste Italiane appealed the aforementioned resolution at the Lazio Regional Administrative Court (still pending).
- (v) AGCom Resolution 412/14/CONS regarding "Assessment of the net cost of the universal postal service for 2011 and 2012" was published on 31 July 2014. In addition to acknowledging that the cost is unfair, the Resolution quantified the cost of providing the Universal Postal Service in 2011 and 2012, respectively, as €381 million and €327 million for fees originally recognised by Poste Italiane for €357 and €350 million respectively. The Authority also ruled that no Compensation Fund was established for the year 2011. On 13 November 2014, Poste Italiane appealed the aforementioned measure before the Lazio Regional Administrative Court. The Regional Administrative Court, in ruling no. 11416 published on 5 September 2022, partially upheld the appeal on the verification of the responsibility for the

<sup>315</sup> This method defines the cost incurred as the difference between the net operating cost incurred by a designated universal service provider when subject to universal service obligations and the net operating cost without such obligations.

years 2011-2012 with respect to the non-activation of the compensation fund for the year 2011. Poste, AGCom and A.I.C.A.I. (Italian Association of International Air Couriers) lodged separate appeals with the Council of State against the Regional Administrative Court ruling. The appeal judgements were joined. By judgement no. 9021 of 17 October 2023, the Council of State annulled the first instance judgement for breach of cross-examination. Poste Italiane promptly resumed the case before the Lazio Regional Administrative Court, supplementing the cross-examination by public notice. The setting of the hearing is pending.

With Resolution 313/21/CONS, notified on 21 October 2021, the AGCom closed the sanctioning proceedings, initiated with notice of objection **6/21/DSP**, by imposing a fine of €0.9 million for breach of universal service continuity obligations (art. 3, paragraph 1, 5 lett. b) and 8 lett. d) of Legislative Decree no. 261/1999) and of information obligations, in relation to the closures of 239 Post Offices over the Christmas period (on Saturday 28 December 2019 and Saturday 4 January 2020) even though they had been communicated of it in advance. The Authority accepted the request, on a subordinate basis, for the application of cumulation, imposing a penalty in a reduced amount compared to the one that had been indicated for the reduced payment (€3.28 million). Payment of the penalty was made on 10 November 2021. The Authority's Resolution was appealed by the Company to the Regional Administrative Court. The setting of the hearing is pending.

On 18 April 2023, with Notice of Objection no. **6/23/DSP**, the AGCom initiated sanctioning proceedings against Poste Italiane for non-compliance with the quality objectives on products included in the Universal Postal Service for the year 2022, identifying five objections. With Determination no. 26/23/DSP, notified on 7 July 2023, the Authority dismissed the sanctioning proceeding as the Company availed itself of the benefit of Article 16 of Law no. 689 of 24 November 1981, with reduced payment of the sanctions for all the disputes.

On 20 June 2023, with notice of objection no. **10/23/DSP**, the AGCom initiated a sanctioning procedure against Poste Italiane, contesting seven alleged violations of the obligations relating to the service of notification of judicial documents, following a report by some users and an inspection by the Authority at some of the Company's premises. Poste Italiane did not avail itself of the benefit of the reduced payment of the penalty, and, on 3 August 2023, a defence memorandum was formalised to point out that the disputed cases do not constitute breaches of universal service obligations subject to sanctions by the Authority, but mere inefficiencies that would give rise to the right of users to obtain any reimbursement. Resolution no. 10/24/CONS, published on 18 January 2024, concluded the proceedings with an administrative fine against Poste Italiane of €0.022 million, which was paid on 5 February 2024.

On 10 October 2023, with notice of objection no. **11/23/DSP**, the AGCom notified Poste Italiane of an objection for non-compliance with the order to restore the opening hours of post offices that had been closed or rescheduled during the pandemic emergency. The Company submitted its defence and availed itself of the benefit of the reduced payment. By Determination no. 28/23/DSP, notified on 14 December 2023, the sanction proceedings were closed.

### Bank of Italy

The Bank of Italy, from 14 March 2022 to 15 July 2022, conducted an inspection at Poste Italiane SpA - BancoPosta RFC, on profitability and the business model, governance and control systems, interest rate risk management methods including related internal modelling, new tax credit business and associated risks. On 30 November 2022, the report containing a number of findings and a "partially unfavourable" assessment was delivered to Poste Italiane. Poste Italiane, by the established deadline and after discussion at the Board of Directors' meeting of 25 January 2023, notified the Bank of Italy of its considerations and planned improvements; for the only finding in respect of which a sanctioning procedure was initiated, the Company sent counter-claims in support of the correctness of its actions. After examining the counter-claims and evaluating the actions already implemented or planned by the Company, the Bank of Italy approved the filing. The improvement plan communicated to the Bank of Italy is currently being implemented and is monitored on a monthly basis by BancoPosta's control functions.



On 20 July 2022, the Authority sent a notice to Poste Italiane SpA - BancoPosta RFC and PostePay concerning the manner in which the funds received by PostePay in respect of the issuance of electronic money should be managed. It should be noted that the Supervisory Provisions for EMLs provide that such funding may be deposited with a bank authorised to operate in Italy, invested in qualified debt securities or particular units of harmonised mutual funds. Since the creation of PostePay, these sums are deposited in a postal current account (protection account) and contribute to the funds from private customers of Bancoposta RFC, which are invested in euro area government bonds. In this regard, the Authority initiated discussions with BancoPosta and PostePay in 2021, in view of the fact that BancoPosta was not deemed to be an entity that could be assimilated to the concept of "credit institution" under the relevant European legislation. In the face of a proposed alternative approach, aimed at equating the deposit with BancoPosta of the sums collected by PostePay with a direct investment in qualified debt securities, in the aforementioned communication the Authority asked BancoPosta and PostePay for further observations, aimed at identifying an operational solution that would allow full alignment with the relevant regulatory provisions. Upon completion of the further investigations requested, a transitional solution was identified, also on the basis of the discussions with the Authority. This solution was represented to the Bank of Italy in a communication sent jointly by BancoPosta and PostePay on 29 March 2023. Consistent with this solution, a draft of the revolving pledge agreement was prepared and sent to the Bank of Italy on 4 August 2023, supported also by the opinion of an external law firm.

#### IVASS - Istituto per la Vigilanza sulle Assicurazioni (the insurance regulator)

With reference to the notice of objection served by IVASS on 23 February 2023 for the alleged breach of section 183(1)(a) of the Private Insurance Code arising from the alleged late payment of insurance benefits beyond the contractual deadline and to the subsequent "Proposal for the imposition of administrative sanctions" served on 24 August 2023 for the amount of €0.03 million equal to the minimum amount, the settlement is confirmed following the receipt of the sanctioning measure and the payment of the sanction imposed therein and confirmed, made within the terms envisaged by the reference legislation.

In addition, on 20 July 2023, **Poste Vita** was served, by the "Sanctions and Settlements Service" of the IVASS, a further notice of objection for the alleged breach of article 183, paragraph 1, letter "a" of the Private Insurance Code. With regard to this case, on 24 January 2024, the "Proposal for the imposition of administrative sanctions" was sent to Poste Vita, which provides for the application of the minimum administrative sanction of €0.03 million. We are therefore awaiting the reasoned decision by which the sanction proceedings in question will be settled.

With regard to the IVASS inspection of **Poste Vita** concerning the **governance, management and control profiles of investments and financial risks** concluded on 7 May 2021, discussions continued with IVASS during the period and on 25 July 2023, the decision-making phase was concluded by the Supervisory Authority, which notified the Company of the imposition of a fine of €1.8 million. The sanction was imposed as a result of violations of the applicable regulations found by IVASS with particular reference to:

- alleged failures in the governance and management of financial risks as well as in the protection of policyholders' rights for investments made through so-called "multi-asset" funds;
- alleged deficiencies in the process of defining the Risk Appetite Framework.

#### Garante per la protezione dei dati personali (the Data Protection Authority)

In August 2023, the IT continuous monitoring units detected anomalies on the systems of the subsidiary Postel SpA and identified an event of compromise of some Domain Controllers, made possible through the use of various malware and the activation of a malicious code used to encrypt computers (ransomware). The execution of the ransomware, claimed by a cyber criminal group, disrupted the operation of some servers and several workstations spread across the country. Based on the provisions of the "Data Breach Management" procedure governing the activities of detecting, notifying and communicating personal data breaches in accordance with the provisions of EU Regulation 2016/679 (GDPR), the GDPR

Team was convened and, within the time-frame set out in Articles 33 and 34 of the GDPR, the Company notified the Privacy Guarantor and all relevant stakeholders.

In 15 December 2023, the Garante per la Protezione dei Dati Personali (GPDP), considering that the elements acquired in the course of the investigative investigations, initiated following the notification of the Data Breach, may constitute one or more of the violations indicated in Article 83 of the GDPR, notified the Company of the commencement of the proceedings for the adoption of the measures and sanctions referred to in said Article 83, pointing out that Postel could be susceptible to the sanctions provided for therein.

On 12 January 2024, the Company filed its defence briefs and was heard at a hearing on 31 January 2024.

At present, the conclusion of the proceedings, which could lead to the imposition of an administrative fine, is pending. The outcome of the proceedings was taken into account when determining the provisions for risks at 31 December 2023.

### Other proceedings

Federconsumatori, with a writ of summons dated 14 May 2021, initiated a class action against Poste Italiane pursuant to article 140-bis of the Consumer Code, before the Court of Rome. The value of the dispute to date is approximately €8.5 thousand.

By the summons in question, Federconsumatori contests that the capitalisation of interest on 30-year interest-bearing postal certificates (marked with the "Q" series, issued by Cassa Depositi e Prestiti from 1986 to 1995, pursuant to Ministerial Decree 13 June 1986 by the Minister of Treasury, which were subsequently transferred to the Ministry of Economy and Finance, pursuant to the MEF Decree of 5 December 2003) is carried out annually net of withholding tax (now substitute tax), rather than gross, with the effect of recognising to savers a lower return than that allegedly due.

On 27 July 2021, Poste Italiane appeared before the court, objecting, on a preliminary basis, to the inadmissibility of the class action, on a number of preliminary grounds, as well as to the fact that the plaintiffs' and potential members' claims were time-barred, and contested the merits of the proposed claim.

The Court of Rome, in an order dated 11 January 2022, held that the request submitted by Federconsumatori was manifestly unfounded, recognising, inter alia, the lack of passive legitimacy of Poste Italiane. Federconsumatori appealed the order of the Court of Rome, and the Court of Appeal set the hearing for closing arguments for 22 May 2024.

As reported in Note A9 - *Other receivables and assets*, on 5 July 2023, the decision of the Court of Cassation in the case pursuant to Law Decree no. 201/2011 was published, in which the most relevant grounds of Poste Italiane's appeal were upheld concerning the starting date of the interest accrued on the IRES credit resulting from the non-deduction of labour costs for IRAP purposes. As a result of this ruling, the case will have to be resumed before the Tax Court of Second Instance to settle the amount of interest actually due to the Group. The judgement concerning Law Decree no. 185/2008 is currently pending before the Supreme Court of Cassation.

## 10. MATERIAL NON-RECURRING EVENTS AND/OR TRANSACTIONS

In 2023, the Poste Italiane Group did not note any material effects of non-recurring events and transactions<sup>316</sup> entered into by the Group, pursuant to CONSOB communication no. DEM/6064293 of 28 July 2006.

## 11. EXCEPTIONAL AND/OR UNUSUAL TRANSACTIONS

Under the definition provided by the CONSOB ruling of 28 July 2006, the Poste Italiane Group did not conduct any exceptional and/or unusual transactions<sup>317</sup> in 2023.

## 12. MATERIAL EVENTS AFTER THE END OF THE REPORTING PERIOD

The events that occurred after the reporting date are described below. For a complete description of these events, please refer to paragraph 3.1 - *Principal corporate actions*.

- MLK Fresh

On 31 January 2024, through the establishment of the NewCo named "**MLK Fresh S.r.l.**" ("MLK Fresh"), the partnership in the Fresh Food sector between MLK Deliveries S.p.A. and **Mazzocco S.r.l.** ("Mazzocco"), an Italtrans Group company operating as a national refrigerated courier, was formalised.

MLK Fresh, 70% owned by MLK and 30% by Mazzocco, will be the vehicle through which the parties will offer advanced delivery services in Italy dedicated to the fresh food segment in the B2C e-commerce and/or scheduled deliveries market.

- Address Software

On 24 January 2024, Postel sold its entire stake in Address Software S.r.l. to Poste Italiane S.p.A. This transaction was in preparation for the start of the merger by incorporation of Address Software S.r.l. into Poste Italiane S.p.A., which will become effective in 2024.

- N&TS Group

On 28 February 2024, PostePay signed an agreement to acquire 20% of N&TS GROUP Networks & Transactional Systems Group S.p.A. ("N&TS GROUP"), a leading Italian company in software solutions for electronic payments. The transaction, whose closing is subject to the fulfilment of conditions precedent, aims to enhance PostePay's technological expertise in order to support its expansion strategy in the digital payments market.

- Poste Logistics

On 4 March 2024, Poste Logistics S.p.A. ("NewCo") was established, whose share capital is wholly owned by Poste Italiane S.p.A. NewCo will focus on integrated logistics activities for the Italian Postal Group, benefiting from the business unit of SDA Express Courier S.p.A. ("SDA") concerning the integrated logistics business, through a partial demerger transaction. The transaction - whose partial demerger project has already been approved in March by the Boards of Directors of the companies involved in the transaction and will also be subject to resolution by the relevant extraordinary shareholders' meetings - will be formalised by the second half of 2024.

<sup>316</sup> Events and transactions are defined as such when their occurrence is non-recurring, being transactions or events that do not recur frequently in the ordinary course of business.

<sup>317</sup> Such transactions are defined as transactions that due to their significance/materiality, the nature of the counterparties, the purpose of the transaction, the manner of determining the transfer price and timing of the transaction may give rise to doubts over the correctness and/or completeness of the disclosures in the financial statements, over a conflict of interest, safeguards for the Company's financial position and protections for non-controlling shareholders.

## 13. ADDITIONAL INFORMATION

This note provides information applicable to both the Poste Italiane Group's consolidated financial statements and Poste Italiane SpA's separate financial statements, including qualitative and quantitative disclosures on matters required, to a residual degree, by accounting standards, not specifically dealt with in the previous notes.

### OFFSETTING FINANCIAL ASSETS AND LIABILITIES

In compliance with IFRS 7 – *Financial instruments: Disclosures*, this section provides details of financial assets and liabilities that are subject to master netting agreements or similar arrangements, regardless of whether the financial instruments have been offset in keeping with paragraph 42 of IAS 32<sup>318</sup>.

In particular, the disclosures in question concern the following positions relating to Poste Italiane SpA at 31 December 2023:

- derivative assets and liabilities and related collateral, represented both by cash and government securities;
- repurchase agreements and reverse repurchase agreements and the related collateral, represented both by cash and government securities.

The positions in question are subject to standard bilateral netting agreements that allow, in the event of the counterparty's default, the offsetting of debit and credit positions covered by ISDA contracts and repurchase agreements, for which GMRA agreements have been entered into.

Repurchase agreement positions managed through the Central Counterparty that meet the requirements of IAS 32 are shown net of offsetting.

In order to present the tables in compliance with the requirements of IFRS 7, repurchase agreements are shown at amortised cost, whilst derivative transactions are shown at fair value; the relevant financial guarantees are measured at fair value.

#### Financial assets offset in the financial statements or subject to framework master netting agreements or similar arrangements

Technical forms (€m)	Gross amount of financial assets (*) (a)	Amount of financial liabilities offset in financial statements (b)	Financial assets, net (c=a-b)	Related amounts not subject to offset in the financial statements		Financial assets/(liabilities), net (f=c-d-e)
				Collateral		
				Financial instruments (d)	Cash deposits provided/(received) as collateral (e)	
<b>FY 2023</b>						
Financial assets attributable to BancoPosta RFC						
Derivatives	4,257	-	4,257	1,068	2,812	377
Repurchase agreements	4,106	2,337	1,769	1,769	-	-
<b>Total at 31 December 2023</b>	<b>8,363</b>	<b>2,337</b>	<b>6,026</b>	<b>2,837</b>	<b>2,812</b>	<b>377</b>
<b>FY 2022</b>						
Financial assets attributable to BancoPosta RFC						
Derivatives	6,110	-	6,110	1,197	4,822	91
Repurchase agreements	4,575	3,217	1,358	1,358	-	-
<b>Total at 31 December 2022</b>	<b>10,685</b>	<b>3,217</b>	<b>7,468</b>	<b>2,555</b>	<b>4,822</b>	<b>91</b>

<sup>318</sup> Paragraph 42 of IAS 32 provides that "A financial asset and a financial liability can be offset and the net amount presented in the statement of financial position when, and only when, an entity:

- currently has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis or to realise the asset and settle the liability simultaneously".

**Financial liabilities offset in the financial statements or subject to master netting agreements or similar arrangements**

Technical forms (€m)	Gross amount of financial liabilities(*) (a)	Amount of financial assets offset in financial statements (b)	Financial liabilities, net (c=a-b)	Collateral		Financial assets/(liabilities), net (f=c-d-e)
				Financial instruments (d)	Cash deposits provided/(received) as collateral (e)	
<b>FY 2023</b>						
RFC						
Derivatives	1,136	-	1,136	1,053	83	-
Repurchase agreements	10,554	2,337	8,217	7,762	455	-
<b>Total at 31 December 2023</b>	<b>11,690</b>	<b>2,337</b>	<b>9,353</b>	<b>8,815</b>	<b>538</b>	<b>-</b>
<b>FY 2022</b>						
RFC						
Derivatives	971	-	971	947	24	-
Repurchase agreements	13,342	3,217	10,125	9,236	889	-
<b>Total at 31 December 2022</b>	<b>14,313</b>	<b>3,217</b>	<b>11,096</b>	<b>10,183</b>	<b>913</b>	<b>-</b>

\* The gross amount of financial assets and liabilities includes the financial instruments subject to offsetting and those subject to master netting agreements or similar arrangements, regardless of whether the financial instruments have been offset.

**TRANSFERS OF FINANCIAL ASSETS THAT ARE NOT DERECOGNISED**

In accordance with IFRS 7 - *Financial Instruments: Disclosures*, this section provides additional information on the transfer of financial assets that are not derecognised (continuing involvement).

At 31 December 2023, these assets concern reverse repurchase agreements entered into with primary financial intermediaries and entirely attributable to the Parent Company.

**Transfers of financial assets that are not derecognised**

Description (€m)	Notes	31 December 2023			31 December 2022		
		Nominal value	Carrying amount	Fair value	Nominal value	Carrying amount	Fair value
<b>Financial assets attributable to BancoPosta RF<sup>1</sup> [A6]</b>							
Financial assets at amortised cost		6,679	6,822	6,291	6,442	6,766	5,586
Financial assets at FVTOCI		4,386	4,093	4,093	6,628	6,246	6,246
<b>Financial liabilities attributable to BancoPosta I [B6]</b>							
Financial liabilities arising from repos		(10,559)	(10,553)	(10,332)	(13,486)	(13,342)	(12,993)
<b>Total</b>		<b>506</b>	<b>362</b>	<b>52</b>	<b>(416)</b>	<b>(330)</b>	<b>(1,161)</b>

**FINANCIAL ASSETS SUBJECT TO ENCUMBRANCES**

This paragraph provides information on the nominal value and carrying amount of financial assets delivered to counterparties as collateral for repurchase agreements and interest rate swaps, and financial assets delivered to the Bank of Italy as collateral for intraday credit granted to the Parent Company and as collateral for SEPA Direct Debits.

**Financial assets subject to encumbrances**

Description (€m)	31 December 2023		31 December 2022	
	Nominal value	Carrying amount	Nominal value	Carrying amount
<b>Financial assets attributable to BancoPosta RFC</b>				
Financial assets at amortised cost				
Loans and receivables	1,224	1,224	2,457	2,457
Receivables used as collateral provided by CSAs	129	129	31	31
Receivables used as collateral provided by GMRA's	1,006	1,006	1,447	1,447
Receivables in the form of guarantee deposits (Clearing House margin requirements)	89	89	978	978
Receivables in the form of guarantee deposits (OTC Clearing House)	-	-	1	1
Fixed income instruments	7,523	7,761	7,034	7,478
Securities involved in repurchase agreements	6,679	6,822	6,442	6,766
Securities used as collateral provided by CSAs and GMRA's	-	-	245	247
Securities used as collateral for intraday credit from the Bank of Italy and for Sepa Direct Debits	844	939	347	465
Financial assets at FVTOCI				
Fixed income securities	6,336	6,026	8,899	8,469
Securities involved in repurchase agreements	4,386	4,093	6,628	6,246
Securities used as collateral provided by CSAs and GMRA's	-	-	-	-
Securities used as collateral for intraday credit from the Bank of Italy and for Sepa Direct Debits	1,950	1,933	2,271	2,223
<b>Financial assets outside ring-fence</b>				
Financial assets at amortised cost				
Loans and receivables	-	-	-	-
Receivables used as collateral provided by CSAs	-	-	-	-
Receivables used as collateral provided by GMRA's	-	-	-	-
Financial assets at FVTOCI				
Fixed income securities	-	-	-	-
Securities involved in repurchase agreements	-	-	-	-
<b>Total financial assets subject to encumbrances</b>	<b>15,083</b>	<b>15,011</b>	<b>18,390</b>	<b>18,404</b>

At 31 December 2023, the Parent Company has received financial assets as collateral for reversal repos, having a notional value of €3,874 million and a fair value of €4,110 million.

In addition, securities with a nominal value of €2,999 million are committed for repurchase agreements entered into with Cassa Compensazione e Garanzia in December 2023 and settled in early January 2024.

**EXPOSURE TO SOVEREIGN DEBT**

With regard to financial assets, as required by Communication DEM/11070007 of 28 July 2011, implementing Document 2011/266 published by the European Securities and Markets Authority (ESMA) and later amendments, the Group's exposure to sovereign debt at 31 December 2023 is shown in the table below.

**Poste Italiane Group - Exposure to sovereign debt securities**

Description (€m)	31.12.2023			31.12.2022		
	Nominal value	Carrying amount	Market Value	Nominal value	Carrying amount	Market Value
<b>Italy</b>	<b>133,977</b>	<b>128,548</b>	<b>126,362</b>	<b>138,017</b>	<b>126,397</b>	<b>122,321</b>
Financial assets at amortised cost	29,757	29,475	27,289	27,306	26,921	22,845
Financial assets at FVTOCI	104,207	99,060	99,060	110,698	99,463	99,463
Financial assets at FVTPL	13	13	13	13	14	14
<b>Austria</b>	<b>1,023</b>	<b>1,003</b>	<b>1,003</b>	<b>215</b>	<b>170</b>	<b>170</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	1,023	1,003	1,003	215	170	170
Financial assets at FVTPL	-	-	-	-	-	-
<b>Belgium</b>	<b>4,545</b>	<b>3,968</b>	<b>3,968</b>	<b>2,876</b>	<b>2,123</b>	<b>2,123</b>
Financial assets at amortised cost	13	12	12	-	-	-
Financial assets at FVTOCI	4,532	3,956	3,956	2,876	2,123	2,123
Financial assets at FVTPL	-	-	-	-	-	-
<b>Finland</b>	<b>1,026</b>	<b>1,002</b>	<b>1,002</b>	<b>138</b>	<b>122</b>	<b>122</b>

Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	1,026	1,002	1,002	138	122	122
Financial assets at FVTPL	-	-	-	-	-	-
<b>France</b>	<b>7,780</b>	<b>6,287</b>	<b>6,287</b>	<b>5,050</b>	<b>3,411</b>	<b>3,411</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	7,780	6,287	6,287	5,050	3,411	3,411
Financial assets at FVTPL	-	-	-	-	-	-
<b>Germany</b>	<b>1,183</b>	<b>1,133</b>	<b>1,133</b>	<b>851</b>	<b>792</b>	<b>792</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	1,183	1,133	1,133	851	792	792
Financial assets at FVTPL	-	-	-	-	-	-
<b>Ireland</b>	<b>811</b>	<b>741</b>	<b>741</b>	<b>455</b>	<b>372</b>	<b>372</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	811	741	741	455	372	372
Financial assets at FVTPL	-	-	-	-	-	-
<b>Holland</b>	<b>328</b>	<b>335</b>	<b>335</b>	<b>295</b>	<b>293</b>	<b>293</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	328	335	335	295	293	293
Financial assets at FVTPL	-	-	-	-	-	-
<b>Portugal</b>	<b>458</b>	<b>374</b>	<b>374</b>	<b>416</b>	<b>295</b>	<b>295</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	458	374	374	416	295	295
Financial assets at FVTPL	-	-	-	-	-	-
<b>Spain</b>	<b>4,045</b>	<b>2,607</b>	<b>2,606</b>	<b>3,860</b>	<b>2,261</b>	<b>2,261</b>
Financial assets at amortised cost	3	3	3	3	3	3
Financial assets at FVTOCI	4,042	2,604	2,604	3,857	2,258	2,258
Financial assets at FVTPL	-	-	-	-	-	-
<b>USA</b>	<b>111</b>	<b>100</b>	<b>100</b>	<b>50</b>	<b>38</b>	<b>38</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	111	100	100	50	38	38
Financial assets at FVTPL	-	-	-	-	-	-
<b>Other countries</b>	<b>202</b>	<b>181</b>	<b>181</b>	<b>203</b>	<b>169</b>	<b>169</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	202	181	181	203	169	169
Financial assets at FVTPL	0	0	0	-	-	-
<b>Total</b>	<b>155,489</b>	<b>146,278</b>	<b>144,092</b>	<b>152,426</b>	<b>136,444</b>	<b>132,367</b>

Below are details for Poste Italiane

### Credit risk - Exposure to sovereign debt

Description (€m)	31 December 2023			31 December 2022		
	Nominal value	Carrying amount	Market Value	Nominal value	Carrying amount	Market Value
Financial assets attributable to BancoPosta RFC						
<b>Italy</b>	62,736	60,578	58,573	61,670	57,997	54,214
Financial assets at amortised cost	27,877	27,509	25,504	25,304	24,836	21,053
Financial assets at FVOCI	34,859	33,069	33,069	36,366	33,161	33,161
Financial assets outside ring-fence						
<b>Italy</b>	110	99	99	110	91	91
Financial assets at FVOCI	110	99	99	110	91	91
<b>Total</b>	<b>62,846</b>	<b>60,677</b>	<b>58,672</b>	<b>61,780</b>	<b>58,088</b>	<b>54,305</b>



## UNCONSOLIDATED STRUCTURED ENTITIES

In order to make investments as consistent as possible with the risk-return profiles of the policies issued, ensuring management flexibility and efficiency, in certain cases Poste Vita SpA has purchased over 50% of the assets managed by certain investment funds. In these cases, tests have been performed in keeping with IFRS to determine the existence of control. The results of the tests on such funds suggest that the company does not exercise any control within the meaning of IFRS 10 – *Consolidated Financial Statements*. However, these Funds fall within the definition of unconsolidated structured entities: a structured entity is an entity designed in such a way as not to make voting rights the key factor in determining control over it, as in the case where voting rights refer solely to administrative activities and the relevant operations are managed on the basis of contractual arrangements.

### Nature of the involvement in the unconsolidated structured entity

ISIN - Name	Nature of entity	Activity of the Fund	% investment	NAV	
				Ref. date	Amount
LU1379774190 - MULTIFLEX-DIVERSIFIED DIS-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	29/12/2023	5,621
LU1407712014 - MULTIFLEX - Global Optimal Multi Asset Fund	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	29/12/2023	4,657
LU1407712287 - MULTIFLEX - Strategic Insurance Distribution	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	29/12/2023	4,493
LU1407711800 - MULTIFLEX - Dynamic Multi Asset Fund	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	29/12/2023	4,044
LU1193254122 - MFX - GLOBAL FUND - ASSET GLOBAL FUND (PIMCO MULTI ASSET)	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	29/12/2023	3,804
LU1808839242 - MULTIFLEX-OLYMP INSURN MA-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	29/12/2023	840
LU1500341240 - MULTIFLEX-LT OPTIMAL M/A-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	29/12/2023	825
LU1808838863 - MULTIFLEX-OLYMPIUM OPT MA-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	29/12/2023	563
LU1500341752 - MULTIFLEX-DYNAMIC LT M/A-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	29/12/2023	539
QU0006738052 - Prima EU Private Debt Opportunity Fund	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	30/09/2023	507
IT0004937691 - PRIMA HEDGE PLATINUM GROWTH ISIN IE00BK1KDS71	Fund of Hedge Funds falling within the scope of Directive 2011/61/EU	Pursuit of absolute returns, with low long-term volatility and correlation with the main financial markets	100	30/11/2023	432
QU0006744795 - Prima European Direct Lending 1 Fund	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	30/09/2023	456
IT0005174450 - DIAMOND EUROZONE FUND OFFICE UBS	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in "core" and "core plus" real estate assets for working (office) use, located in the Eurozone and euro-denominated	100	30/09/2023	399

LU2051218035 - OLYMPIUM SEVERUM FUND	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	29/12/2023	437
IT0005247819 - Diamond Core	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in real estate assets, real property rights, including those resulting from property lease-translational arrangements, concessions and other similar rights in accordance with the legislation from time to time in effect.	100	30/06/2023	283
LU1500341166 - MULTIFLEX-OLYMPIUM DYNAMIC-MULTIASSET FUND	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	29/12/2023	293
IT0005386666 - Fund i3-Dante segment Convivio	Italian-registered, closed-end multi-segment alternative real estate investment fund	Investment in "core" and "core plus" income real estate located in the central areas of the main Italian cities, starting with Rome and Milan.	100	30/06/2023	267
QU0006746865 - ALC Prima European Private Credit Feeder Fund	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	30/09/2023	269
IT0005215113 - CBRE DIAMOND FUND	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in real estate assets, real estate rights, including those deriving from real estate lease contracts, in any case carried out without particular geographical location constraints but in any case in Italy, may be used for the following purposes: logistics, retirement homes, residential, hotel, mixed-use and office or commercial use.	100	30/09/2023	157
QU0006745081 - Prima Real Estate Europe Fund I	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	30/09/2023	329
IT0005212193 - DIAMOND ITALIAN PROPERTIES	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in real estate assets, real property rights, including those resulting from property lease-translational arrangements, concessions and other similar rights in accordance with the legislation from time to time in effect.	100	30/06/2023	159
QU0006742476 - PRIMA GLOBAL EQUITY PARTNERS FUND	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	30/09/2023	204
QU0006738854 - Prima Credit Opportunity Fund	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100	30/11/2023	130
IT0005210593 - DIAMOND OTHER SECTOR ITALY	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in real estate assets, real property rights, including those resulting from property lease arrangements, participating interests in property companies and the professional management and development of the fund's assets.	100	30/06/2023	108
IT0005210387 - DIAMOND EUROZONE RETAIL PROPERTY FUND	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in "core" and "core plus" real estate assets for retail use, located in the Eurozone and euro-denominated	100	30/06/2023	90
LU1581282842 - Indaco SICAV SIF - Indaco CIFC US Loan	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds, loans and equities).	100	30/11/2023	86

LU1081427665 - SHOPPING PROPERTY FUND 2	Closed-end fund within the scope of Directive 2011/61/EU	Invests in the Shopping Property Fund 2: master fund which invests primarily in commercial properties and, marginally, in office buildings and alternative sectors. It does not invest in property debt	65	30/09/2023	54
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### Nature of the involvement in the unconsolidated structured entity

The purpose of Poste Vita's investment in the funds is to diversify its portfolio of financial instruments intended to cover Class I products (Separately Managed Accounts), with the objective of mitigating the concentration of investments in Italian government securities. The entities primarily regard open-end harmonised funds that invest in a mix of assets, such as corporate bonds, government bonds and equities, and closed-end real estate funds that invest in property and property rights. Certain details are provided below.

#### Risk nature

(€m)					
ISIN - Name	Classification	Investment carrying amount	Maximum loss exposure	Difference between carrying amount and maximum exposure	Method to determine maximum loss exposure
LU1379774190 - MULTIFLEX-DIVERSIFIED DIS-CM	FVTPL	5,621	553	5,068	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1407712014 - MULTIFLEX - Global Optimal Multi Asset Fund	FVTPL	4,657	401	4,255	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1407712287 - MULTIFLEX - Strategic Insurance Distribution	FVTPL	4,493	341	4,152	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1407711800 - MULTIFLEX - Dynamic Multi Asset Fund	FVTPL	4,044	368	3,676	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1193254122 - MFX - GLOBAL FUND - ASSET GLOBAL FUND (PIMCO MULTI ASSET)	FVTPL	3,804	211	3,593	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1808839242 - MULTIFLEX-OLYMP INSURN MA-CM	FVTPL	840	65	776	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1500341240 - MULTIFLEX-LT OPTIMAL M/A-CM	FVTPL	825	87	737	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1808838863 - MULTIFLEX-OLYMPIUM OPT MA-CM	FVTPL	563	47	516	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU1500341752 - MULTIFLEX-DYNAMIC LT M/A-CM	FVTPL	539	48	491	Annual VaR at 99.5% over 5 years and a half-life of 1 year
LU2051218035 - OLYMPIUM SEVERUM FUND	FVTPL	437	69	367	Annual VaR at 99.5% over 5 years and a half-life of 1 year
IT0004937691 - PRIMA HEDGE PLATINUM GROWTH ISIN IE00BK1KDS71	FVTPL	432	66	365	Annual VaR at 99.5% over 5 years and a half-life of 1 year
IT0005174450 - DIAMOND EUROZONE FUND OFFICE UBS	FVTPL	399	162	237	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets

QU0006744795 - Prima European Direct Lending 1 Fund	FVTPL	456	53	403	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006738052 - Prima EU Private Debt Opportunity Fund	FVTPL	507	55	452	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU1500341166 - MULTIFLEX-OLYMPIUM DYNAMIC-MULTIASSET FUND	FVTPL	293	27	266	Annual VaR at 99.5% over 5 years and a half-life of 1 year
IT0005247819 - Diamond Core	FVTPL	283	93	189	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005386666 - Fund i3-Dante segment Convivio	FVTPL	267	67	200	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006746865 - ALC Prima European Private Credit Feeder Fund	FVTPL	269	30	239	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006745081 - Prima Real Estate Europe Fund I	FVTPL	329	120	209	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005212193 - DIAMOND ITALIAN PROPERTIES	FVTPL	159	55	104	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005215113 - CBRE DIAMOND FUND	FVTPL	157	51	106	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006738854 - Prima Credit Opportunity Fund	FVTPL	130	10	120	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006742476 - PRIMA GLOBAL EQUITY PARTNERS FUND	FVTPL	204	114	90	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005210593 - DIAMOND OTHER SECTOR ITALY	FVTPL	108	39	69	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005210387 - DIAMOND EUROZONE RETAIL PROPERTY FUND	FVTPL	90	35	56	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU1581282842 - Indaco SICAV SIF - Indaco CIFC US Loan	FVTPL	86	23	63	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU1081427665 - SHOPPING PROPERTY FUND 2	FVTPL	35	24	12	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets

### Risk nature

The company's investments in the funds in question are reported at fair value (mainly level 2 of the fair value hierarchy), on the basis of the NAV reported from time to time by the fund manager. These investments were made in connection with

Class I policies and, as such, any changes in fair value are passed on to the policyholder under the shadow accounting mechanism.

<b>Asset class</b>	<b>Fair Value</b>
	(€m)
<b>Financial instruments</b>	
Corporate bonds	14,586
Government bonds	9,053
Other investments net of liabilities	3,527
Equity instruments	1,528
Cash	1,274
<b>Derivative financial instruments</b>	
Swaps	(1)
Futures	2
Forwards	59
<b>Total</b>	<b>30,028</b>

<b>Market traded on and UCITS</b>	<b>Fair Value</b>
	(€m)
Germany (Frankfurt, Berlin, Munich)	4,331
Dublin	1
New York	2,019
Trace	3,818
London	2,380
Paris	342
Euronext	4,068
Tokyo	747
Singapore	770
Euromtf	472
Luxembourg	106
Eurotlx	334
Hong Kong	248
Others	9,591
Provisions	801
<b>Total</b>	<b>30,028</b>

## SHARE-BASED PAYMENT ARRANGEMENTS

### LONG-TERM INCENTIVE SCHEME: PERFORMANCE SHARE PLAN

#### Poste Italiane Group

The Shareholders' Meeting of Poste Italiane SpA held on 28 May 2019 approved the information circular for the "Equity-based incentive plans – Performance Share LTIP", prepared in accordance with art 84-bis of Regulations for Issuers with reference to the first Cycle 2019-2021 and the second cycle 2020-2022.

The Shareholders' Meeting of Poste Italiane SpA held on 28 May 2021 approved the information circular for the "Equity-based incentive plans – 2021-2023 Performance Share LTIP", prepared in accordance with art 84-bis of Regulations for Issuers with reference to the performance period 2021-2023.

The Shareholders' Meeting of Poste Italiane SpA held on 27 May 2022 approved the information circular for the "Equity-based incentive plans – 2022-2024 Performance Share LTIP", prepared in accordance with art 84-bis of Regulations for Issuers with reference to the performance period 2022-2024.

The Shareholders' Meeting of Poste Italiane SpA held on 8 May 2023 approved the information circular for the "Equity-based incentive plans – 2023-2025 Performance Share LTIP", prepared in accordance with art 84-bis of Regulations for Issuers with reference to the performance period 2023-2025.

These incentive systems, constructed in line with market practices, aim to strengthen the link between the variable component of remuneration and the Group's medium to long-term strategy, in line with the budget and the goals in the Strategic Plan, over a multi-year period.

#### Description of the Plans

The "Performance Share LTIPs", as described in the relevant Information Circulars, provide for the assignment of Rights to the Poste Italiane's ordinary shares. The number of Rights to be granted to Beneficiaries is subject to the achievement of Performance Targets over a three-year period, following confirmation of achievement of the Hurdle and the Qualifying Conditions (the latter for BancoPosta Beneficiaries, hereinafter "BP Beneficiaries" including then General Manager). Plans are developed over a three-year time horizon and Actions are awarded if performance targets are achieved. The key characteristics of the Plans are described below.

#### Beneficiaries

The Beneficiaries are: Poste Italiane's Chief Executive Officer, in his role as General Manager, certain managers within the Poste Italiane Group, including key management personnel, and some resources of BancoPosta RFC.

#### Plans' terms and conditions

The Performance Targets, common to all Beneficiaries, to which the vesting of the Rights and, therefore, the allocation of the Shares is conditioned, are highlighted below:

- a profitability indicator identified in the Group's three-year cumulative EBIT used to recognise the continuity and sustainability of profitability results over the long term;
- an indicator of shareholder value creation, based on the relative Total Shareholder Return, used to measure performance based on the value created for Poste Italiane's shareholders compared with the FTSE MIB index<sup>319</sup>.

<sup>319</sup> The objective linked to the "relative Total Shareholder Return" (rTSR) includes a "negative threshold" provision: if Poste Italiane's TSR is negative, despite being higher than the TSR registered by the index, the number of vested Rights (linked to rTSR) is reduced to the minimum threshold of 50%.

For the 2021-2023, 2022-2024 and 2023-2025 Performance Share LTIPs, the following KPIs are added to the two targets indicated above for the ESG component:

- 2021-2023 Performance Share LTIP: sustainable finance, target linked to the inclusion of an ESG component in Poste Vita investment products by 2023. In particular, the indicator is calculated by comparing the number of products offered with ESG components to the total number of products offered;
- 2022-2024 Performance Share LTIP: equal gender representation in succession plans, an objective linked to strengthening the presence of women in managerial succession plans, to help increase the presence of women in positions of greater responsibility in the Poste Italiane Group. Specifically, the indicator is calculated by comparing the number of succession applications occupied by women to the total number of applications;
- 2023-2025 Performance Share LTIP: Green Transition, a target related to the reduction of tCO<sub>2</sub> emissions; this target is intended to measure the reduction of the Group's total emissions (tCO<sub>2</sub>e) over the 2023-2025 time horizon. Creating value for the country, an objective that takes into account the progress of the construction sites related to the "Polis Project". In particular, the indicator is calculated as the ratio of the number of initiatives launched to the total number of physically feasible initiatives.

Vesting of the Rights and the therefore the awarding of the Shares is subject to achievement of the Performance Hurdle, designed to ensure sustainability of the Plan at Group level. The Performance Hurdle corresponds with achievement of a certain target for the Group's cumulative EBIT over a three-year period at the end of each Performance Period. In addition, in the case of the General Manager (and Chief Executive Officer) and BancoPosta RFC's Beneficiaries, vesting of the Phantom Stocks is also subject to achievement of Qualifying Conditions, designed to ensure the stability of BancoPosta RFC's capital and liquidity position, as follows:

- Indicator of capital adequacy, (CET 1) at the end of the period;
- Indicator of short-term liquidity, (LCR) at the end of the period;
- RORAC risk-adjusted earnings at the end of the period.

The Shares relating to the 2019-2021 and 2020-2022 Performance Share LTIPs will be awarded by the end of the year following the end of the Performance Period as follows:

- for BP Beneficiaries (including the General Manager) for 40% up-front and for the remaining 60% in two equal portions, deferred respectively for 2 and 4 years from the end of the Performance Period. A further Retention Period of one year will be applied to both the up-front and deferred portions;
- for the Other Beneficiaries, the granting of Poste Italiane's Shares is entirely up front at the end of a three-year Performance Period, with 60% of the Shares subject to a further two-year Lock-up Period.

For BP Beneficiaries (including the General Manager) in relation to the 2021-2023, 2022-2024 and 2023-2025 Performance Share LTIPs, the following disbursement method is envisaged: 40% upfront and 60% in five deferred annual instalments over a five-year period (the first three equal to 10% of the total rights accrued and the next two equal to 15% of the total rights accrued). A further Retention Period of one year will be applied to both the up-front and deferred portions;

In addition, for BP Beneficiaries (including the General Manager), the deferred Shares will be awarded following the verification of the existence of capital adequacy, short-term liquidity levels and risk-adjusted profitability of BancoPosta RFC.

For more details on the operating mechanisms of the incentive plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

### **LONG-TERM INCENTIVE SCHEME: DELIVER 2022 LTIP**

In 2023, in light of the regulatory updates that have taken place and with a view to maintaining constant alignment between the interests of management and those of the shareholders, the Shareholders' Meeting held on 8 May 2023 resolved to

pay a portion equal to 55% of the bonus accrued for Deliver LTIP MRTs BP Beneficiaries at the end of the Performance Period (31 December 2022) in Rights to receive ordinary shares of Poste Italiane, subject to Retention Periods.

Since this is a Conversion, no new allocations are envisaged with respect to the objectives of the plan assigned in 2018 and based on a five-year time horizon (2018-2022).

Vesting of the Rights and the therefore the awarding of the Shares is subject to achievement of the Performance Hurdle, designed to ensure sustainability of the Plan at Group level. The Performance Hurdle is represented by achievement of a certain target for the Group's cumulative EBIT over a five-year period at the end of the Performance Period (31 December 2022). In addition, delivery of the Shares is also subject to achievement of Qualifying Conditions, designed to ensure the stability of BancoPosta RFC's capital and liquidity position, as follows:

- Indicator of capital adequacy, (CET 1) at the end of the period;
- Indicator of short-term liquidity, (LCR) at the end of the period;
- RORAC risk-adjusted earnings at the end of the period.

The Conversion made provision for the payment of 45% of the up-front accrued Premium in cash in 2023, as opposed to the 75% originally envisaged. The remaining 55%, originally planned in cash form, will be paid in Rights to receive Shares subject to Retention Periods of 1 and 2 years.

Delivery of the Shares at the end of each Retention Period will take place subject to verification of the risk tolerance level of conditions linked - in addition to capital adequacy and liquidity, originally envisaged - also to risk-adjusted profitability with reference to BancoPosta RFC, as well as Poste Italiane's inclusion in at least two internationally recognised sustainability indices.

For more details on the operating mechanisms of the incentive plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

#### Determination of fair value and effects on profit or loss

The valuations of these plans were mainly based on the conclusions reached by actuaries outside the Group. The unit fair value of each Right at the valuation date is equal to its nominal value at the grant date (determined on the basis of stock market prices), discounted by the expected dividend rate and the risk-free interest rate and updated taking into account the best estimate of service conditions and performance (non-market based performance conditions).

Incentive plans	Number of beneficiaries	Units (No. of Phantom Stocks / Rights to receive shares)		Fair value at grant date						Operating Cost	IFRS 2 Reserve / Liabilities	Payments / Countervalue delivery of treasury shares
		Number of Units	Of which under retention period	General Manager		BP Beneficiaries		Other Beneficiaries				
				Grant date	Fair Value	Grant date	Fair Value	Grant date	Fair Value			
Deliver 3 years	15	8,763	8,763	n.a.	n.a.	29 May 2018	€10.21	29 May 2018	€10.21	0.02	0.09	-
Deliver 5 years	2	156,068	-	29 May 2018	€8.43	n/a	n/a	29 May 2018	€8.43	1.32	1.32	-
Performance Share LTIP 19-21	111	471,860	-	28 May 2019	€5.02	7 October 2019	€7.01	7 October 2019	€7.88	0.08	3.61	(0.3)
Performance Share LTIP 20-22	118	469,025	34,824	5 May 2020	€6.05	12 November 2020	€4.89	12 November 2020	€5.41	(0.95)	2.52	(1.8)



21-23 Performance Share LTIP	163	1,228,540	-	28 May 2021	€8.19	28 May 2021	€8.27	28 May 2021	€9.07	3.80	10.97	-
22-24 Performance Share LTIP	203	1,070,012	-	27 May 2022	€4.69	27 May 2022	€4.65	27 May 2022	€5.66	2.02	3.94	-
23-25 Performance Share LTIP	218	1,670,289	-	8 May 2023	€4.46	8 May 2023	€4.47	8 May 2023	€5.62	3.04	3.04	-
<b>Total</b>										<b>9.3</b>	<b>25.5</b>	<b>(2.1)</b>

## Poste Italiane SpA

The effects on profit or loss of the above "Performance Share" and "Phantom Stock" Long-Term Incentive Schemes at 31 December 2023 for Poste Italiane SpA are shown below.

Incentive plans	Number of beneficiaries	Units (No. of Phantom Stocks / Rights to receive shares)		Fair value at grant date						Operating Cost	IFRS 2 Reserve / Liabilities	Payments / Countervalue delivery of treasury shares
		Number of Units	Of which under retention period	General Manager		BP Beneficiaries		Other Beneficiaries				
				Grant date	Fair Value	Grant date	Fair Value	Grant date	Fair Value			
Deliver 3 years	15	8,763	8,763	n.a.	n.a.	29 May 2018	€10.21	29 May 2018	€10.21	0.02	0.09	-
Deliver 5 years	2	156,068	-	29 May 2018	€8.43	n/a	n/a	29 May 2018	€8.43	1.32	1.32	-
19-21 Performance Share LTIP	105	454,391	-	28 May 2019	€5.02	7 October 2019	€7.01	7 October 2019	€7.88	0.08	3.51	(0.33)
20-22 Performance Share LTIP	109	447,845	34,824	5 May 2020	€6.05	12 November 2020	€4.89	12 November 2020	€5.41	(0.90)	2.46	(1.73)
21-23 Performance Share LTIP	151	1,169,847	-	28 May 2021	€8.19	28 May 2021	€8.27	28 May 2021	€9.07	3.62	10.44	-
22-24 Performance Share LTIP	186	998,529	-	27 May 2022	€4.69	27 May 2022	€4.65	27 May 2022	€5.66	1.89	3.67	-
23-25 Performance Share LTIP	200	1,605,134	-	8 May 2023	€4.46	8 May 2023	€4.47	8 May 2023	€5.62	2.92	2.92	-
<b>Total</b>										<b>8.9</b>	<b>24.4</b>	<b>(2.1)</b>

## LONG-TERM INCENTIVE SCHEMES: STOCK OPTIONS

The MLK delivery long-term incentive scheme, which was approved by the subsidiary's Board of Directors on 10 December 2020, provides for the grant, free of charge, of a maximum number of stock options that entitle holders to subscribe for class Z shares of MLK delivery, i.e., shares issued to service the Plan without dividend and voting rights. The Plan has a total term of five years and will end with the grant of all Stock Options. On 9 July 2023, a liquidation event provided for in the "MLK ESOP 2020 Regulations" and the "MLK Shareholders' Agreement" occurred, resulting in the termination of the MLK Deliveries long-term incentive scheme approved by the Board of Directors on 10 December 2020. At the expiry of the validity of the Plan (total duration of three years), Poste Italiane S.p.A. exercised its call options on the remaining 30% of MLK's share capital and, by drag-along, on the portion related to the new shares issued in connection with the Plan. The event described resulted in the exercise of 2,001 shares at a strike price of €64.29 and a share value at the time the option was exercised of €195.81 per share.

At 31 December 2023, there were no additional stock option incentive plans in place for MLK Deliveries Srl

## SHORT-TERM INCENTIVE SCHEMES: MBO

On 27 May 2014, the Bank of Italy issued specific Supervisory Provisions for BancoPosta (Part IV, Chapter I, "BancoPosta" including in Circular 285 of 17 December 2013 "Prudential supervisory standards for banks") which, in taking into account BancoPosta's and Poste Italiane's specific organisational and operational aspects, has extended application of the

prudential standards for banks to include BancoPosta. This includes the standards relating to remuneration and incentive policies (Part I, Title IV, Chapter 2 "Remuneration and incentive policies and practices" in the above Circular 285). These standards, applicable only to the Parent Company Poste Italiane SpA, provide that a part of the bonuses paid to BancoPosta RFC's Risk Takers may be awarded in the form of financial instruments over a multi-year timeframe.

With regard to the management incentive schemes adopted for BancoPosta RFC MBO for 2018, where the incentive was above a certain materiality threshold, the MBO management incentive scheme envisages the award of 50% of the incentive in the form of phantom stocks, representing the value of Poste Italiane's shares, and application of the following deferral mechanisms:

- 60% of the award to be deferred for a 5-year period on a pro-rata basis, in the case of Material Risk Takers who are beneficiaries of both the short-term incentive scheme and long-term incentive scheme, "Phantom Stock LTIP";
- 40% of the award to be deferred for a 3-year period on a pro-rata basis for the remaining Material Risk Takers.

The most recent short-term management incentive schemes (MBO 2019, MBO 2020, MBO 2021, MBO 2022 and MBO 2023), provide, where the incentive exceeds a materiality threshold, for the payment of a portion of the bonus accrued in the form of Poste Italiane SpA's Shares and the application of deferral mechanisms:

- 60% of the incentive over 5 years pro-rata, for the General Manager and the head of the BancoPosta function;
- 40% over 5 years pro-rata for the Senior Management Beneficiaries;
- 40% over 3 years pro-rata<sup>320</sup> for the Other Beneficiaries.

The allocation of Phantom Stocks (MBO 2018) and Rights to receive Shares (MBO 2019, 2020, 2021, 2022 and 2023) is subject to the existence of a Performance Hurdle (Group Profitability: EBIT) and Qualifying Conditions as follows:

- Capital adequacy: CET 1, risk tolerance level approved in the Risk Appetite Framework (RAF);
- Short-term liquidity: LCR, risk tolerance level approved in the Risk Appetite Framework (RAF).
- Risk-adjusted earnings (RORAC) threshold level approved in the Risk Appetite Framework (RAF) for MBO 2023 only.

The General Manager is also expected to apply an additional Qualifying Condition, in addition to those set out above, linked to the Solvency Ratio of the Poste Vita Insurance Group.

Shares allocated in the form of Phantom Stock or Shares are subject to a Retention Period for both up-front and deferred shares.

Payment of the deferred portion will take place each year, provided that BancoPosta RFC's minimum regulatory capital, liquidity and risk-adjusted earnings requirements have been met (solely for MBO 2023). The effects on profit or loss and on equity are recognised in the period in which the instruments vest.

#### Determination of fair value and effects on profit or loss

The valuations of these plans were mainly based on the conclusions reached by actuaries outside the Group.

Incentive plans	Number of beneficiaries	Units (No. of Phantom Stocks / Rights to receive shares)		Fair value at grant date						Operating Cost	IFRS 2 Reserve / Liabilities	Payments / Countervalue delivery of treasury shares (€m)
		Number of Units	Of which under retention period	General Manager		BP Beneficiaries		Other Beneficiaries				
				Grant date	Fair Value	Grant date	Fair Value	Grant date	Fair Value			
MBO 2018	10	15,081	-	19 March 2019	€10.2	19 March 2019	€10.2	19 March 2019	€10.2	0.03	0.1	(0.2)
MBO 2019	5	8,594	5,519	5 March 2020	€7.5	5 March 2020	€7.51 - €7.62	5 March 2020	€7.51	0.01	0.1	(0.1)
MBO 2020	11	9,159	4,230	24 March 2021	€8.4	24 March 2021	€8.36 - €8.83	24 March 2021	€8.36 - €8.83	(0.01)	0.1	(0.04)
MBO 2021	15	51,151	17,467	22 March 2022	€8.3	22 March 2022	€8.25 - €8.77	22 March 2022	€8.25 - €8.77	0.01	0.4	(0.4)

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For the MBO 2021, MBO 2022 and MBO 2023 only, the pro-rata years are 4, although for the fourth year only a cash payment is provided.

MBO 2022	13	103,934	46,620	28 March 2023	€7.7	28 March 2023	€7.7 - €8.31	28 March 2023	€7.7 - €8.31	0.21	0.8	-
MBO 2023 <sup>321</sup>	12	109,392	-	19 March 2023	€7.8	19 March 2023	€7.79 - €8.21	19 March 2023	€7.79 - €8.21	0.87	0.9	-
<b>Total</b>										<b>1.1</b>	<b>2.4</b>	<b>(0.7)</b>

## SEVERANCE PAYMENTS ON TERMINATION OF EMPLOYMENT

Severance payments to BancoPosta RFC *Risk Takers* on early termination are paid in accordance with the same procedures applied to short-term variable remuneration (MBO 2017) as regards deferral, payment in financial instruments and verification of the minimum regulatory capital and liquidity requirements for BancoPosta RFC. During the course of 2023, the payment of the last tranche of this plan was completed with a total disbursement of approximately €70,000.

<sup>321</sup> MBO 23 estimated on the basis of the best available information, pending the actual finalisation of the system, in order to identify the cost of the service received.

**SCOPE OF CONSOLIDATION AND HIGHLIGHTS OF INVESTMENTS**

Scope of consolidation							(€k)
Name	Registered office	Currency	Share capital	Parent Company	% ownership	Total % Group	
<b>PARENT COMPANY:</b>							
Poste Italiane SpA	Rome (Italy)	Euro	1,306,110				
<b>SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS:</b>							
Agile LAB Srl (*)	Milan (Italy)	Euro	54	Poste Italiane SpA	70.00%	70.00%	
BancoPosta Fondi SpA SGR	Rome (Italy)	Euro	12,000	Poste Italiane SpA	100.00%	100.00%	
Bridge Technologies Srl (*)	Milan (Italy)	Euro	20	Plurima	100.00%	70.00%	
Consorzio Logistica Pacchi ScpA	Rome (Italy)	Euro	516	Poste Italiane SpA SDA Express Courier SpA Poste Air Cargo Srl Postel SpA Poste Assicura SpA Nexive Network Srl	51.00% 19.00% 5.00% 15.00% 5.00% 5.00%	100.00%	
ConsorzioServizi ScpA	Rome (Italy)	Euro	120	Poste Italiane SpA PostePay SpA	51.00% 49.00%	100.00%	
Consorzio PosteMotori	Rome (Italy)	Euro	120	Poste Italiane SpA Postel SpA	58.12% 22.63%	80.75%	
Europa Gestioni Immobiliari SpA	Rome (Italy)	Euro	103,200	Poste Italiane SpA Poste Vita SpA	55.00% 45.00%	100.00%	
LIS Holding SpA	Milan (Italy)	Euro	2,582	PostePay SpA	100.00%	100.00%	
LIS Pay SpA	Milan (Italy)	Euro	56,600	PostePay SpA	100.00%	100.00%	
Logos Srl (*)	Milan (Italy)	Euro	10	Plurima	100.00%	70.00%	
MLK Deliveries SpA	Rome (Italy)	Euro	335	Poste Italiane SpA	100.00%	100.00%	
Net Holding SpA (*)	Rome (Italy)	Euro	100	Poste Vita SpA	60.00%	60.00%	
Net Insurance SpA (*)	Rome (Italy)	Euro	17,624	Net Holding SpA	97.84%	58.70%	
Net Insurance Life SpA (*)	Rome (Italy)	Euro	15,000	Net Insurance SpA	100.00%	58.70%	
Nexive Network Srl	Milan (Italy)	Euro	50	Poste Italiane SpA	100.00%	100.00%	
Nexive Scarl	Milan (Italy)	Euro	28	Poste Italiane SpA	85.89%	85.89%	
PatentiViaPoste ScpA	Rome (Italy)	Euro	120	Poste Italiane SpA Postel SpA	69.65% 17.21%	86.86%	
Poste Air Cargo Srl	Rome (Italy)	Euro	1,000	Poste Italiane SpA	100.00%	100.00%	
Plurima SpA (*)	Milan (Italy)	Euro	8,544	Poste Welfare Servizi Srl	70.00%	70.00%	
Poste Assicura SpA (*)	Rome (Italy)	Euro	25,000	Poste Vita SpA	100.00%	100.00%	
Poste Insurance Broker Srl	Rome (Italy)	Euro	600	Poste Assicura SpA	100.00%	100.00%	
PostePay SpA	Rome (Italy)	Euro	7,561	Poste Italiane SpA	100.00%	100.00%	

Poste Vita SpA (*)	Rome (Italy)	Euro	1,216,608	Poste Italiane SpA	100.00%	100.00%
Poste Welfare Servizi Srl	Rome (Italy)	Euro	16	Poste Italiane SpA	100.00%	100.00%
Postel SpA	Rome (Italy)	Euro	20,400	Poste Italiane SpA	100.00%	100.00%
SDA Express Courier SpA	Rome (Italy)	Euro	5,000	Poste Italiane SpA	100.00%	100.00%
Sengi Express Limited (**)	Hong Kong (China)	Euro	541	Poste Italiane SpA	40.00% (***)	40.00% (***)
Sengi Express Guangzhou Limited (**)	Guangzhou (China)	CNY	5,000	Sengi Express Limited	100.00%	40.00%
Sourcesense SpA (*)	Rome (Italy)	Euro	880	Poste Italiane SpA	70.00%	70.00%
Sourcesense Digital Srl (*)	Rome (Italy)	Euro	32	Sourcesense SpA	100.00%	70.00%
Sourcesense Technology Srl (*)	Rome (Italy)	Euro	40	Sourcesense SpA	100.00%	70.00%
Sourcesense Limited (**)	London (UK)	GBP	-	Sourcesense SpA	100.00%	70.00%
Sourcesense Platforms S.r.l.	Rome (Italy)	Euro	50	Sourcesense SpA	100.00%	70.00%
<b>COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD:</b>						
<b>Subsidiaries:</b>						
Address Software Srl	Rome (Italy)	Euro	10	Postel SpA	100.00%	100.00%
Indabox Srl	Rome (Italy)	Euro	50	MLK Deliveries SpA	100.00%	100.00%
Kipoint SpA	Rome (Italy)	Euro	500	SDA Express Courier SpA	100.00%	100.00%
<b>Associates:</b>						
Anima Holding SpA	Milan (Italy)	Euro	7,292	Poste Italiane SpA	11.60%	11.60%
Conio Inc.	San Francisco (USA)	USD	13,356	Poste Italiane SpA	16.29%	16.29%
Conio Srl	Milan (Italy)	Euro	115	Conio Inc.	100.00%	16.29%
Eurizon Capital Real Asset SGR S.p.A.	Milan (Italy)	Euro	4,167	Poste Vita SpA BancoPosta Fondi SpA SGR	20.00% 20.00%	40% (****)
Financit SpA	Rome (Italy)	Euro	14,950	Poste Italiane SpA	40.00%	40.00%
ItaliaCamp Srl	Rome (Italy)	Euro	155	Poste Italiane SpA	19.40%	19.40%
Replica SIM SpA	Milan (Italy)	Euro	10,500	Poste Italiane SpA	45.00%	45.00%
sennder Italia Srl	Milan (Italy)	Euro	50	Poste Italiane SpA	25.00%	25.00%

(\*) The figures shown for these companies were prepared in accordance with IFRS and, as such, may vary from those contained in the respective financial reports, which were prepared in accordance with the Italian Civil Code and Italian GAAP.

(\*\*) The figures shown for these companies were prepared in accordance with IFRS and, as such, may vary from those contained in the Annual Report of the company drafted in compliance with Local GAAP.

(\*\*\*) Poste Italiane SpA holds 51% of the voting capital.

(\*\*\*\*) Posta Vita and BancoPosta Fondi jointly hold 24.5% of the voting capital.

Name (Registered office)	Nature of investment	Carrying amount	% share	Assets	Liabilities	Equity	Revenue from sales and services	Net profit / (loss) for the year
Address Software Srl (Rome)	Subsidiary	1,109	100.00%	1,701	591	1,110	855	105
Anima Holding SpA (Milan) (a)	Associate	218,734	11.60%	2,328,675	935,022	1,393,653	733,975 (*)	96,390
Conio Inc. (San Francisco) (b)	Associate	555	16.29%	13,353	3,506	9,847	-	(327)
Eurizon Capital Real Asset SGR S.p.A.	Associate	4,220	40.00%	16,286	8,683	7,603	7,552 (*)	443
Financit SpA (Rome)	Associate	34,712	40.00%	1,860,597	1,792,283	68,314	70,773 (*)	15,554
Indabox Srl (Rome)	Subsidiary	508	100.00%	665	240	425	668	89
ItaliaCamp Srl (Roma) (c)	Associate	562	19.40%	6,538	3,645	2,893	3,891	173
Kipoint SpA (Rome)	Subsidiary	2,511	100.00%	6,645	4,134	2,511	8,124	505
Replica SIM SpA (Milan)	Associate	9,329	45.00%	43,786	34,366	9,420	6,852 (*)	235
sennder Italia Srl (Milan) (d)	Associate	293,987	25.00%	83,082	71,755	11,327	245,639	6,208
Other SDA Express Courier associate	Associate	-						

- a. Data derived from the latest consolidated interim accounts for the period ended 30.09.2023 approved by the company's board of directors.
- b. Data from the company's latest balance sheet as at 30.06.2023, the balance sheet value also includes the valuation of the company Conio S.r.l. wholly-owned by Conio Inc.
- c. Figures taken from the company's latest financial statements approved by the Board at 31.12.2022.
- d. The company was classified as an investment in associates following the completion of the transaction in June 2023; for further details on the transaction, please refer to the section Main changes to the scope of consolidation - Note 2.8 Basis of consolidation.

(\*) The amount includes commissions, interest income and other similar income.

## DISCLOSURE PURSUANT TO LAW 124/2017

The information required by art. 1, paragraphs 125 and 129 of Law 124 of 4 August 2017 is provided below.

The information is provided in thousands of euros and on a cash basis, indicating the Group company that received and/or disbursed the grant. In addition, given the numerous interpretative doubts, the following information is provided on the basis of the best interpretation of the legislation available to date, in the light of the guidance provided by Assonime in Circular 5 of 22 February 2019.

			(€k)
Group companies	Grantor/beneficiary	Purpose	Amount disbursed
<b>Grants received</b>			
Poste Italiane	MIM	Research and Development Projects	605
Poste Italiane	MIMS	Mobility Management and Home-Work Travel Plans	262
Net Insurance Spa	Ania Servizi e Formazione Srl	Next to People Project	142
Net Insurance Spa	Ania Servizi e Formazione Srl	More Next to People Project	90
Net Insurance Spa	Ania Servizi e Formazione Srl	Grow Together Plan	167
<b>Total</b>			<b>1,266</b>
<b>Grants disbursed</b>			
Poste Italiane	Fondazione Intercultura Onlus ETS	Donation	120
Poste Italiane	European University Institute	Donation	100

Poste Italiane	Comunità di San Patignano	Donation	30
Poste Italiane	Fondazione Comunità Domenico Tardini Onlus	Donation	24
Poste Italiane	Fondazione Dynamo Camp Onlus	Donation	20
Poste Italiane	Weco - Social Enterprise	Donation	20
Poste Italiane	Aila Onlus Foundation	Donation	20
Poste Italiane	ISMEO Association	Donation	15
Poste Italiane	Parent Project aps Association	Donation	15
Poste Italiane	Fondazione Bambino Gesù Onlus	Donation	10
Poste Italiane	Associazione Andrea Tudisco Onlus	Donation	10
Poste Italiane	Corri la Vita Onlus Association	Donation	10
Poste Italiane	Fondazione Angeli del Bello	Donation	10
<b>Total</b>			<b>404</b>

## POSTAL SAVINGS

The following table provides a breakdown of postal savings deposits collected by the Parent Company in the name of and on behalf of Cassa Depositi e Prestiti, by category. The amounts are inclusive of accrued, unpaid interest.

### Postal Savings

Description (€m)	31.12.2023	31.12.2022
Post office savings books	90,844	90,850
Interest-bearing Postal Certificates	236,732	237,888
Cassa Depositi e Prestiti	194,321	192,644
Ministry of the Economy and Finance - MEF	42,411	45,244
<b>Total</b>	<b>327,576</b>	<b>328,738</b>

## ASSETS UNDER MANAGEMENT

Assets under management by BancoPosta Fondi SpA SGR, measured at fair value using information available on the last working day of the year, amount to €15,641 million at 31 December 2023 (€11,927 million at 31 December 2022). Of the total amount, about €7,590 million (or about 49% of total assets under management) refer to funds whose investment policies include environmental, social and governance factors (ESG).

## COMMITMENTS

The Group's purchase commitments break down as follows.

**Commitments**

Description (€m)	31.12.2023	31.12.2022
Lease arrangements	217	26
Contracts to purchase property, plant and equipment	124	89
Contracts to purchase intangible assets	20	12
<b>Total</b>	<b>360</b>	<b>127</b>

Poste Italiane SpA's purchase commitments break down as follows.

**Commitments**

Description (€m)	31.12.2023	<i>related to Group companies</i>	31.12.2022	<i>related to Group companies</i>
Lease arrangements	214	-	17	-
Contracts to purchase property, plant and equipment	124	-	90	1
Contracts to purchase intangible assets	20	-	12	-
<b>Total</b>	<b>358</b>	<b>-</b>	<b>119</b>	<b>1</b>

At 31 December 2023, the item Lease contracts includes commitments that do not fall under IFRS 16 - *Leases*.

In addition, at 31 December 2023, PostePay takes over:

- purchases of electricity on forward markets for €170 million;
- purchases of natural gas on futures markets for €120 million.

**GUARANTEES**

Unsecured guarantees issued by the Group and Poste Italiane SpA are as follows:

**Guarantees**

Description (€m)	31.12.2023	31.12.2022
<b>Sureties and other guarantees issued:</b>		
by banks/insurance companies in the interests of Group companies in favour of third parties	623	698
by the Group in its own interests in favour of third parties	299	61
<b>Total</b>	<b>922</b>	<b>759</b>



## Guarantees

Description (€m)	31.12.2023	31.12.2022
<b>Sureties and other guarantees issued:</b>		
by banks in the interests of Poste Italiane SpA in favour of third parties	320	373
by Poste Italiane SpA in the interests of subsidiaries in favour of third parties	205	215
letters of patronage issued by Poste Italiane SpA in the interests of subsidiaries	95	61
<b>Total</b>	<b>620</b>	<b>649</b>

## THIRD-PARTY ASSETS

In addition to what is detailed in the table below for the Parent Company, third-party assets of the Group include material for the Covid emergency within the scope of the order with the Civil Defence for about €1.3 billion, held in the warehouses of the subsidiary SDA Express Courier S.p.A.

### Third-party assets

Description (€m)	31.12.2023	31.12.2022
Bonds subscribed by customers held at third-party banks	6,033	3,431
Other assets	248	344
<b>Total</b>	<b>6,281</b>	<b>3,775</b>

In addition to the above, at 31 December 2023, Poste Italiane SpA holds a further €2 million in assets belonging to Group companies.

## ASSETS IN THE PROCESS OF ALLOCATION

At 31 December 2023, the Parent Company has paid a total of €97 million in claims on behalf of the Ministry of Justice, for which, under the agreement between Poste Italiane SpA and the MEF, it has already been reimbursed by the Treasury, whilst awaiting acknowledgement of the relevant account receivable from the Ministry of Justice.

## FEES PAID TO INDEPENDENT AUDITORS PURSUANT TO ART. 149 DUODECIES OF THE CONSOB'S REGULATIONS FOR ISSUERS

The following table shows fees<sup>322</sup> payable to the Parent Company's auditor, Deloitte & Touche, and companies within its network for 2023, presented in accordance with art. 149 duodecies of the CONSOB's Regulations for Issuers:

<sup>322</sup> Auditing services are expensed as incurred and reported in the audited financial statements. Any attestation services relating to accounts prior to the reporting date are recognised on an accruals basis, following engagement of the auditor, in the year in which the services are rendered, applying the percentage of completion method.

## Disclosure of fees paid to Independent Auditors

(€k)

Type of services	Entity providing the service	2023 fees
<b>Poste Italiane SpA</b>		
Audit	Deloitte & Touche S.p.A.	1,339
Audit	Deloitte & Touche network	-
Attestation services	Deloitte & Touche S.p.A.	589
Attestation services	Deloitte & Touche network	-
Other services	Deloitte & Touche S.p.A.	17
Other services	Deloitte & Touche network	45
<b>Subsidiaries of Poste Italiane SpA</b>		
Audit (*)	Deloitte & Touche S.p.A.	2,275
Audit	Deloitte & Touche network	47
Attestation services	Deloitte & Touche S.p.A.	820
Attestation services	Deloitte & Touche network	-
Other services	Deloitte & Touche S.p.A.	-
Other services	Deloitte & Touche network	-
<b>Total</b>		<b>5,132</b>

(\*) includes the costs of auditing the funds managed by BPF SGR charged to savers for a fee of €193 thousand.

## **14. BANCOPOSTA RFC SEPARATE REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

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## FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION

(figures in €)

Assets	31 December 2023	31 December 2022
10. Cash and cash equivalents	4,731,804,421	5,874,003,873
20. Financial assets measured at fair value through profit or loss	26,196,661	39,768,823
<i>a) financial assets held for trading</i>	-	-
<i>b) financial assets designated at fair value</i>	-	-
<i>c) other financial assets mandatorily measured at fair value</i>	26,196,661	39,768,823
30. Financial assets measured at fair value through other comprehensive income	33,069,070,448	33,161,038,504
40. Financial assets measured at amortised cost	44,561,934,123	46,576,120,582
<i>a) due from banks</i>	976,196,905	1,499,841,103
<i>b) due from customers</i>	43,585,737,218	45,076,279,479
50. Hedging derivatives	4,256,825,277	6,109,461,206
60. Adjustments for changes in hedged financial assets portfolio (+/-)	-	-
70. Investments	-	-
80. Property, plant and equipment	-	-
90. Intangible assets	-	-
<i>of which:</i>		
- <i>goodwill</i>	-	-
100. Tax assets	642,226,681	1,157,311,589
<i>a) current</i>	-	-
<i>b) deferred</i>	642,226,681	1,157,311,589
110. Non-current assets and disposal groups held for sale	-	-
120. Other assets	10,856,890,504	11,520,235,265
<b>Total assets</b>	<b>98,144,948,115</b>	<b>104,437,939,842</b>

## STATEMENT OF FINANCIAL POSITION

(figures in €)

Liabilities and equity	31 December 2023	31 December 2022
<b>10.</b> Financial liabilities measured at amortised cost	90,963,258,845	98,944,279,492
<i>a) due to banks</i>	10,335,597,387	12,849,764,915
<i>b) due to customers</i>	80,627,661,458	86,094,514,577
<i>c) debt securities in issue</i>	-	-
<b>20.</b> Financial liabilities held for trading	2,597,924	4,002,715
<b>30.</b> Financial liabilities designated at fair value	-	-
<b>40.</b> Hedging derivatives	1,135,604,715	970,662,525
<b>50.</b> Adjustments for changes in hedged financial liabilities portfolio (+/-)	-	-
<b>60.</b> Tax liabilities	266,193,083	225,575,165
<i>a) current</i>	-	-
<i>b) deferred</i>	266,193,083	225,575,165
<b>70.</b> Liabilities associated with non-current assets held for sale and discontinued operations	-	-
<b>80.</b> Other liabilities	2,832,777,755	2,789,296,794
<b>90.</b> Employee termination benefits	2,083,064	1,982,574
<b>100.</b> Provisions for risks and charges:	163,499,489	188,060,241
<i>a) commitment and guarantees given</i>	-	-
<i>b) pensions and similar obligations</i>	-	-
<i>c) other provisions for risks and charges</i>	163,499,489	188,060,241
<b>110.</b> Valuation reserves	(840,662,686)	(2,223,281,867)
<b>120.</b> Redeemable shares	-	-
<b>130.</b> Equity instruments	450,000,000	350,000,000
<b>140.</b> Reserves	2,569,251,467	2,585,050,876
<b>150.</b> Share premium reserve	-	-
<b>160.</b> Share capital	-	-
<b>170.</b> Treasury shares (-)	-	-
<b>180.</b> Profit/(Loss) for the year (+/-)	600,344,459	602,311,327
<b>Total liabilities and equity</b>	<b>98,144,948,115</b>	<b>104,437,939,842</b>

## STATEMENT OF PROFIT OR LOSS

(figures in €)

Items	FY 2023	FY 2022
10. Interest and similar income	2,778,162,722	2,094,920,984
<i>of which: interest income calculated using the effective interest method</i>	2,778,162,722	2,094,920,984
20. Interest expense and similar charges	(587,060,606)	(172,077,432)
<b>30. Net interest income</b>	<b>2,191,102,116</b>	<b>1,922,843,552</b>
40. Fee income	3,669,506,800	3,453,985,229
50. Fee expenses	(199,858,347)	(216,167,715)
<b>60. Net fee and commission income</b>	<b>3,469,648,453</b>	<b>3,237,817,514</b>
70. Dividends and similar income	246,104	327,077
80. Profits/(Losses) on trading	(2,460,542)	(67,898,766)
90. Profits/(Losses) on hedging	(1,155,168)	17,696,651
100. Profits/(Losses) on disposal or repurchase of:	157,546,084	334,675,035
a) <i>financial assets measured at amortised cost</i>	47,581,038	76,793,562
b) <i>financial assets measured at fair value through other comprehensive income</i>	109,965,046	257,881,473
c) <i>financial liabilities</i>	-	-
110. Profits/(Losses) on other financial assets/liabilities measured at fair value through profit or loss	7,822,515	900,441
a) <i>financial assets and liabilities designated at fair value</i>	-	-
b) <i>other financial assets mandatorily measured at fair value</i>	7,822,515	900,441
<b>120. Net interest and other banking income</b>	<b>5,822,749,562</b>	<b>5,446,361,504</b>
130. Net losses/recoveries due to credit risk on:	(11,791,539)	(662,841)
a) <i>financial assets measured at amortised cost</i>	(9,176,925)	3,446,818
b) <i>financial assets measured at fair value through other comprehensive income</i>	(2,614,614)	(4,109,659)
140. Profits/(Losses) from contract amendments without termination	-	-
<b>150. Net income from banking activities</b>	<b>5,810,958,023</b>	<b>5,445,698,663</b>
160. Administrative expenses:	(4,973,446,719)	(4,626,709,711)
a) <i>personnel expenses</i>	(35,011,887)	(32,160,730)
b) <i>other administrative expenses</i>	(4,938,434,832)	(4,594,548,981)
170. Net provisions for risks and charges	8,120,394	21,106,716
a) <i>commitment and guarantees given</i>	-	-
b) <i>other net provisions</i>	8,120,394	21,106,716
180. Net losses/recoveries on property, plant and equipment	-	-
190. Net losses/recoveries on intangible assets	-	-
200. Other operating income/(expense)	(11,871,045)	(6,367,366)
<b>210. Operating expenses</b>	<b>(4,977,197,370)</b>	<b>(4,611,970,361)</b>
220. Profits/(Losses) on investments	-	-
230. Profits/(Losses) on fair value measurement of property, plant and equipment and intangible assets	-	-
240. Impairment of goodwill	-	-
250. Profits/(Losses) on disposal of investments	-	-
<b>260. Income/(Loss) before tax from continuing operations</b>	<b>833,760,653</b>	<b>833,728,302</b>
270. Taxes on income from continuing operations	(233,416,194)	(231,416,975)
<b>280. Income/(Loss) after tax from continuing operations</b>	<b>600,344,459</b>	<b>602,311,327</b>
290. Income/(Loss) after tax from discontinued operations	-	-
<b>300. Profit/(Loss) for the year</b>	<b>600,344,459</b>	<b>602,311,327</b>

## STATEMENT OF COMPREHENSIVE INCOME

(figures in €)

Items	FY 2023	FY 2022
<b>10. Profit/(Loss) for the year</b>	<b>600,344,459</b>	<b>602,311,327</b>
<b>Other components of comprehensive income after taxes not reclassified to profit or loss</b>		
20. Equity instruments measured at fair value through other comprehensive income	-	-
30. Financial liabilities designated at fair value through profit or loss (changes in own credit rating)	-	-
40. Hedges of equity instruments measured at fair value through other comprehensive income	-	-
50. Property, plant and equipment	-	-
60. Intangible assets	-	-
70. Defined benefit plans	(34,010)	444,222
80. Non-current assets and disposal groups held for sale	-	-
90. Share of valuation reserve attributable to equity-accounted investments	-	-
<b>Other components of comprehensive income after taxes reclassified to profit or loss</b>		
100. Hedges of foreign investments	-	-
110. Foreign exchange differences	-	-
120. Cash flow hedges	(165,814,699)	(93,507,071)
130. Hedges (elements not designated)	-	-
140. Financial assets (other than equity instruments) measured at fair value through other comprehensive income	1,548,467,890	(3,248,214,970)
150. Non-current assets and disposal groups held for sale	-	-
160. Share of valuation reserve attributable to equity-accounted investments	-	-
<b>170. Total other components of comprehensive income after taxes</b>	<b>1,382,619,181</b>	<b>(3,341,277,819)</b>
<b>180. Comprehensive income (Items 10+170)</b>	<b>1,982,963,640</b>	<b>(2,738,966,492)</b>



## STATEMENT OF CHANGES IN EQUITY

(figures in €)

	31 December 2023									
	Share capital		Share premium reserve	Reserves		Valuation reserves	Equity instruments	Treasury shares	Profit/(Loss) for the year	Equity
	ordinary shares	other shares		retained earnings	other *					
Balance at 31.12.2022	-	-	-	1,373,317,573	1,211,733,303	(2,223,281,867)	350,000,000	-	602,311,327	1,314,080,336
Adjustments to opening balances	-	-	-	-	-	-	-	-	-	-
Balance at 01/01/2023	-	-	-	1,373,317,573	1,211,733,303	(2,223,281,867)	350,000,000	-	602,311,327	1,314,080,336
Attribution of retained earnings	-	-	-	-	-	-	-	-	(602,311,327)	(602,311,327)
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other attributions	-	-	-	-	-	-	-	-	(602,311,327)	(602,311,327)
Changes during the year	-	-	-	(16,088,554)	289,145	1,382,619,181	100,000,000	-	600,344,459	2,067,164,231
Movements in reserves	-	-	-	(16,088,554)	289,145	-	-	-	-	(15,799,409)
Equity-related transactions	-	-	-	-	-	-	100,000,000	-	-	100,000,000
Issuance of new shares	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Payment of extraordinary dividends	-	-	-	-	-	-	-	-	-	-
Movements in equity instruments	-	-	-	-	-	-	100,000,000	-	-	100,000,000
Derivatives on own shares	-	-	-	-	-	-	-	-	-	-
Stock options	-	-	-	-	-	-	-	-	-	-
Comprehensive income for 2023	-	-	-	-	-	1,382,619,181	-	-	600,344,459	1,982,963,640
Equity at 31.12.2023	-	-	-	1,357,229,019	1,212,022,448	(840,662,686)	450,000,000	-	600,344,459	2,778,933,240

(\*) This item represents the Reserve for BancoPosta RFC of €1,210 million and also includes the Reserve for Incentive Plans of €2 million.

(figures in €)

	31 December 2022									
	Share capital		Share premium reserve	Reserves		Valuation reserves	Equity instruments	Treasury shares	Profit/(Loss) for the year	Equity
	ordinary shares	other shares		retained earnings	other **					
Balance at 31.12.2021	-	-	-	1,185,795,168	1,211,029,300	1,117,995,952	350,000,000.00	-	508,354,242	4,373,174,662
Adjustments to opening balances	-	-	-	-	-	-	-	-	-	-
Balance at 01/01/2022	-	-	-	1,185,795,168	1,211,029,300	1,117,995,952	350,000,000	-	508,354,242	4,373,174,662
Attribution of retained earnings	-	-	-	200,000,000	-	-	-	-	(508,354,242)	(308,354,242)
Reserves	-	-	-	200,000,000	-	-	-	-	(200,000,000)	-
Dividends and other attributions	-	-	-	-	-	-	-	-	(308,354,242)	(308,354,242)
Changes during the year	-	-	-	(12,477,595)	704,003	(3,341,277,819)	-	-	602,311,327	(2,750,740,084)
Movements in reserves	-	-	-	(12,477,595)	704,003	-	-	-	-	(11,773,592)
Equity-related transactions	-	-	-	-	-	-	-	-	-	-
Issuance of new shares	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Payment of extraordinary dividends	-	-	-	-	-	-	-	-	-	-
Movements in equity instruments	-	-	-	-	-	-	-	-	-	-
Derivatives on own shares	-	-	-	-	-	-	-	-	-	-
Stock options	-	-	-	-	-	-	-	-	-	-
Comprehensive income for 2022	-	-	-	-	-	(3,341,277,819)	-	-	602,311,327	(2,738,966,492)
Equity at 31.12.2022	-	-	-	1,373,317,573	1,211,733,303	(2,223,281,867)	350,000,000	-	602,311,327	1,314,080,336

(\*\*) This item represents the Reserve for BancoPosta RFC of €1,210 million and also includes the Reserve for Incentive Plans of €2 million.

## STATEMENT OF CASH FLOWS

### Indirect method

(figures in €)

	FY 2023	FY 2022
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Cash flow from operations</b>	<b>590,858,395</b>	<b>154,644,935</b>
- Profit/(Loss) for the year (+/-)	600,344,459	602,311,327
- gains/(losses) on financial assets held for trading and on assets and liabilities measured at fair value through profit or loss (-/+)	(5,846,347)	(430,198)
- gains/(losses) on hedging activities (-/+)	1,155,168	(17,696,651)
- net losses/recoveries due to credit risk (+/-)	11,791,539	662,841
- net losses/recoveries on property, plant and equipment and intangible assets (+/-)	-	-
- net provisions and other expenses/income (+/-)	(7,317,189)	(21,283,747)
- unpaid taxes and duties (+)	233,416,194	231,416,975
- net losses/recoveries on discontinued operations after tax (+/-)	-	-
- other adjustments (+/-)	(242,685,429)	(640,335,612)
<b>2. Cash flow from/(used for) financial assets</b>	<b>5,626,281,280</b>	<b>(6,517,696,229)</b>
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	21,394,678	3,021
- financial assets measured at fair value through other comprehensive income	2,437,010,779	(5,732,455,821)
- financial assets measured at amortised cost	2,288,735,933	1,668,352,514
- other assets	879,139,890	(2,453,595,943)
<b>3. Cash flow from/(used for) financial liabilities</b>	<b>(6,836,434,580)</b>	<b>4,880,661,871</b>
- financial liabilities measured at amortised cost	(8,118,300,345)	3,278,813,669
- financial liabilities held for trading	(4,002,716)	-
- financial liabilities designated at fair value	-	-
- other liabilities	1,285,868,481	1,601,848,202
<b>Net cash flow from/(used for) operating activities</b>	<b>(619,294,905)</b>	<b>(1,482,389,423)</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>1. Cash flow from</b>	-	-
- disposal of investments	-	-
- dividends received on investments	-	-
- disposal of property, plant and equipment	-	-
- disposal of intangible assets	-	-
- disposal of business divisions	-	-
<b>2. Cash flow used for</b>	-	-
- acquisition of investments	-	-
- acquisition of property, plant and equipment	-	-
- acquisition of intangible assets	-	-
- acquisition of business divisions	-	-
<b>Net cash flow from/(used for) investing activities</b>	-	-
<b>C. FINANCING ACTIVITIES</b>		
- issuance/purchase of treasury shares	-	-
- issuance/purchase of equity instruments	100,000,000	-
- dividends and other payments	(623,491,361)	(324,777,317)
<b>Net cash flow from/(used for) financing activities</b>	<b>(523,491,361)</b>	<b>(324,777,317)</b>
<b>NET CASH FLOW GENERATED/(USED) DURING THE YEAR</b>	<b>(1,142,786,266)</b>	<b>(1,807,166,740)</b>

KEY:  
(+) from  
(-) used for

## Reconciliation

(figures in €)

Items	FY 2023	FY 2022
Cash and cash equivalents at beginning of the year	5,874,003,873	7,680,326,129
Net cash flow generated/(used) during the year	(1,142,786,266)	(1,807,166,740)
Cash and cash equivalents: effect of exchange rate fluctuations	586,814	844,484
<b>Cash and cash equivalents at end of the year</b>	<b>4,731,804,421</b>	<b>5,874,003,873</b>

## NOTES

### PART A – ACCOUNTING POLICIES

#### A.1 – GENERAL

##### SECTION 1 – DECLARATION OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Separate Report has been prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These were endorsed for application in the European Union by European Regulation (EC) 1606/2002 of 19 July 2002, as transposed into Italian law by Legislative Decree 38 of 28 February 2005 governing the introduction of IFRS into Italian legislation. The term IFRS includes all the International Financial Reporting Standards, International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC", previously known as the Standing Interpretations Committee or "SIC"), adopted by the European Union and contained in the EU Regulations in force at 31 December 2023, regarding which no derogations were made.

##### Accounting standards and interpretations applicable from 1 January 2023 and those soon to be effective

The relevant information is provided in note 2.3 – *New Accounting standards and interpretations and those soon to be effective* – in the section – *financial statements of Poste Italiane* – of this Annual Report.

##### SECTION 2 – BASIS OF PREPARATION

The Separate Report is prepared in accordance with the provisions of the eighth update of the Bank of Italy Circular no. 262 of 22 December 2005 "Bank Financial Statements: presentation formats and rules for preparation", as well as the Bank of Italy Communication of 14 March 2023<sup>323</sup> "Update of the provisions of Circular no. 262 concerning the impact of COVID-19 and measures to support the economy", where applicable, and is prepared pursuant to the provisions of Article 2447-septies, paragraph 2, of the Italian Civil Code. On 27 May 2014, the Bank of Italy issued specific Supervisory Standards for BancoPosta RFC (Circular 285/2013, Part Four, Section 1) which, in taking into account the entity's specific organisational and operational aspects, has established prudential requirements that are substantially in line with those applicable to banks. The Standards also govern the requirements regarding capital adequacy and risk containment. The Separate Report relates to the year ended 31 December 2023, has been prepared in euros without decimal figures and consists of the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the explanatory notes. The statement of financial position, statement of profit or loss and statement of comprehensive income consists of numbered line items and lettered line sub-items. Nil balances have also been presented in the statement of financial position, statement of profit or loss and statement of comprehensive income for the sake of completeness. The statement of cash flows has been prepared under the indirect method<sup>324</sup>. All figures in the notes are stated in millions of euros; in addition, the tables with nil balances have not been included.

<sup>323</sup> The Communication repeals and replaces the previous one of 21 December 2021 "Update of the additions to the provisions of Circular no. 262 concerning the impacts of COVID-19 and measures to support the economy".

<sup>324</sup> Under the indirect method, net cash from operating activities is determined by adjusting profit/(loss) for the year to reflect the impact of non-cash items, any deferment or provisions for previous or future operating inflows or outflows, and revenue or cost items linked to cash flows from investing or financing activities.

The accounting policies and the recognition, measurement and classification criteria adopted in this Report are consistent with those used to prepare the Separate Report at 31 December 2022.

The Separate Report forms an integral part of Poste Italiane SpA's financial statements and has been prepared on a going concern basis in that BancoPosta RFC's operations are certain to continue in the foreseeable future. As a going concern, Poste Italiane Group companies, and consequently Bancoposta RFC, prepare their financial statements on a going concern basis, also taking account of the Group's economic - and financial outlook, as reflected in the 2024-2028 strategic plan, approved by Poste Italiane SpA's Board of Directors on 19 March 2024.

BancoPosta's accounting policies, described in the Separate Report, are the same as those adopted by Poste Italiane SpA are described in this Part A and are relevant to all of BancoPosta RFC's operations.

### SECTION 3 – EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no material events after 31 December 2023.

### SECTION 4 – OTHER INFORMATION

#### 4.1 INTERSEGMENT RELATIONS

Balances relating to transactions between BancoPosta RFC and Poste Italiane SpA ("Intersegment transactions") are recognised in the statement of financial position at 31 December 2023 as shown below:

€m	31.12.2023	of which intersegment	31.12.2022	of which intersegment
<b>Assets</b>				
10. Cash and cash equivalents	4,732	-	5,874	-
20. Financial assets measured at fair value through profit or loss	26	-	40	-
a) financial assets held for trading	-	-	-	-
b) financial assets designated at fair value	-	-	-	-
c) other financial assets mandatorily measured at fair value	26	-	40	-
30. Financial assets measured at fair value through other comprehensive income	33,069	-	33,161	-
40. Financial assets measured at amortised cost	44,562	371	46,576	349
a) due from banks	976	-	1,500	-
b) due from customers	43,586	371	45,076	349
50. Hedging derivatives	4,257	-	6,109	-
100. Tax assets	642	-	1,157	-
120. Other assets	10,857	39	11,521	44
<b>A Total assets</b>	<b>98,145</b>	<b>410</b>	<b>104,438</b>	<b>393</b>
<b>Liabilities and equity</b>				
10. Financial liabilities measured at amortised cost	90,964	279	98,944	227
a) due to banks	10,336	-	12,850	-
b) due to customers	80,628	279	86,094	227
c) debt securities in issue	-	-	-	-
20. Financial liabilities held for trading	3	-	4	-
40. Hedging derivatives	1,136	-	971	-
60. Tax liabilities	266	-	226	-
80. Other liabilities	2,833	3	2,789	36
90. Employee termination benefits	2	-	2	-
100. Provisions for risks and charges	163	-	188	-
110. Valuation reserves	(841)	-	(2,223)	-
130. Equity instruments	450	-	350	-
140. Reserves	2,569	-	2,585	-
180. Profit/(Loss) for the year (+/-)	600	-	602	-
<b>B Total liabilities and equity</b>	<b>98,145</b>	<b>282</b>	<b>104,438</b>	<b>263</b>
<b>A-B Net intersegment balances</b>		<b>128</b>		<b>130</b>

The provision of services to BancoPosta RFC by Poste Italiane SpA functions is governed by the specific Regulation governing the awarding and outsourcing process of BancoPosta RFC, approved by the Poste Italiane SpA's Board of Directors<sup>325</sup>.

This Regulation, in execution of the provisions set out in the *Regulations for ring-fenced capital*, govern and formalise the process of awarding BancoPosta's Corporate Functions to Poste Italiane in accordance with the relevant regulations, identifying the operational phases, roles and responsibilities of the Bodies and Corporate Functions involved in various ways. The general policies and instructions contained in the Regulation in relation to transfer pricing are detailed in specific Operating Guidelines, jointly developed by BancoPosta and other Poste Italiane SpA functions. The Operating Guidelines establish, among other things, the applicable levels of service and transfer prices and are effective following an authorisation process involving the relevant Functions, the Chief Executive Officer and, where required, the Poste Italiane SpA's Board of Directors. When BancoPosta intends to contract out a major process or a control procedure, whether in its entirety or in part, to Poste Italiane SpA in accordance with specific Operating Guidelines, it must give prior notice to the Bank of Italy. In accordance with Bank of Italy Circular 285 issued on 17 December 2013, Part Four, the Board of Statutory Auditors is required to verify, at least every six months, that the policies adopted are fit for purpose and are in compliance with the related statutory requirements and supervisory standards.

In line with 2022, the services are charged for in the form of transfer prices. The transfer prices paid, inclusive of commissions and any other form of remuneration due, are determined on the basis of market prices and tariffs for the same or similar services, identified, where possible, following a benchmarking process. When the specifics and/or the particular nature of a service provided by a Poste Italiane function do not allow the use of a comparable market price, a cost-based method is used, again with the support of benchmarking to ensure that the price charged is adequate for the service provided. In such a case, an adequate mark-up, defined on the basis of appropriate analyses of comparable subjects, shall be applied. The prices set in each Operating Guidelines can be reduced in the presence of operating losses of the activities outsourced or in case of penalties due to the failure to achieve pre-established service levels, as measured by specific performance indicators. The Operating Guidelines in force were effective as of 1 January 2023 and will expire on 31 December 2025. The transfer prices, defined in the Guidelines, may be revised every year in connection with the planning and budget process.

For the purposes of oversight of the unbundled accounts, in 2023 the Board of Statutory Auditors conducted the relevant audit activities during 2 meetings, reporting its conclusions in its annual report to shareholders for the year ended 31 December 2023.

## 4.2 PROCEEDINGS PENDING AND PRINCIPAL RELATIONS WITH THE AUTHORITIES

### RELATIONS WITH THE AUTHORITIES

#### Autorità Garante della Concorrenza e del Mercato (AGCM - the Italian Antitrust Authority)

On 9 March 2015, the Authority notified Poste Italiane of an investigation of BancoPosta RFC for alleged violation of articles 20, 21 and 22 of the Consumer Code, regarding the "Libretto Smart" product. On 21 December 2015, the AGCM notified Poste Italiane of its final ruling in which it deemed the Poste Italiane's conduct unfair and imposed a fine of €0.54 million,

<sup>325</sup> At its meeting of 28 June 2023, the Board of Directors approved an update to the "Regulation governing BancoPosta RFC's contracting out and outsourcing process", regulating and formalising both the process of contracting BancoPosta's Corporate Functions to Poste Italiane and the process of outsourcing to third parties outside Poste Italiane's organisation.

limited to a tenth of the maximum applicable amount taking into account the mitigating circumstance that Poste Italiane had adopted initiatives aimed at allowing customers to benefit from the bonus rate. The Lazio Regional Administrative Court's ruling, which did not uphold the appeal against the aforementioned penalty, was challenged before the Council of State, which set the hearing for 6 June 2024.

On 24 March 2022, the Italian Antitrust Authority (AGCM) initiated proceeding PS/11287 against Poste Italiane, with reference to BancoPosta RFC, for alleged unfair commercial practices in relation to the information on the expiry and prescription dates of paper Interest-bearing Postal Certificates, as (i) during the placement of the postal certificates, Poste allegedly omitted to indicate the maturity and/or prescription date, as well as to provide information regarding the legal consequences arising from the expiry of the aforementioned terms and/or provided such information with a confusing and deceptive wording; (ii) in the management of the postal certificates that had expired over the last five years, Poste allegedly omitted to inform the holders of postal certificates close to the expiry of the prescription period, of the expiry of that period and the legal consequences arising in the event of failure to request the redemption of the postal certificate within that period. On 13 April 2022, Poste sent a memorandum to the AGCM in which it responded to the request for information and the objections contained in the writ. On 30 August 2022, the AGCM notified Poste of the Notice of Investigative Findings, substantially confirming the objections of the opening proceedings. On 19 September 2022, Poste filed its final statement of defence, accompanied by the steps it had taken, on a voluntary basis, to eliminate the Authority's concerns, without complying with the objections raised in the proceedings. On 4 November 2022, the Authority notified Poste of its final decision imposing an administrative penalty of €1.4 million. This amount was thus quantified taking into account the actions implemented by Poste Italiane on a voluntary basis, which were deemed appropriate to improve the information provided to consumers; in fact, the Authority granted Poste Italiane a 60% reduction in the amount of the fine. In line with the provisions of the final measure, on 2 February 2023, Poste Italiane sent its Report of Compliance with the AGCM's warning. The Resolution itself was challenged by Poste at the Regional Administrative Court, which, at the outcome of the hearing on the merits of 7 June 2023, issued an order, on 13 September 2023, ordering the suspension of the trial in question, pending the definition of the preliminary referral to the Court of Justice of the European Union ordered by the same Regional Administrative Court with order no. 12962 of 1 August 2023.

## BANK OF ITALY

The Bank of Italy, from 14 March 2022 to 15 July 2022, conducted an inspection at Poste Italiane, with reference to the BancoPosta RFC, on profitability and the business model, governance and control systems, interest rate risk management methods including related internal modelling, new tax credit business and associated risks. On 30 November 2022, the report containing a number of findings and a "partially unfavourable" assessment was delivered to Poste Italiane. Poste Italiane, by the established deadline and after discussion at the Board of Directors' meeting of 25 January 2023, notified the Bank of Italy of its considerations and planned improvements; for the only finding in respect of which a sanctioning procedure was initiated, Poste Italiane sent counter-claims in support of the correctness of its actions. After examining the counter-claims and evaluating the actions already implemented or planned by Poste Italiane SpA, the Bank of Italy approved the filing. The improvement plan communicated to the Bank of Italy is currently being implemented and is monitored on a monthly basis by BancoPosta's control functions.

On 20 July 2022, the Authority sent a notice to Poste Italiane SpA, with reference to BancoPosta RFC, and to PostePay concerning the manner in which the funds received by PostePay in respect of the issuance of electronic money should be managed. It should be noted that the Supervisory Provisions for EMIs provide that such funding may be deposited with a bank authorised to operate in Italy, invested in qualified debt securities or particular units of harmonised mutual funds. Since the creation of PostePay, these sums are deposited in a postal current account ("conto di tutela") and contribute to the funds from private customers of BancoPosta RFC, which are invested in euro area government bonds. In this regard,

the Authority initiated discussions with BancoPosta and PostePay in 2021, in view of the fact that BancoPosta was not deemed to be an entity that could be assimilated to the concept of "credit institution" under the relevant European legislation. In the face of a proposed alternative approach, aimed at equating the deposit with BancoPosta of the sums collected by PostePay with a direct investment in qualified debt securities, in the aforementioned communication the Authority asked BancoPosta and PostePay for further observations, aimed at identifying an operational solution that would allow full alignment with the relevant regulatory provisions. Upon completion of the further investigations requested, a transitional solution was identified, also on the basis of the discussions with the Authority. This solution was represented to the Bank of Italy in a communication sent jointly by BancoPosta and PostePay on 29 March 2023. Consistent with this solution, a draft of the revolving pledge agreement was prepared and sent to the Bank of Italy on 4 August 2023, supported also by the opinion of an external law firm.

#### OTHER PROCEEDINGS

Federconsumatori, with a writ of summons dated 14 May 2021, initiated a class action against Poste Italiane, with reference to BancoPosta RFC pursuant to article 140-bis of the Consumer Code, before the Court of Rome. The value of the dispute to date is approximately €8.5 thousand.

By the summons in question, Federconsumatori contests that the capitalisation of interest on 30-year interest-bearing postal certificates (marked with the "Q" series, issued by Cassa Depositi e Prestiti from 1986 to 1995, pursuant to Ministerial Decree 13 June 1986 by the Minister of Treasury, which were subsequently transferred to the Ministry of Economy and Finance, pursuant to the MEF Decree of 5 December 2003) is carried out annually net of withholding tax (now substitute tax), rather than gross, with the effect of recognising to savers a lower return than that allegedly due.

On 27 July 2021, Poste Italiane appeared before the court, objecting, on a preliminary basis, to the inadmissibility of the class action, on a number of preliminary grounds, as well as to the fact that the plaintiffs' and potential members' claims were time-barred, and contested the merits of the proposed claim.

The Court of Rome, in an order dated 11 January 2022, held that the request submitted by Federconsumatori was manifestly unfounded, recognising, inter alia, the lack of passive legitimacy of Poste Italiane. Federconsumatori appealed the order of the Court of Rome, and the Court of Appeal set the hearing for closing arguments for 22 May 2024.

### 4.3 MATERIAL EVENTS DURING THE YEAR

#### Capital injection into BancoPosta RFC

In 2021, Poste Italiane SpA placed a hybrid subordinated perpetual bond issue with a non-call period of 8 years aimed at institutional investors. Following this issue, on 30 June 2023, there was a further capital injection<sup>326</sup> into BancoPosta RFC, via the granting of a €100 million perpetual subordinated loan with a 5-year non-call period, under terms and conditions that allow it to be counted as Additional Tier 1 ("AT1") capital, designed to strengthen its leverage ratio.

### 4.4 REFORM OF RATE BENCHMARK

For an analysis of the effects of the rate benchmark reform, please refer to the information provided in Part E.

<sup>326</sup>

This capital injection followed the one completed on 30 June 2021 for €350 million.



## A.2 – PART RELATING TO PRINCIPAL FINANCIAL STATEMENT ITEMS

The following notes have been numbered in accordance with instructions contained in Bank of Italy Circular 262/2005. Omitted numbers denote information not relevant to the Separate Report.

### 1 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

#### a) recognition criteria

Financial assets measured at fair value through profit or loss are initially recognised on the settlement date for debt and equity instruments, whereas, for derivative contracts, on the subscription date. Financial assets are initially recognised at fair value which is generally the price paid. Changes in fair value between the trade date and the settlement date are recognised in the Separate Report.

#### b) classification criteria

This item includes all financial assets other than those classified as "Financial assets measured at fair value through other comprehensive income" and as "Financial assets measured at amortised cost". In particular, this item includes: a) financial assets purchased and held mainly for trading; b) financial assets designated as such on initial recognition, thanks to the fair value option; c) financial assets mandatorily measured at fair value through profit or loss.

This item comprises:

- debt securities and loans that are classified in the "Other/Trading" business model (thus not in the "Hold to Collect" and "Hold to Collect and Sell" business models) or fail to meet the SPPI test<sup>327</sup>;
- equity instruments held for trading or that were not initially recognised at fair value through other comprehensive income;
- derivative contracts, except those designated as hedges, that are classified as assets or liabilities held for trading, depending on whether their fair value is positive or negative; positive and negative fair values arising from transactions with the same counterparties are offset during collateralisation, where allowed by contract.

#### c) measurement and recognition of gains and losses

These financial assets are recognised at fair value with any changes in fair value recognised in profit or loss in line "Item 80 - Profits/(Losses) on trading" and in line "Item 110 – Profits/(Losses) on other financial assets/liabilities measured at fair value through profit or loss".

Dividends from equity investments classified as Financial assets measured at fair value through profit or loss are recognised in "Item 70 - Dividends and similar income" at the time their distribution is approved and the right to receive payment accrues.

#### d) derecognition criteria

These financial assets are derecognised when the contractual rights to the cash flows of those financial assets lapse or on the disposal of the financial asset and all risks and rewards relating to the financial asset or their control are substantially transferred. If the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no

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<sup>327</sup> The acronym SPPI - Solely Payments of Principal and Interest defines financial assets held solely to collect the relevant contractual cash flows, as represented by payments of principal and interest accrued on the principal outstanding at specified dates. The SPPI test is intended to check that the characteristics of the instruments are consistent with this objective.

control is retained over them. Finally, transferred assets are derecognised if the contractual right to receive the cash flows of the assets is retained, but at the same time a contractual obligation is assumed to pay these flows to a third party, without delay and only to the extent of those received.

## 2 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### a) recognition criteria

Financial assets measured at fair value through other comprehensive income are initially recognised on the settlement date. These assets are initially recognised at fair value which is generally the price paid. Changes in fair value between the trade date and the settlement date are recognised in the Separate Report.

### b) classification criteria

This item includes financial assets held in connection with a business model where financial instruments are held to collect contractual cash flows and for sale ("Hold to Collect and Sell" business model), with the relevant contract calling for the payment, at specified dates, of principal and interest accrued on the principal outstanding (SPPI).

This item includes debt securities that meet the above characteristics.

### c) measurement and recognition of gains and losses

Financial assets are measured at fair value and any subsequent change in fair value is recognised through Other comprehensive income ("OCI") until the financial asset is either derecognised or reclassified, except for currency gains and losses recognised in the statement of profit or loss in "Item 80 – Profits/(Losses) on trading". When the financial asset is derecognised, the related cumulative gains and losses recognised in OCI are reclassified to profit or loss in "Item 100 – Profits/(Losses) on disposal or repurchase".

The effects of the application of amortised cost are recognised in profit or loss in "Item 10 - Interest and similar income".

Expected credit losses are calculated in relation to these financial assets, as illustrated in the specific section. These expected losses are recognised in profit or loss in "Item 130 – Net losses/recoveries due to credit risk" with a counter-entry made under the "Item 110 – Valuation reserves".

### d) derecognition criteria

These financial assets are derecognised when the contractual rights to the cash flows of those financial assets lapse or on the disposal of the financial asset and all risks and rewards relating to the financial asset or their control are substantially transferred. If the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. Finally, transferred assets are derecognised if the contractual right to receive the cash flows of the assets is retained, but at the same time a contractual obligation is assumed to pay these flows to a third party, without delay and only to the extent of those received.

## 3 – FINANCIAL ASSETS MEASURED AT AMORTISED COST

### a) recognition criteria

Financial assets measured at amortised cost are initially recognised on (i) the settlement date for debt securities and investments and (ii) the date on which the service is rendered for trade receivables. They are initially recognised at fair value which is generally the price paid for debt securities or at the contractual value of the service rendered for all the other receivables. Changes in fair value between the trade date and the settlement date are recognised in the Separate Report.

#### b) classification criteria

This item includes financial assets held in connection with a business model where the objective is the collection of the relevant cash flows ("Hold to Collect" - HTC business model), represented by payments, at specified dates, of principal and interest accrued on the principal outstanding (SPPI). The business model on which the classification of financial assets is based permits the sale of such assets; if the sales are not occasional, and are not immaterial in terms of value, consistency with the HTC business model should be assessed.

In addition to debt instruments that reflect the characteristics outlined above, this item comprises mainly the deposits with the MEF and the trade receivables.

#### c) measurement and recognition of gains and losses

These assets are measured at amortised cost, that is the value assigned to the financial asset on initial recognition, net of any principal reimbursement, plus or minus the cumulative amortisation by using the effective interest rate method on the difference between the initial value and the value at maturity, after deducting any impairment. Any gains or losses are recognised in profit or loss in line "Item 10 - Interest and similar income".

The carrying amount of financial assets measured at amortised cost is adjusted to take into account expected credit losses, as illustrated in the specific section. These expected credit losses are recognised in profit or loss in line "Item 130 – Net losses/recoveries due to credit risk".

#### d) derecognition criteria

These financial assets are derecognised when the contractual rights to the cash flows of those financial assets lapse or on the disposal of the financial asset and all risks and rewards relating to the financial asset or their control are substantially transferred. If the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. Finally, transferred assets are derecognised if the contractual right to receive the cash flows of the assets is retained, but at the same time a contractual obligation is assumed to pay these flows to a third party, without delay and only to the extent of those received.

## 4 – HEDGES

For hedge accounting transactions, the Poste Italiane Group has elected to use the option made available by IFRS 9 and has retained the pre-existing accounting treatments provided for by IAS 39.

#### a) recognition and classification criteria

Derivative hedges are initially recognised on conclusion of the relevant contract. There are two types of hedges:

- fair value hedges: hedge of the exposure to a change in fair value of a recognised asset or liability attributable to a particular risk, and that could have an impact on profit or loss;

- cash flow hedges: a hedge of the exposure to the variability of cash flows attributable to a particular risk associated with a recognised asset or liability or with a highly probable forecast transaction, and that could have an impact on profit or loss.

Derivative contracts that constitute effective hedging relationships are presented as assets or liabilities depending on whether the fair value is positive or negative.

#### b) measurement and recognition of gains and losses

Derivatives are initially recognised at fair value on the date the derivative contract is executed. If derivative financial instruments qualify for hedge accounting, gains and losses arising from changes in fair value after initial recognition are accounted for in accordance with the specific policies described below. The relationship between each hedging instrument and the hedged item is documented, as well as the risk management objective, the strategy for undertaking the hedge transaction and the methods used to assess effectiveness. Assessment of whether the hedging derivative is effective takes place both at designation of each derivative instrument as hedging instrument, and during its life.

- *Fair value hedges*

When the hedge is related to recognised assets or liabilities, the changes in fair value of both the hedging instrument and the hedged item are recognised in profit or loss. Any difference represents the ineffective portion of the hedge and is accounted for as a loss or gain, recognised separately in line "Item 90 - Profits/(Losses) on hedging".

- *Cash flow hedges*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges after initial recognition is recognised in a specific equity reserve (the Cash flow hedge reserve, within line "Item 110 – Valuation reserve"). A hedging transaction is generally considered highly effective if, both at inception of the hedge and on an ongoing basis, changes in the expected future cash flows of the hedged item are substantially offset by changes in the fair value of the hedging instrument. If the hedging transaction is not fully effective, the gain or loss arising from a change in fair value relating to the ineffective portion is recognised in line "Item 90 - Profits/(Losses) on hedging".

Amounts accumulated in equity are recycled to profit or loss in the period in which the hedged item affect profit or loss. In particular, in the case of hedges associated with a highly probable forecast transaction (such as the forward purchase of debt securities), the reserve is reclassified to profit or loss in the period or in the periods in which the asset or liability, subsequently accounted for and connected to the aforementioned transaction, will affect profit or loss (for example, an adjustment to the return on the security).

If, during the life of the derivative, the forecast hedged transaction is no longer expected to occur, the related gains and losses accumulated in the cash flow hedge reserve are immediately reclassified in line "Item 80 – Profits/(Losses) on trading" for the relevant year. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the related gains and losses accumulated in the cash flow hedge reserve at that time remain in equity and are recognised in profit or loss at the same time as the original underlying.

## 9 – CURRENT AND DEFERRED TAXATION

Current income tax expense (IRES and IRAP) is based on the best estimate of taxable profit for the period and the related regulations, applying the rates in force. Deferred tax assets and liabilities are calculated on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, using tax rates that are expected to apply when the related deferred tax assets are realised or the deferred tax liabilities are settled. Deferred tax assets are recognised to

the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred taxes are recognised in profit or loss, with the exception of taxes charged or credited directly to equity, in which case the tax effect is recognised directly in equity.

BancoPosta RFC is not a separate legal person and is not either directly or indirectly assessable to taxes. BancoPosta's share of taxes on Poste Italiane SpA's overall income is charged to BancoPosta RFC based on the profit or loss presented in this Separate Report adjusted for deferred taxation. In the case of both IRES and IRAP, the computation takes all permanent and temporary changes in BancoPosta's operations into account. Any items not directly relating to BancoPosta are included in the Poste Italiane computation.

Current tax assets and liabilities form part of intersegment relations and are presented in the Separate Report in "Other assets" and "Other liabilities", as they are settled with the segment of Poste Italiane SpA outside the ring-fence, within the scope of internal relations with Poste Italiane SpA, which continues to be the sole taxable entity.

## 10 – PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recorded to cover losses that are either probable or certain to be incurred, for which, however, there is an uncertainty as to the amount or as to the date on which they will occur. Provisions for risks and charges are made when the entity has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured on the basis of management's best estimate of the use of resources required to settle the obligation. The value of the liability is discounted, where the time effect of money is relevant, at a rate that reflects current market values and takes into account the risks specific to the liability. Provisions are reviewed at each reporting date and are adjusted to reflect the best estimate of the expected charge to meet existing obligations at the reporting date. Any effect of the passage of time and the effect of changes in interest rates are shown in the statement of profit or loss under net allocations in the year. With regard to the risks for which the occurrence of a liability is only possible, specific information is provided without making any provision. Under the option granted by the relevant accounting standards, limited disclosure is provided when, in rare cases, disclosure of some or all of the information regarding the risks in question could seriously prejudice BancoPosta RFC's position in a dispute or in ongoing negotiations with third parties.

## 11 – FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

### a) recognition and classification criteria

BancoPosta RFC has no outstanding debt securities and has not issued any such securities since its establishment. The sub-items Due to banks and Due to customers consist of funding provided by customers and obtained from the interbank market. These financial liabilities are recognised at fair value on the date of receipt of the funds. Fair value is normally the amount received.

### b) measurement and recognition of gains and losses

Due to banks and customers are measured at amortised cost, employing the effective interest rate method. If there is a change in the expected cash flows and they can be reliably estimated, the value of payables is recalculated to reflect the change on the basis of the present value of estimated future cash flows and the internal rate of return initially applied.

### c) derecognition criteria

Financial liabilities are derecognised when they are extinguished or when the obligation specified in the contract expires, is cancelled or discharged.

## 12 – FINANCIAL LIABILITIES HELD FOR TRADING

### a) classification and recognition criteria

This item includes derivative financial instruments that do not qualify for classification as hedging instruments in accordance with accounting standards. Financial liabilities held for trading are recognised on the derivative contract date.

### b) measurement and recognition of gains and losses

Financial liabilities held for trading are measured at fair value through profit or loss in "Item 80 - Profits/(Losses) on trading".

### c) derecognition criteria

Financial liabilities on trading are derecognised when they are extinguished or when the obligation specified in the contract expires, is cancelled or discharged.

## 14 – FOREIGN CURRENCY TRANSACTIONS

### a) recognition criteria

Foreign currency transactions are initially recognised in the functional currency by translating the foreign currency amount at the transaction date spot rate.

### b) classification, measurement, derecognition and recognition of gains and losses

Foreign currency items are translated at each reporting date as shown below:

- monetary items at closing exchange rates;
- non-monetary items are recognised at their historical cost translated at the transaction date spot rate;
- non-monetary items measured at fair value at closing exchange rates.

Foreign exchange differences realised on the settlement of monetary items or on the translation of monetary and non-monetary items, using exchange rates other than the rate used to translate the item on initial recognition, are recognised in profit or loss in line "Item 80 - Profits/(Losses) on trading".

## 15 – OTHER INFORMATION

### Revenue recognition from contracts with customers

Revenue deriving from contracts with customers reflects the consideration to which the entity expects to be entitled in exchange for those promised goods and services (transaction price).

The main revenue types of BancoPosta RFC are described below, together with an indication of the time-frame in which the performance obligations<sup>328</sup> will be fulfilled:

- revenue from placement and brokerage: these are recognised over time and measured on the basis of the volumes placed, quantified on the basis of commercial agreements with financial institutions. In terms of fees for collection of postal savings, the agreement entered into with Cassa Depositi e Prestiti envisages payment of a variable consideration on achieving certain levels of inflows, determined annually on the basis of the volume of inflows and expected redemptions; certain commercial agreements, entered into with leading financial partners for the placement of financial products, envisage the return of placement fees in the event of early termination or surrender by the customer;
- revenue from current account and related services: these are recognised over time, measured on the basis of the service rendered (including the related services, e.g. bank transfers, securities deposits, etc.) and quantified on the basis of the contract terms and conditions offered to the customer;
- revenue from commissions on postal current account slips: these are recognised at a point in time given the number of transactions handled by post offices and quantified on the basis of the terms and conditions in the contract of sale.

For revenue recognition purposes, the principle provides for the identification and quantification of the variable components of the consideration (discounts, rebates, price concessions, incentives, penalties and other similar) to include them to supplement or adjust the transaction price. Of the elements of variable consideration, penalties (other than those related to compensation for damages) take on particular importance. These expenses are deducted directly from revenue.

Revenue from activities carried out in favour of or on behalf of the state is recognised on the basis of the amount effectively accrued, with reference to the laws and agreements in force, taking account, in any event, of the provisions contained in legislation regarding the public finances. Returns on the portion of current account deposits deposited with the MEF are determined on an accruals basis, using the effective interest rate method, and classified in "Item 10 – Interest and similar income". The same classification is applied to income from Eurozone government bonds, in which deposits paid into accounts by private customers and tax credits Law no. 77/2020 are invested.

For quantitative details on the distinction between revenue from contracts with customers recognised at a point in time or over time, see Part C - Section 2 - Commissions.

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<sup>328</sup> The performance obligations are defined as the explicit or implicit promise to transfer a distinct good or service to the customer. Revenue is recognised when or as the entity fulfils the performance obligation, that is upon delivery of the good or service to the customer:

- "at a point in time": in the case of obligations fulfilled at a point in time, revenue is recognised only as control over the good or service is passed to the customer. In that respect, consideration is given not only to the significant exposure to the risks and benefits related to the good or service but also physical possession, customer's acceptance, the existence of legal rights, etc.;
- "over time": in the case of obligations fulfilled over time, the measurement and recognition of revenue reflect, virtually, the progress of the customer's satisfaction. An appropriate approach is defined to measure progress of the performance obligation (the output method).

## Impairment

Loans and receivables classified under "Financial assets measured at amortised cost" and "Financial assets measured at fair value through other comprehensive income" are tested for impairment in accordance with the Expected Credit Losses (ECL) model. The method utilised is the "General deterioration model", whereby:

- if on the reporting date the credit risk of a financial instrument has not increased significantly since initial recognition, a 12-month ECL is recognised (stage 1). Interest on the instrument is calculated on the gross carrying amount (amortised cost inclusive of the ECL);
- if on the reporting date the credit risk of the financial instrument has increased significantly since initial recognition, a lifetime ECL is recognised (stage 2). Interest on the instrument is calculated on the gross carrying amount (amortised cost inclusive of the ECL);
- if the financial instrument is impaired, or shows objective evidence of impairment at the reporting date, impairment will continue to be recognised over the lifetime of the financial instrument (stage 3). Interest is recognised on amortised cost, that is the exposure value - determined using the effective interest rate - adjusted for expected losses.

In determining whether credit risk has increased significantly, it is necessary to compare the risk of default of the financial instrument at the reporting date with the risk of default of the financial instrument on initial recognition.

However, there is a rebuttable default presumption if the financial instrument is more than 90 days past due, unless there is reasonable and supportable information to demonstrate that a default criterion with greater lag is more appropriate.

On the other hand, a simplified approach to measure the loss provisions is applied to trade receivables that do not contain a significant financing component pursuant to IFRS 15. The simplified approach is based on a matrix of observed historical losses.

For a detailed description of the approaches, reference is made to Part E – Section 1 – Credit risk.

## Tax credits Law no. 77/2020

The tax credits were acquired by Poste Italiane SpA and allocated to BancoPosta against free capital resources as well as resources subject<sup>329</sup> and not subject to the restriction of use in accordance with the provisions of the "Decreto Rilancio" (Law Decree no. 34/2020 converted with amendments by Law no. 77/2020) by which tax breaks were introduced to support Citizens and Businesses to encourage economic recovery following the Covid-19 health emergency. The main features of these tax credits are: (i) the possibility of use in offsetting; (ii) transferability to third-party purchasers; and (iii) non-refundability by the tax Authorities.

The tax credits are allocated to BancoPosta at acquisition cost and upon maturity of the individual units are transferred to Poste Italiane SpA at their nominal value for the relevant offsetting, as the BancoPosta RFC do not have legal personality and are not autonomously subject to direct or indirect taxation.

For said receivables, since it is not possible to identify an accounting framework directly applicable to this case, in compliance with the provisions of IAS 8, an accounting policy was defined, suitable for providing relevant and reliable information aimed at ensuring a faithful representation of the financial position, income and cash flows and which reflects the economic substance and not merely the form of the transaction. On the basis of the analyses carried out and the

<sup>329</sup> With the conversion into Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021, BancoPosta RFC is allowed, as part of the 50% of its funding from private customers that can be invested in securities guaranteed by the Italian State, to use up to 30% of this portion to purchase tax credits.



documents published by the main Italian supervisory bodies<sup>330</sup>, although the definition of financial assets in IAS 32 is not directly applicable to this case, an accounting model was developed based on IFRS 9 given that:

- a) at inception, an asset as defined by the Conceptual Framework arises in the transferee's financial statements;
- b) they may be used to offset a payable that is usually settled in cash (tax payables), and exchanged for other financial assets on terms that may be potentially favourable to the entity;
- c) a business model can be identified (Hold to Collect, Hold to Collect and Sell or other business models).

At the date of purchase, these receivables are recognised at their fair value (coinciding with the price paid) and subsequently measured at amortised cost, as they were acquired to be used to offset tax or social security payables by Poste Italiane SpA, based on the provisions of the relevant regulations ("Hold to Collect" - HTC business model).

As specified by the joint document of the Authorities, taking into account that purchased tax credits do not represent tax assets, government grants, intangible assets or financial assets under international accounting standards, the most appropriate classification for the purposes of presentation in the financial statements is the residual classification in "Item 120 - Other Assets" in the Statement of financial position. The related remuneration is recognised to the Statement of profit or loss under "Item 10 - Interest and similar income".

### Repurchase agreements

Any securities received as part of a transaction entailing subsequent re-sale and the delivery of securities as part of a transaction entailing their subsequent repurchase are not either recognised or derecognised. Consequently, in the case of securities purchased under a resale agreement, the amount paid is recognised as an amount due from customers or banks under Financial assets measured at amortised cost; in the case of securities sold under a repurchase agreement, the liability is recognised as an amount due to banks or customers under Financial liabilities measured at amortised cost. The transactions described are subject to offsetting if, and only if, they are carried out with the same counterparty, have the same maturity and offsetting is provided for in the contract.

### Related parties

Related parties within the Poste Italiane Group are Poste Italiane SpA's functions outside the ring-fence and Poste Italiane SpA's direct and indirect subsidiaries and associates.

Related parties external to the Group include the MEF and its direct and indirect subsidiaries and associates. Related parties also include Poste Italiane SpA's key management personnel and the funds representing post-employment benefit plans for the personnel of BancoPosta RFC and its related parties. The state and public sector entities other than the MEF are not classified as related parties. Related party transactions do not include those deriving from financial assets and liabilities represented by instruments traded on organised markets.

### Employee benefits

**Short-term employee benefits** are those that will be fully paid within twelve months of the end of the year in which the employee provided his or her services. Such benefits include wages, salaries, social security contributions, holiday pay and sick pay.

The undiscounted value of short-term employee benefits, to be paid to employees in consideration of employment services provided over the relevant period, is accrued as personnel expenses.

<sup>330</sup> On 5 January 2021, the Bank of Italy, Consob and IVASS published Document no. 9 of the Coordination Round-Table Group on the application of IAS/IFRS "Accounting treatment of tax credits associated with the "Cura Italia" and "Rilancio" Law Decrees acquired as a result of disposal by direct beneficiaries or previous purchasers".

**Post-employment benefits** consist of two types:

- **Defined benefit plans**

Defined benefit plans include employee termination benefits payable to employees in accordance with art. 2120 of the Italian Civil Code, limited to the part of employee termination benefits accrued until 31 December 2006.

Under these plans, given that the amount of the benefit to be paid is only quantifiable following the termination of employment, the related effects on profit or loss or the financial position are recognised on the basis of actuarial calculations. In particular, the liability to be paid on cessation of employment is calculated using the projected unit credit method and then discounted to recognise the time value of money prior to the liability being settled. The liability recognised in the Separate Report is based on calculations performed by independent actuaries. The calculation takes account of employee termination benefits accrued for the work services already provided and is based on actuarial assumptions described in Part B, Section 9 of Liabilities to which reference should be made. Actuarial gains and losses are recognised directly in equity at the end of each reporting period, based on the difference between the carrying amount of the liability and the present value of the BancoPosta RFC's obligations at the end of the period, due to changes in the actuarial assumptions.

- **Defined contribution plans**

Employee termination benefits payable pursuant to art. 2120, Italian Civil Code fall within the scope of defined contribution plans provided they vested subsequent to 1 January 2007 and were paid into a Supplementary Pension Fund or a Treasury Fund at INPS. Contributions to defined contribution plans are recognised in profit or loss when incurred, based on their nominal value.

**Termination benefits payable to employees** are recognised as a liability when BancoPosta RFC gives a binding commitment, also on the basis of consolidated relationships and mutual undertakings with union representatives, to terminate the employment of an employee, or group of employees, prior to the normal retirement date or, alternatively, an employee or group of employees accepts an offer of benefits in consideration of a termination of employment. Termination benefits payable to employees are immediately recognised as personnel expenses.

**Other long-term employee benefits** consist of benefits not payable within twelve months of the end of the reporting period during which the employees provided their services. The net change in the value of any of the components of the liability during the reporting period is recognised in full in profit or loss.

### Share-based payments

Share-based payment transactions may be settled in cash, equity instruments, or other financial instruments. In the event of share-based payment transactions BancoPosta RFC is required to measure the goods or services acquired and the liability incurred at fair value.

In the case of cash-settled share-based payment transactions:

- a liability is recognised as a matching entry at cost;
- if the fair value of the goods or services received or acquired cannot be reliably determined, this value must be estimated indirectly on the basis of the fair value of the liability;
- the fair value of the liability must be remeasured at the end of each reporting period, recognising any changes in fair value in profit or loss, until it is extinguished.

In the case of equity-settled share-based payment transactions:

- an increase in shareholders' equity is recorded as a matching entry at cost;

- if the fair value of the goods or services received or acquired cannot be reliably determined, this value must be estimated indirectly on the basis of the fair value of the equity instruments granted at the grant date.

In the event of benefits granted to employees, recognition should take place in "Item 160 a) – Personnel expenses" over the period in which the employees render service and the expense accounted for.

### Perpetual subordinated loan

The perpetual subordinated loan is classified as an equity instrument, in view of the fact that BancoPosta RFC has the unconditional right to defer repayment of the principal and payment of the coupons until the date of its liquidation. Therefore, the amount received from Poste Italiane SpA is recognised as an increase in the shareholders' equity; conversely, repayments of principal and payments of coupons due (at the time the related contractual obligation arises) are recognised as a decrease in the shareholders' equity.

### Classification of the costs for services provided by Poste Italiane SpA

Service costs charged by Poste Italiane SpA's functions outside the ring-fence are normally recognised in "Item 160 b) - Other administrative expenses".

### Use of estimates

The preparation of financial information requires the use of estimates and assumptions that can have a significant effect on the final values indicated in the financial statements and in the disclosure provided. The preparation of these estimates involves the use of available information and the adoption of subjective assessments, also based on historical experience, used for the formulation of reasonable assumptions for the recognition of operating events. Estimates and assumptions are periodically reviewed and the impact of any changes is reflected in the financial statements for the period in which the estimate is revised if the revision only influences the current period, or also in future periods if the revision influences both current and future periods. Due to their nature, the estimates and assumptions used may vary from year to year and, therefore, it cannot be excluded that in subsequent years, the values recorded in this Separate Report may also vary significantly as a result of changes in the subjective valuations used.

Accounting treatments that require greater subjectivity in the preparation of estimates are described below, also taking into account the unique characteristics of the macroeconomic environment of reference recorded during the year.

- **Impairment and stage allocation**

For the purposes of calculating impairment and determining the stage allocation, the main factors estimated are as follows, relating to the internal model developed for Sovereign, Banking and Corporate counterparties:

- estimates of ratings by counterparty;
- estimation of the probability of default "PD" for counterparties.

With regard to trade receivables, on the other hand, the Poste Italiane Group does not apply stage allocation in accordance with the Simplified Approach. Impairment, for these items in the financial statements, is based on:

- analytical impairment: when a defined credit threshold is exceeded, the individual credit position is analytically monitored on the basis of internal or external evidence; or
- forfeit impairment: elaboration of a provision matrix for historical losses.

For further details see Part E - Section 1 - Credit risk.

- **Revenue from contracts with customers**

The main factors in the recognition of revenue from contracts with customers include elements of variable consideration, particularly penalties (other than those related to compensation for damages). Elements of variable consideration are identified at the inception of the contract and estimated as of every close of the accounts for the entire contract term, to take into account new circumstances and changes in the circumstances already considered for the previous estimations. Elements of variable consideration include refund liabilities.

- [Deferred tax assets](#)

The recognition of deferred tax assets is based on the expectation of taxable income in future years. Assessments of expected taxable income depend on factors which may change over time, impacting on the valuation of the deferred tax assets in the Separate Report.

- [Provisions for risks and charges](#)

Provisions for risks and charges represent probable liabilities in connection with personnel, suppliers, third parties and, in general, liabilities deriving from present obligations. These provisions cover the liabilities that could result from legal action of varying nature, the impact on profit or loss of seizures incurred and not yet definitively assigned, and amounts expected to be refundable to customers where the final amount payable has yet to be determined.

Determination of the amounts to be provided involves the use of estimates based on current knowledge of factors that may change over time, potentially resulting in outcomes that may be significantly different from those taken into account when preparing this Separate Report.

- [Share-based payments](#)

As described in Part I, internal pricing tool was used to assess the Share-based payment arrangements in place within the Poste Italiane Group at the close of this Report, which adopts simulation models consistent with the requirements of the relevant accounting standards and takes account of the specific characteristics of the Plans. The plan terms and conditions link the award of the related options to the occurrence of certain events, such as the achievement of performance targets and performance hurdles and, in certain areas of operation, compliance with certain capital adequacy and liquidity requirements. For these reasons, measurement of the liability, equity reserve and the corresponding economic effects involves the use of estimates based on current knowledge of factors that may change over time, potentially resulting in outcomes that may be significantly different from those taken into account in preparing this Report.

- [Employee termination benefits](#)

The measurement of Employee termination benefits is also based on calculations performed by independent actuaries. The calculation takes account of termination benefits accrued for the period of service to date and is based on various demographic and economic-financial assumptions. The main actuarial assumptions applied in the calculation of employee termination benefits at 31 December 2023, also based on the experience of each Group company and the reference best practice, are as follows: These assumptions, which are based on the Group's experience and relevant best practices, are subject to periodic reviews.

#### Economic and financial assumptions

	<b>31.12.2023</b>
Discount rate	3.08%
Inflation rate	2.00%
Annual rate of increase of employee termination benefits	3.00%

### Demographic assumptions

	31.12.2023
Mortality	ISTAT 2018
Disability	INPS tables broken down by age and gender
Pensionable age	Achievement of general mandatory insurance requirements

### Employee turnover and employee termination benefits advances annual frequencies

	31.12.2023
Advances Frequencies	0.40%
Annual Employee Turnover Frequencies	2.00%

## A.3 – INFORMATION ON TRANSFERS BETWEEN FINANCIAL ASSET PORTFOLIOS

There have been no transfers between portfolios.

## A.4 – INFORMATION ON FAIR VALUE

### Qualitative information

BancoPosta RFC had adopted the Poste Italiane Group's fair value policy. This policy sets out the general principles and rules to be applied in determining fair value for the purposes of preparing the financial statements, conducting risk management assessments and supporting the market transactions carried out by the Finance departments of the various Group entities. The general principles for measuring financial instruments at fair value have not changed since 31 December 2022. These principles have been defined in compliance with indications from the various (banking and insurance) regulators and the relevant accounting standards, ensuring consistent application of the valuation techniques adopted at Group level. The methods used have been revised, where necessary, to take into account developments in operational procedures and in market practices during the year.

In compliance with IFRS 13 - Fair Value Measurement, the valuation techniques used are described below.

The assets and liabilities concerned (specifically assets and liabilities measured at fair value and measured at cost or amortised cost, for which fair value is required to be disclosed in the notes) are classified with reference to a hierarchy that reflects the materiality of the sources used for their valuation.

The hierarchy consists of three levels.

**Level 1:** this level is comprised of fair values determined with reference to unadjusted prices quoted in active markets for identical assets or liabilities to which the entity has access on the measurement date. For BancoPosta RFC, the financial instruments included in this category consist of bonds issued by the Italian government, the German and French governments, the valuation of which is based on the bid prices, according to a hierarchy of sources where the MTS (the wholesale electronic market for government securities) ranks first, MILA (Milan Stock Exchange) second, for bonds intended for retail customers, and the CBBT (Composite Bloomberg Bond Trader) third.

**Level 2:** this level is comprised of fair values based on inputs other than Level 1 quoted market prices that are either directly or indirectly observable for the asset or liability<sup>331</sup>. For BancoPosta RFC, these include the following types of financial instrument:

- Straight Italian and international government and non-government bonds, quoted on inactive markets or unquoted;
- Unquoted equities;
- Derivative financial instruments;
- Reverse Repos;
- Financial liabilities either quoted on inactive markets or unquoted comprised of funding Repos.

**Level 3:** this category includes the fair value measurement of assets and liabilities using inputs which cannot be observed, in addition to Level 2 inputs. In BancoPosta RFC's case, this category includes the following financial instruments for which no price is observable directly or indirectly in the market:

- Unquoted equities;
- Tax credits Law no. 77/2020<sup>332</sup>;
- forward sale of unquoted equities.

#### A.4.1 FAIR VALUE LEVELS 2 AND 3: VALUATION TECHNIQUES AND INPUTS USED

Information on the valuation models used is summarised below by type of financial instrument.

**Level 2:** the following categories of financial instruments belong to this level:

- Straight Italian and international government and non-government bonds, quoted on inactive markets or unquoted: valuation is based on discounted cash flow techniques involving the computation of the present value of future cash flows, inputting rates from yield curves incorporating spreads reflecting credit risk that are based on spreads determined with reference to quoted and liquid benchmark securities issued by the issuer, or by other companies with similar characteristics to the issuer. Yield curves may be slightly adjusted to reflect liquidity risk relating to the absence of an active market.
- Unquoted equities, for which it is to use the price of quoted equities of the same issuer as a benchmark. The price inferred in this manner is adjusted through the application of a discount, quoted by primary market counterparties, representing the cost implicit in the process to align the value of the unquoted shares to the quoted ones.
  - Derivative financial instruments:
    - Plain vanilla interest rate swaps: valued using discounted cash flow techniques, involving the computation of the present value of future differentials between the receiver and payer legs of the swap. The construction of yield curves to estimate future cash flows indexed to market parameters (money market rates and/or inflation) and computation of the present value of future differentials are carried out using techniques commonly used in capital markets.

<sup>331</sup> Given the nature of BancoPosta RFC's operations, the observable data used as input to determine the fair value of the various instruments include, for example, quoted prices provided by third parties (pricing or brokerage services), yield and inflation curves, exchange rates provided by the European Central Bank, ranges of rate volatility, inflation option premiums, interest rate swap spreads or credit default spreads which represent the creditworthiness of specific counterparties and any liquidity adjustments quoted by primary market counterparties.

<sup>332</sup> These credits have been measured at amortised cost since 1 October 2022.

- Interest rate swaps with an embedded option: valuation is based on a building block approach, entailing decomposition of a structured position into its basic components: the linear and option components. The linear component is measured using the discounted cash flow techniques described for plain vanilla interest rate swaps above. Using the derivatives held in BancoPosta RFC's portfolio as an example, the option component is derived from interest rate or inflation rate risks and is valued using a closed form expression, as with classical option valuation models with underlyings exposed to such risks.
- Bond forwards: valuation is based on the present value of the differential between the forward price of the underlying instrument as of the measurement date and the settlement price.

The derivatives held in BancoPosta RFC's portfolio may be pledged as collateral and the fair value, consequently, need not be adjusted for counterparty risk. The yield curve used to compute present value is selected to be consistent with the manner in which cash collateral is remunerated. This approach is also followed for security in the form of pledged debt securities, given the limited level of credit risk inherent in the securities held as collateral by BancoPosta RFC.

- Reverse Repos: are valued using discounted cash flow techniques involving the computation of future contractual cash flows. Reverse Repos may also be used for collateral and in such cases fair value need not be adjusted for the counterparty's credit risk.
- Financial liabilities either quoted on inactive markets or not at all, consisting of repurchase agreements used to raise finance are valued using discounted cash flow techniques involving the computation of future contractual cash flows. Repos may also be used for collateral and in such cases fair value need not be adjusted for the counterparty's credit risk.

**Level 3:** the following categories of financial instruments belong to this level:

- Unquoted equities for which no price is observable directly or indirectly in the market. Measurement of these instruments is based on the price of quoted equities of the same issuer as a benchmark. The price inferred in this manner would be adjusted through the application of the discount implicit in the process to align the value of the unquoted shares to the quoted ones.
- Tax credits Law no. 77/2020 for which no price is observable directly or indirectly in the market. For this type of instrument, the method of determining fair value involves the application of the discounted cash flow valuation technique, which consists of discounting cash flows to maturity using the yield curve constructed by adding to the risk-free rate curve the extra yield calculated starting from the price at the date of purchase of the receivables. The spread remains fixed for the life of the instrument.
- Forward sale of unquoted equities, for which the valuation of the counterparty is recalculated by discounting the difference between the forward price of the equity security underlying the derivative updated to the valuation date and the settlement price.

#### A.4.2 MEASUREMENT PROCESSES AND SENSITIVITIES

The processes used in recurring and non-recurring fair value measurements of instruments classified in Level 3 are described in paragraphs A.4.1 and A.4.5, respectively, of Part A.

Sensitivity analysis of recurring fair value measurements classified in Level 3 of the hierarchy is conducted for the Series C Visa Incorporated Convertible Participating Preferred Stock. Measurement of these financial instruments is in fact subject to change following alterations that may occur in the discount factor applied in determining fair value, in order to take into account the illiquid nature of the shares. This discount factor, estimated using an internal valuation technique, is above all influenced by the annual volatility of the underlying shares. Applying the maximum volatility according to the technique used, the potential reduction in fair value could reach approximately 11.24%.

### A.4.3 FAIR VALUE HIERARCHY

The main factors contributing to transfers between fair value levels include changes in the observability of significant inputs and market conditions (including the liquidity parameter) and refinements in the valuation models used in measuring fair value.

For all classes of assets and liabilities, the transfer from one level to another occurs on the date of the event or change in circumstances that led to the transfer.

Information on transfers during the period is provided in Part A.4.5 - Fair Value Hierarchy.

### A.4.4 OTHER INFORMATION

There is no need to provide the additional disclosures required by IFRS 13, paragraphs 51, 93(h) and 96.

### Quantitative information

### A.4.5 FAIR VALUE HIERARCHY

#### A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level

Assets/Liabilities measured at fair value	31.12.2023			31.12.2022		
	Level 1	Level 2	Level 3*	Level 1	Level 2	Level 3*
1. Financial assets measured at fair value through profit or loss	-	-	26	-	20	20
a) financial assets held for trading	-	-	-	-	-	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	26	-	20	20
2. Financial assets measured at fair value through other comprehensive income	32,901	168	-	33,017	144	-
3. Hedging derivatives	-	4,257	-	-	6,109	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
<b>Total</b>	<b>32,901</b>	<b>4,425</b>	<b>26</b>	<b>33,017</b>	<b>6,273</b>	<b>20</b>
1. Financial liabilities held for trading	-	-	3	-	-	4
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	1,136	-	-	971	-
<b>Total</b>	<b>-</b>	<b>1,136</b>	<b>3</b>	<b>-</b>	<b>971</b>	<b>4</b>

(\*) Notes on this position are provided in Part B, Assets, Table 2.5.

#### A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (Level 3)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
<b>1. Opening balance</b>	<b>20</b>	-	-	<b>20</b>	-	-	-	-
<b>2. Increases</b>	<b>6</b>	-	-	<b>6</b>	-	-	-	-
2.1. Purchases	-	-	-	-	-	-	-	-
2.2. Profit recognition:	6	-	-	6	-	-	-	-
2.2.1. Profit or loss	6	-	-	6	-	-	-	-
- of which gains	-	-	-	-	-	-	-	-
2.2.2. Equity	-	x	x	x	-	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-	-
<b>3. Decreases</b>	<b>-</b>	-	-	<b>-</b>	-	-	-	-
3.1. Sales	-	-	-	-	-	-	-	-
3.2. Redemptions	-	-	-	-	-	-	-	-
3.3. Impairment recognition:	-	-	-	-	-	-	-	-
3.3.1. Profit or loss	-	-	-	-	-	-	-	-
- of which losses	-	-	-	-	-	-	-	-
3.3.2. Equity	-	x	x	x	-	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	-	-	-	-	-	-	-	-
<b>4. Closing balance</b>	<b>26</b>	-	-	<b>26</b>	-	-	-	-

In the period under review, the change of €6 million relates to the increase in fair value of Series C Visa Incorporated Convertible Participating Preferred Stocks.



#### A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	Total at 31.12.2023				Total at 31.12.2022			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
	1. Financial assets measured at amortised cost	44,562	25,231	4,856	12,394	46,576	20,927	4,082
2. Property, plant and equipment held for investment purposes	-	-	-	-	-	-	-	-
3. Non-current assets and disposal groups held for sale	-	-	-	-	-	-	-	-
<b>Total</b>	<b>44,562</b>	<b>25,231</b>	<b>4,856</b>	<b>12,394</b>	<b>46,576</b>	<b>20,927</b>	<b>4,082</b>	<b>17,519</b>
1. Financial liabilities measured at amortised cost	90,963	-	7,996	82,747	98,944	-	9,776	88,819
2. Liabilities associated with non-current assets held for sale and	-	-	-	-	-	-	-	-
<b>Total</b>	<b>90,963</b>	<b>-</b>	<b>7,996</b>	<b>82,747</b>	<b>98,944</b>	<b>-</b>	<b>9,776</b>	<b>88,819</b>

In determining the fair values shown in the table, the following criteria were used:

- debt securities measured at amortised cost were recognised applying the same rules as those used in the fair value measurement of financial assets measured at fair value through other comprehensive income; these instruments are shown in Level 1 of the fair value hierarchy;
- the fair value of repurchase agreements was measured using the discounted cash flow techniques described in paragraph A.4.1; these financial instruments are shown in Level 2 of the fair value hierarchy;
- the carrying amount of other financial assets and liabilities represents a reasonable approximation of fair value and is shown in the column corresponding to Level 3 in the fair value hierarchy.

The table does not include tax credits Law no. 77/2020 measured at amortised cost at 31 December 2023 with a carrying amount of €7,912 million (€8,600 million at 31 December 2022) and a fair value of €7,434 million (€7,824 million at 31 December 2022). This fair value is determined using discounted cash flow techniques, described in Section A.4.1, and corresponds to Level 3 of the fair value hierarchy.

## A.5 – INFORMATION ON DAY ONE PROFIT/LOSS

This form of profit or loss is not applicable to BancoPosta RFC.

## PART B – INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

### ASSETS

#### SECTION 1 – CASH AND CASH EQUIVALENTS – ITEM 10

##### 1.1 Cash and cash equivalents: breakdown

	(€m)	
	Total at 31.12.2023	Total at 31.12.2022
a) Cash	3,969	3,984
b) Current accounts and demand deposits at Central banks	756	1,885
c) Current accounts and demand deposits at banks	7	5
<b>Total</b>	<b>4,732</b>	<b>5,874</b>

"Cash" is comprised of cash at post office counters and companies that provide cash transportation services, consisting of cash deposits on postal current accounts, postal savings products (Interest-bearing Postal Certificates and Postal Savings Books) or advances obtained from the Treasury to fund post office operations. This cash may only be used in settlement of these obligations. Cash and cash equivalents in hand are held at post offices (€1,358 million) and service companies<sup>333</sup> (€2,611 million). Cash includes foreign banknotes equivalent to €60 million.

<sup>333</sup>

They carry out transport and custody of valuables awaiting payment to the State Treasury.

## SECTION 2 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 20

BancoPosta RFC had no financial instruments in the trading book either at 31 December 2023 or 31 December 2022. BancoPosta RFC entered into transactions to acquire and immediately dispose of debt securities and equities on behalf of certain customers.

There are no financial assets measured at fair value under the fair value option in portfolio at 31 December 2023 and 31 December 2022.

### 2.5 Other financial assets mandatorily measured at fair value: breakdown by type

Items/Amounts	Total at 31.12.2023			Total at 31.12.2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>1. Debt securities</b>	-	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
<b>2. Equity instruments</b>	-	-	<b>26</b>	-	<b>20</b>	<b>20</b>
<b>3. UCIs</b>	-	-	-	-	-	-
<b>4. Loans</b>	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
<b>Total</b>	-	-	<b>26</b>	-	<b>20</b>	<b>20</b>

Equity instruments refer to the fair value of 32,059 Visa Incorporated preference shares (Series C Convertible Participating Preferred Stock). These shares are convertible at the rate of 3.625<sup>334</sup> ordinary shares for each C share, minus a suitable illiquidity discount.

The overall change in fair value during the year is a positive €6 million and is recorded in profit or loss under "Item 110 - Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss".

On 1 March 2023, the forward sale of 198,000 Visa Incorporated ordinary shares outstanding at 31 December 2022 was settled without exchange of the underlying, the economic effect of which, in the amount of approximately €2 million, was recognised in "Item 80 Profits/(Losses) on trading".

In addition, two separate forward sales contracts were concluded during the financial year 2023:

- the forward sale of 101,900 Visa Incorporated ordinary shares<sup>335</sup>, settled on 3 April 2023, for a total consideration of €20,8 million with insignificant effects on the statement of profit or loss;
- the outstanding forward sale of 95,000 Visa Incorporated ordinary shares with a total consideration of €20,5 million and a settlement date of 3 March 2025<sup>336</sup>. Fair value fluctuations in the year under review amounted to a negative €2,6 million, and have been recognised in profit or loss in "Item 80 - Profits/(Losses) on trading".

<sup>334</sup> Until the assigned shares are fully converted into ordinary shares, the share exchange ratio may be reduced if Visa Europe Ltd. incurs liabilities that, at the reporting date, were considered as merely contingent.

<sup>335</sup> On 20 March 2023, the 1,019 shares of Series A Preferred Stock held at 31 December 2022 were converted into ordinary shares, based on the conversion ratio of 100 ordinary shares for every share of Class A Preferred Stock.

<sup>336</sup> The ordinary shares involved in the forward sale amount to approximately 26,207 Visa Incorporated (series C) preference shares held in portfolio at the applicable conversion rate at 31 December 2023.

## 2.6 Other financial assets mandatorily measured at fair value: breakdown by debtor/issuer

	(€m)	
	Total at 31.12.2023	Total at 31.12.2022
<b>1. Equity instruments</b>	<b>26</b>	<b>40</b>
of which: banks	-	-
of which: other financial companies	26	40
of which: non-financial companies	-	-
<b>2. Debt securities</b>	-	-
a) Central banks	-	-
b) Public Administration entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
<b>3. UCIs</b>	-	-
<b>4. Loans</b>	-	-
a) Central banks	-	-
b) Public Administration entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
<b>Total</b>	<b>26</b>	<b>40</b>

## SECTION 3 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – ITEM 30

## 3.1 Financial assets measured at fair value through other comprehensive income: breakdown by type

Items/Amounts	(€m)					
	Total at 31.12.2023			Total at 31.12.2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>1. Debt securities</b>	<b>32,901</b>	<b>168</b>	<b>-</b>	<b>33,017</b>	<b>144</b>	<b>-</b>
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	32,901	168	-	33,017	144	-
<b>2. Equity instruments</b>	-	-	-	-	-	-
<b>3. Loans</b>	-	-	-	-	-	-
<b>Total</b>	<b>32,901</b>	<b>168</b>	<b>-</b>	<b>33,017</b>	<b>144</b>	<b>-</b>

Investments in debt securities are recognised at fair value, for €33,069 million (of which €253 million in accrued interest).

## 3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtor/issuer

Items/Amounts	(€m)	
	Total at 31.12.2023	Total at 31.12.2022
<b>1. Debt securities</b>	<b>33,069</b>	<b>33,161</b>
a) Central banks	-	-
b) Public Administration entities	33,069	33,161
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
<b>2. Equity instruments</b>	-	-
a) Banks	-	-
b) Other issuers:	-	-
- other financial companies	-	-
of which: insurance companies	-	-
- non-financial companies	-	-
- other	-	-
<b>3. Loans</b>	-	-
a) Central banks	-	-
b) Public Administration entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
<b>Total</b>	<b>33,069</b>	<b>33,161</b>

Debt securities issued by governments include Eurozone fixed income government bonds, represented by Italian government bonds with a nominal value of €34,859 million. Total fair value fluctuation for the period was positive for €2,321 million, with gains of €1,938 million recognised in the relevant equity reserve in relation to the portion of the portfolio not hedged by fair value hedges, and a gain of €383 million recognised through profit and loss in relation to the hedged portion. The decrease in this item is mainly due to higher sales/reimbursements compared to the purchases made during the year, partially offset by the positive fair value fluctuation mentioned above.

Securities with a nominal value of €6,335 million are encumbered as follows:

- €4,385 million, carried at fair value for €4,093 million (Part B, Other Information, Table 3), and delivered to counterparties in connection with repurchase agreements concluded prior to 31 December 2023;
- €35 million carried at fair value for €35 million and delivered to the Bank of Italy as collateral in relation to the clearing service offered by the Bank of Italy for the execution of Sepa Direct Debits payments;
- €1,915 million, carried at fair value for €1,898 million, and delivered to the Bank of Italy to secure an intraday credit line.

### 3.3 Financial assets measured at fair value through other comprehensive income: gross amount and overall impairment losses

	Gross amount				Total impairment losses				Total partial write-offs*
	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets	
	of which: Instruments with low credit risk								
Debt securities	33,088	-	-	-	19	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<b>Total at 31.12.2023</b>	<b>33,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total at 31.12.2022</b>	<b>33,177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) amount reported for disclosure purposes

Fixed income instruments recognised at FVTOCI are adjusted for impairment through the relevant equity reserve, with a matching entry in profit or loss. Accumulated impairments at 31 December 2023 amount to €19 million (€16 million at 31 December 2022).

## SECTION 4 – FINANCIAL ASSETS MEASURED AT AMORTISED COST – ITEM 40

### 4.1 Financial assets measured at amortised cost: breakdown of due from banks by type

Transaction type/Amounts	Total at 31.12.2023						Total at 31.12.2022					
	Carrying amount		Acquired or originated impaired financial assets	Fair Value			Carrying amount		Acquired or originated impaired financial assets	Fair Value		
	Stage 1 and 2	Stage 3		Level 1	Level 2	Level 3	Stage 1 and 2	Stage 3		Level 1	Level 2	Level 3
<b>A. Due from Central Banks</b>	-	-	-	-	-	-	-	-	-	-	-	-
1. Time deposits	-	-	-	x	x	x	-	-	-	x	x	x
2. Compulsory reserve	-	-	-	x	x	x	-	-	-	x	x	x
3. Repurchase agreements	-	-	-	x	x	x	-	-	-	x	x	x
4. Other	-	-	-	x	x	x	-	-	-	x	x	x
<b>B. Due from banks</b>	<b>976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Loans	976	-	-	-	-	-	1,500	-	-	-	-	-
1.1 Current accounts	-	-	-	x	x	x	-	-	-	x	x	x
1.2 Time deposits	-	-	-	x	x	x	-	-	-	x	x	x
1.3 Other loans:	976	-	-	x	x	x	1,500	-	-	x	x	x
- Reverse repurchase agreements	150	-	-	x	x	x	-	-	-	x	x	x
- Lease financing	-	-	-	x	x	x	-	-	-	x	x	x
- Other	826	-	-	x	x	x	1,500	-	-	x	x	x
2. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	x	x	x	-	-	-	x	x	x
2.2 Other debt securities	-	-	-	x	x	x	-	-	-	x	x	x
<b>Total</b>	<b>976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>826</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>

"Other loans, Reverse repurchase agreements" refers to repurchase agreements secured by securities for a total nominal value of €147 million, entered into with leading financial operators. At 31 December 2023 the fair value of reverse repurchase agreements is €150 million and is shown in Level 2 of the fair value hierarchy.

"Other loans, Other" includes cash collateral held by counterparties for interest rate swaps (€24 million as collateral pursuant to Credit Support Annexes), entered into for cash flow and fair value hedging purposes by BancoPosta RFC, and repurchase agreements (€772 million as collateral pursuant to specific Global Master Repurchase Agreements). The year-on-year decrease in amount due for guarantee deposits is mainly due to the reduction in amounts paid to counterparties with whom repo transactions are in place as a result of the combined effect of the change in the interest rate curve, which generated an increase in the fair value of the securities as collateral, and the lower amount of transactions outstanding at the date.

In addition, "Other loans, Other" includes trade receivables for €30 million arising from contracts with customers, accounted for in accordance with IFRS 15 (€32 million at 31 December 2022) mainly relating to financial services and personal loan distribution.

## 4.2 Financial assets measured at amortised cost: breakdown of due from customers by type

Transaction type/Amounts	Total at 31.12.2023						Total at 31.12.2022					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage 1 and 2	Stage 3	Acquired or originated impaired financial assets	Level 1	Level 2	Level 3	Stage 1 and 2	Stage 3	Acquired or originated impaired financial assets	Level 1	Level 2	Level 3
<b>1. Loans</b>	<b>13,188</b>	-	-				<b>17,377</b>	-	-			
1.1 Current accounts	6	-	-	x	x	x	7	-	-	x	x	x
1.2 Reverse repurchase agreements	1,619	-	-	x	x	x	1,358	-	-	x	x	x
1.3 Mortgages	-	-	-	x	x	x	-	-	-	x	x	x
1.4 Credit cards, personal and salary loans	-	-	-	x	x	x	-	-	-	x	x	x
1.5 Lease financing	-	-	-	x	x	x	-	-	-	x	x	x
1.6 Factoring	-	-	-	x	x	x	-	-	-	x	x	x
1.7 Other loans	11,563	-	-	x	x	x	16,012	-	-	x	x	x
<b>2. Debt securities</b>	<b>30,398</b>	-	-				<b>27,699</b>	-	-			
2.1 Structured securities	30,398	-	-	x	x	x	-	-	-	x	x	x
2.2 Other debt securities	-	-	-	x	x	x	27,699	-	-	x	x	x
<b>Total</b>	<b>43,586</b>	-	-	<b>25,231</b>	<b>4,706</b>	<b>11,568</b>	<b>45,076</b>	-	-	<b>20,927</b>	<b>4,082</b>	<b>16,019</b>

A description of "Loans" is provided below.

At 31 December 2023 there are reverse repurchase agreements of €3,956 million (€4,575 million at 31 December 2022) entered into with Cassa di Compensazione e Garanzia SpA (hereinafter CC&G) for the temporary use of liquidity from private funding. These transactions are guaranteed by securities for a total nominal amount of €3,727 million. The fair value of reverse repurchase agreements is shown in Level 2 of the fair value hierarchy.

Financial assets and liabilities relating to repurchase agreements managed through the CC&G that meet the requirements of IAS 32 are offset. The effect of netting at 31 December 2023, already included in the exposure to net balances, amounted to €2,337 million (€3,217 million at 31 December 2022).

In addition, further reverse repurchase agreements in the amount of €361 million were concluded with CC&G in December 2023, which were settled in early January 2024.

"Other loans" primarily consist of:

- €9,131 million, of which €200 million for interest accrued and collected in on public customers' current account deposits with the MEF (€12,124 million at 31 December 2022), which earn a variable rate of return, calculated on a basket of government securities<sup>337</sup>. The deposit has been adjusted to reflect accumulated impairments of €5 million, to take account of the risk of counterparty default (substantially unchanged compared to 31 December 2022). The decrease of €2,993 million compared to the previous year was mainly due to the typical operations of some customers in the Public Administration, which generated a contraction in deposits from postal current accounts. During the financial year 2023, hedging derivative contracts were concluded on the 10-year index-linked remuneration component. The hedging transaction (Cash flow hedge) was carried out through forward purchases of the 10-year BTP with settlement of the differential between the pre-set price of the security and its market value. This operation, which ended on 31 December 2023, generated positive effects of €5 million recognised in the statement of profit or loss under "Item 10 - Interest and similar income";
- €891 million, of which €18 million for interest accrued, deposits at the MEF (the "Buffer account"), remunerated at the Euro Short Term Rate (ESTR)<sup>338</sup>. The decrease of €1,106 million compared to the previous year is mainly due to alternative investments with yields on 31 December 2023 higher than the ESTR rate;
- €427 million from amounts due for guarantee deposits, of which: (i) €58 million for sums paid to counterparties with which interest rate swap transactions are outstanding (collateral provided for in specific Credit Support Annexes); (ii)

<sup>337</sup> The variable rate in question is calculated as follows: 40% is based on the average return on 6-month BOTs recognised monthly and the remaining 60% is based on the average ten-year BTP return recognised monthly.

<sup>338</sup> Rate calculated and published by the ECB using a new methodology consistent with ECB Regulation (EU) no. 1333/2014 of 26 November 2014 and based on uncollateralised fixed-rate overnight deposit facility transactions exceeding €1 million.

€323 million for sums paid to CC&G for outstanding repo transactions (€234 million) and as a pre-financed contribution to the Default Fund<sup>339</sup> (€89 million); (iii) €46 million for sums paid as collateral within the framework of clearing systems with central counterparties for over-the-counter (OTC) transactions<sup>340</sup> in derivatives;

- €370 million in amounts receivable from Poste Italiane SpA's functions outside the ring-fence, €355 million of which relates to Poste Italiane SpA's Finance function's intersegment financial account, used for the processing of payments to and from third parties;
- €324 million in amounts due from Poste Vita for commissions on the placement of insurance policies;
- €73 million in amounts due from PostePay for product placement services related to the payments business;
- €247 million in fees receivable from Cassa Depositi e Prestiti during the year in connection with the postal savings service pertaining to the year. The increase of €226 million compared to 31 December 2022 reflects the fees to be invoiced accrued at the relevant date, based on the Supplementary and Amending Deed of 30 January 2024, effective retroactively from 1 January 2023 to 31 December 2023<sup>341</sup>;
- €11 million in amounts due for the payment of pensions on behalf of INPS (the National Institute of Social Security).

Receivables arisen from contracts with customers, which fall within the scope of IFRS 15, amount to €965 million (€774 million at 31 December 2022). These are mainly due to financial services, pension payments, interest on postal deposits, and personal loan distribution, net of any loss provisions for €45 million (€41 million at 31 December 2022). Information on the dynamics of total value adjustments is described in Part E, Section 1.

"Other debt securities" include Italian fixed income government bonds and securities guaranteed by the Italian State for €30,877 million. Their carrying amount of €30,398 million reflects the amortised cost of unhedged fixed income instruments, totalling €19,325 million, the amortised cost of fair-value hedged fixed income instruments, totalling €13,017 million, decreased by €1,944 million to take into account the effects of the hedge (€2,714 million related to 2022). The value of these securities was adjusted to take into account the related impairments. Accumulated impairments at 31 December 2023 amount to approximately €18 million (€13 million at 31 December 2022).

At 31 December 2023 the total fair value of these instruments, inclusive of €233 million in accrued interest, amounts to €28,318 million, of which €25,231 million classified in Level 1 of the fair value hierarchy and €3,087 million classified in Level 2.

Securities with a nominal value of €7,522 million are encumbered as follows:

- €6,679 million, carried at amortised cost for €6,822 million (Part B, Other Information, Table 3), and delivered to counterparties in connection with repurchase agreements concluded at 31 December 2023;
- €843 million, carried at amortised cost for €938 million, and delivered to the Bank of Italy to secure an intraday credit line.

<sup>339</sup> A guarantee fund established with payments from participants in the derivative, equity and bond markets, as a further guarantee for the transactions carried out. The fund can be used to meet the charges arising from any participant default.

<sup>340</sup> These are transactions carried out outside the regulated securities markets and therefore not subject to any specific regulation concerning the organisation and operation of the market itself.

<sup>341</sup> Deed supplementing and amending the Agreement of 24 December 2021, in force until 31 December 2024.

## 4.3 Financial assets measured at amortised cost: breakdown of amounts due from customers by debtor/issuer

Transaction type/Amounts	Total at 31.12.2023			Total at 31.12.2022		
	Stage 1 and 2	Stage 3	Acquired or originated impaired financial assets	Stage 1 and 2	Stage 3	Acquired or originated impaired financial assets
<b>1. Debt securities</b>	<b>30,398</b>	-	-	<b>27,699</b>	-	-
a) Public Administration entities	27,509	-	-	24,708	-	-
b) Other financial companies	2,889	-	-	2,991	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	-	-	-	-	-	-
<b>2. Loans to:</b>	<b>13,188</b>	-	-	<b>17,377</b>	-	-
a) Public Administration entities	10,070	-	-	14,176	-	-
b) Other financial companies	2,728	-	-	2,823	-	-
of which: insurance companies	332	-	-	288	-	-
c) Non-financial companies	384	-	-	372	-	-
d) Households	6	-	-	6	-	-
<b>Total</b>	<b>43,586</b>	-	-	<b>45,076</b>	-	-

Securities related to "Other financial companies" for €2,889 million refer to fixed-rate securities for a total nominal amount of €3,000 million issued by Cassa Depositi e Prestiti and guaranteed by the Italian State.

## 4.4 Financial assets measured at amortised cost: gross amount and total impairment losses

	Gross amount				Total impairment losses				Total partial write-offs*
	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets	
	of which: Instruments with low credit risk								
Debt securities	30,416	-	-	-	18	-	-	-	-
Loans	13,174	-	1,053	-	5	58	-	-	-
<b>Total at 31.12.2023</b>	<b>43,590</b>	-	<b>1,053</b>	-	<b>23</b>	<b>58</b>	-	-	-
<b>Total at 31.12.2022</b>	<b>45,788</b>	-	<b>863</b>	-	<b>18</b>	<b>57</b>	-	-	-

(\*) amount reported for disclosure purposes

## SECTION 5 – HEDGING DERIVATIVES – ITEM 50

## 5.1 Hedging derivatives by type of hedge and level

	Fair value at 31.12.2023			Notional amount* at 31.12.2023	Fair value at 31.12.2022			Notional amount* at 31.12.2022
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>A. Financial derivatives</b>	-	<b>4,257</b>	-	<b>19,665</b>	-	<b>6,109</b>	-	<b>27,646</b>
1) Fair value	-	4,252	-	19,215	-	5,759	-	25,840
2) Cash flow	-	5	-	450	-	350	-	1,806
3) Foreign investments	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flow	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>4,257</b>	-	<b>19,665</b>	-	<b>6,109</b>	-	<b>27,646</b>

(\*) The settlement price of derivatives involving the exchange of principal (securities or other assets) has been indicated, as required by Bank of Italy Circular 262/2005.

The decrease of €1,852 million compared to 31 December 2022 is mainly due to the reduction in the fair value of outstanding derivatives and early extinguishments, finalised in 2023, of fair value hedge transactions with a total notional amount of €6,505 million (of which: €980 million related to hedging transactions for which the underlying security was also sold, €3,015 million related to hedging transactions without sale of the underlying security, and €2,510 million related to hedging transactions for which new asset swaps were entered into) with the aim of consolidating a fixed yield in line with the market situation, while at the same time improving the income profile of a portion of the portfolio for subsequent years.



## 5.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transaction type/Type of hedge	Fair Value							Cash flow			(€m)
	Micro							Macro	Micro	Macro	Foreign investments
	debt securities and interest rates	equity instruments and equity indexes	currencies and gold	credit	commodities	other					
1. Financial assets measured at fair value through other comprehensive income	2,025	-	-	-	-	x	x	x	5	x	x
2. Financial assets measured at amortised cost	2,227	x	-	-	-	x	x	x	-	x	x
3. Portfolio	x	x	x	x	x	x	x	-	x	-	x
4. Other transactions	-	-	-	-	-	-	-	x	-	x	-
<b>Total assets</b>	<b>4,252</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>
1. Financial liabilities	-	x	-	-	-	-	-	x	-	x	x
2. Portfolio	x	x	x	x	x	x	x	-	x	-	x
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1. Expected transactions	x	x	x	x	x	x	x	x	-	x	x
2. Portfolio of financial assets and liabilities	x	x	x	x	x	x	x	-	x	-	-

## SECTION 6 – ADJUSTMENTS FOR CHANGES IN HEDGED FINANCIAL ASSETS PORTFOLIO – ITEM 60

No macro-hedges have been arranged at the reporting date.

## SECTION 7 – INVESTMENTS – ITEM 70

There are no investments in subsidiaries, joint arrangements or companies subject to significant influence.

## SECTION 8 – PROPERTY, PLANT AND EQUIPMENT – ITEM 80

BancoPosta does not own property, plant and equipment either for operating or investment purposes.

## SECTION 9 – INTANGIBLE ASSETS – ITEM 90

There are no intangible assets.

## SECTION 10 – TAX ASSETS AND LIABILITIES – ASSETS ITEM 100 AND LIABILITIES ITEM 60

Current tax assets and liabilities form part of intersegment relations and are shown in "Other assets" (Item 120 in Assets) and "Other liabilities" (Item 80 in Liabilities), as they are settled with Poste Italiane SpA's functions outside the ring-fence, within the scope of internal relations with Poste Italiane SpA, as the sole taxable entity.

Deferred tax assets and liabilities are analysed below:

## 10.1 Deferred tax assets: breakdown

Description	Financial assets and liabilities		Hedging derivatives		Provisions for doubtful debts		Provisions for risks and charges		Total IRES	Total IRAP
	IRES	IRAP	IRES	IRAP	IRES	IRAP	IRES	IRAP		
	Deferred tax assets through profit or loss	1	2	-	-	4	-	23	4	28
Deferred tax assets through equity	381	72	130	25	-	-	-	-	511	97
<b>2023 total</b>	<b>382</b>	<b>74</b>	<b>130</b>	<b>25</b>	<b>4</b>	<b>-</b>	<b>23</b>	<b>4</b>	<b>539</b>	<b>103</b>
Deferred tax assets through profit or loss	-	1	-	-	7	-	29	5	36	6
Deferred tax assets through equity	786	147	153	29	-	-	-	-	939	176
<b>2022 total</b>	<b>786</b>	<b>148</b>	<b>153</b>	<b>29</b>	<b>7</b>	<b>-</b>	<b>29</b>	<b>5</b>	<b>975</b>	<b>182</b>

## 10.2 Deferred tax liabilities: breakdown

(€m)

Description	Financial assets and liabilities		Hedging derivatives		Total IRES	Total IRAP
	IRES	IRAP	IRES	IRAP		
Deferred tax liabilities through profit or loss	-	1	-	-	-	1
Deferred tax liabilities through equity	194	37	29	5	223	42
<b>2023 total</b>	<b>194</b>	<b>38</b>	<b>29</b>	<b>5</b>	<b>223</b>	<b>43</b>
Deferred tax liabilities through profit or loss	-	1	-	-	-	1
Deferred tax liabilities through equity	163	30	26	5	189	35
<b>2022 total</b>	<b>163</b>	<b>31</b>	<b>26</b>	<b>5</b>	<b>189</b>	<b>36</b>

## 10.3 Changes in deferred tax assets through profit or loss

(€m)

	Total at 31.12.2023	Total at 31.12.2022
<b>1. Opening balance</b>	<b>42</b>	<b>55</b>
<b>2. Increases</b>	<b>1</b>	<b>1</b>
2.1 Deferred tax assets recognised in the year	1	1
a) relating to previous years	1	-
b) due to changes in accounting policies	-	-
c) write-backs	-	1
d) other	-	-
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>(9)</b>	<b>(14)</b>
3.1 Deferred tax assets derecognised in the year	(9)	(14)
a) reversals	(8)	(14)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
d) other	(1)	-
3.2 Reductions of tax rates	-	-
3.3 Other decreases:	-	-
a) transformation into tax credit pursuant to Law 214/2011	-	-
b) other	-	-
<b>4. Closing balance</b>	<b>34</b>	<b>42</b>

## 10.4 Changes in deferred tax liabilities through profit or loss

	(€m)	
	Total at 31.12.2023	Total at 31.12.2022
<b>1. Opening balance</b>	<b>(1)</b>	<b>(1)</b>
<b>2. Increases</b>	<b>-</b>	<b>(1)</b>
2.1 Deferred tax liabilities recognised in the year	-	(1)
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	-	(1)
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>-</b>	<b>1</b>
3.1 Deferred tax liabilities derecognised in the year	-	1
a) reversals	-	1
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Reductions of tax rates	-	-
3.3 Other decreases	-	-
<b>4. Closing balance</b>	<b>(1)</b>	<b>(1)</b>

## 10.5 Changes in deferred tax assets through equity

	(€m)	
	Total at 31.12.2023	Total at 31.12.2022
<b>1. Opening balance</b>	<b>1,115</b>	<b>228</b>
<b>2. Increases</b>	<b>11</b>	<b>927</b>
2.1 Deferred tax assets recognised in the year	10	927
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	10	927
2.2 New taxes or tax rate increases	1	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>(518)</b>	<b>(40)</b>
3.1 Deferred tax assets derecognised in the year	(518)	(40)
a) reversals	(66)	(3)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
d) other	(452)	(37)
3.2 Reductions of tax rates	-	-
3.3 Other decreases	-	-
<b>4. Closing balance</b>	<b>608</b>	<b>1,115</b>

## 10.6 Changes in deferred tax liabilities through equity

	(€m)	
	Total at 31.12.2023	Total at 31.12.2022
<b>1. Opening balance</b>	<b>(224)</b>	<b>(669)</b>
<b>2. Increases</b>	<b>(150)</b>	<b>(172)</b>
2.1 Deferred tax liabilities recognised in the year	(150)	(172)
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	(150)	(172)
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>109</b>	<b>617</b>
3.1 Deferred tax liabilities derecognised in the year	109	617
a) reversals	91	158
b) due to changes in accounting policies	-	-
c) other	18	459
3.2 Reductions of tax rates	-	-
3.3 Other decreases	-	-
<b>4. Closing balance</b>	<b>(265)</b>	<b>(224)</b>

The net charge due to movements in deferred tax assets and liabilities through equity is the tax effect on reserves described in Part D.

The negative change in deferred tax assets and liabilities recognised in equity mainly reflects the increasing trend in fair value reserves related to financial assets measured at fair value through other comprehensive income.

## SECTION 11 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS AND ASSOCIATED LIABILITIES - ASSETS ITEM 110 AND LIABILITIES ITEM 70

There are no non-current assets held for sale or discontinued operations at the reporting date.

## SECTION 12 – OTHER ASSETS – ITEM 120

### 12.1 Other assets: breakdown

	(€m)	
Items/Amounts	Total at 31.12.2023	Total at 31.12.2022
Tax credits Law no. 77/2020	7,912	8,600
Items in process	552	583
Tax receivables from revenue agency	453	408
Current tax assets receivable from Poste Italiane SpA outside the ring-fence	39	43
Other items	1,901	1,886
<b>Total</b>	<b>10,857</b>	<b>11,520</b>

Tax credits Law no. 77/2020, amounting to €7,912 million, relate to purchases made by Poste Italiane SpA and allocated to BancoPosta against free capital resources as well as resources subject<sup>342</sup> and not subject to the obligation to use them

<sup>342</sup> With the conversion into Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021, BancoPosta RFC is allowed, as part of the 50% of its funding from private customers that can be invested in securities guaranteed by the Italian State, to use up to 30% of this portion to purchase transferable tax credits.

in accordance with the provisions of the Relaunch Decree (Law Decree no. 34/2020, later converted into Law no. 77/2020), which introduced tax benefits to aid economic recovery following the Covid-19 health emergency.

These receivables are measured at amortised cost if they are acquired to be used by Poste Italiane SpA for the main purpose of offsetting social security or tax liabilities, on the basis of the provisions of the regulations issued with reference to the characteristics of the individual receivables, while they are measured at fair value through other comprehensive income if they are also acquired for the purpose of sale by Poste Italiane SpA to third parties.

Changes in these receivables during 2023 are shown below:

	(€m)
	<b>Total at 31.12.2023</b>
<b>1. Opening balance</b>	<b>8,600</b>
<b>2. Increases</b>	<b>828</b>
2.1 Purchases	519
2.2 Positive changes in fair value	-
2.3 Transfers from other portfolios	-
2.4 Other movements	309
<b>3. Decreases</b>	<b>(1,516)</b>
3.1 Sales	-
3.2 Redemptions	(1,516)
3.3 Negative changes in fair value	-
3.4 Transfers to other portfolios	-
3.5 Other movements	-
<b>4. Closing balance</b>	<b>7,912</b>

The main changes during the year relate to:

- purchases of €519 million, entirely related to receivables measured at amortised cost;
- accrued income for the period of €309 million relating to receivables measured at amortised cost;
- reimbursements for capital outside ring-fence in the amount of €1,516 million.

At 31 December 2023, the fair value<sup>343</sup> of tax credits at amortised cost is €7,434 million.

The sub-item "Items in process" includes:

- €76 million in withdrawals from BancoPosta ATMs yet to be debited to customer accounts or awaiting settlement;
- assignments in the course of settlement with the banking system in the amount of €39 million;
- account maintenance and custody fees of €12 million to be debited to customers;
- amounts to be charged to PostePay SpA for €185 million (mainly in the first few days of 2024).

Tax assets primarily relate to payments on account to the tax authorities, of which €407 million to be recovered from customers for virtual stamp duty payable in 2024 and €30 million for withholding tax on interest paid to current account holders for 2023.

"Other items" include mainly:

<sup>343</sup> In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 3.

- €1,752 million in stamp duty accrued to 31 December 2023 payable by holders of outstanding Interest-bearing Postal Certificates<sup>344</sup>. An equal amount has been recognised in "Other liabilities" as tax payables (Part B, Liabilities, Table 8.1) until expiration or early extinguishment of Interest-bearing Postal Certificates, which is the date on which the tax must be paid to the authorities;
- €96 million relating to stamp duty charged to Postal Savings Books, which BancoPosta RFC pays in virtual form as required by law.

Movements in current tax assets and liabilities receivable from and payable to Poste Italiane SpA outside the ring-fence are shown below:

Description	Current tax 2023			Current tax 2022			(€m)
	IRES		Total	IRES		Total	
	Assets/(Liabilities) due from and to Poste Italiane outside the ring-fence	IRAP Assets/(Liabilities) due from and to Poste Italiane outside the ring-fence		Assets/(Liabilities) due from and to Poste Italiane outside the ring-fence	IRAP Assets/(Liabilities) due from and to Poste Italiane outside the ring-fence		
<b>Opening balance</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>67</b>	<b>8</b>	<b>75</b>	
Payments	198	37	235	107	32	139	
on account for the current year	171	36	207	107	32	139	
on balance payable for the previous year	27	1	28	-	-	-	
Provisions to Profit or loss	(189)	(37)	(226)	(182)	(36)	(218)	
current tax	(189)	(37)	(226)	(183)	(36)	(219)	
changes in current taxation for previous years	-	-	-	1	-	1	
Provisions in Equity	5	-	5	4	-	4	
Other	15	-	15	8	-	8	
<b>Closing balance</b>	<b>33</b>	<b>4</b>	<b>37</b>	<b>4</b>	<b>4</b>	<b>8</b>	
of which:							
Current tax assets due from Poste Italiane outside the ring-fence (Item 120 Assets)	35	4	39	36	7	43	
Current tax liabilities due to Poste Italiane outside the ring-fence (Item 80 Liabilities)	(2)	-	(2)	(32)	(3)	(35)	

Current tax receivables, totalling €39 million, mainly refer to receivables recognised as a result of: (i) the signing of the agreement on the Patent Box for the years 2017-2019 (€14 million); (ii) the responses received in respect of two petitions for rulings on the tax effects arising from the application of IFRS 9 and 15 (€9 million); (iii) the response received in respect of a request for a tax ruling filed mainly relating to the tax recognition of income components arising from the management of postal current accounts (€14 million). These assets will become offsettable after the submission of the relevant supplementary tax returns.

<sup>344</sup> Introduced by article 19 of Law Decree 201/2011, converted as amended by Law 214/2011, in accordance with the MEF Decree dated 24 May 2012: Manner of implementation of paragraphs from 1 to 3 of article 19 of Law Decree 201 of 6 December 2011, on stamp duty on current accounts and financial products (Official Journal 127 of 1 June 2012).

## LIABILITIES

### SECTION 1 – FINANCIAL LIABILITIES MEASURED AT AMORTISED COST – ITEM 10

#### 1.1 Financial liabilities measured at amortised cost: breakdown of amounts due to banks by type

Transaction type/Amounts	Total at 31.12.2023					Total at 31.12.2022				
	Carrying amount	Fair Value			Carrying amount	Fair Value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
<b>1. Due to Central Banks</b>	-	x	x	x	-	x	x	x		
<b>2. Due to banks</b>	<b>10,336</b>	x	x	x	<b>12,849</b>	x	x	x		
2.1 Current accounts and demand deposits	307	x	x	x	520	x	x	x		
2.2 Time deposits	-	x	x	x	-	x	x	x		
2.3 Loans	7,926	x	x	x	8,689	x	x	x		
2.3.1 Repurchase agreements	7,926	x	x	x	8,689	x	x	x		
2.3.2 Other	-	x	x	x	-	x	x	x		
2.4 Obligations to repurchase equity instruments	-	x	x	x	-	x	x	x		
2.5 Lease payables	-	x	x	x	-	x	x	x		
2.6 Other payables	2,103	x	x	x	3,640	x	x	x		
<b>Total</b>	<b>10,336</b>	-	<b>7,705</b>	<b>2,410</b>	<b>12,849</b>	-	<b>8,348</b>	<b>4,160</b>		

At 31 December 2023, €7,926 million is due to banks under the terms of repurchase agreements entered into with primary financial institutions involving securities with a total nominal value of €8,475 million. These regard €7,102 million in Long Term Repos and €824 million in loans, with the resulting proceeds invested in Italian fixed income government securities and utilised as funding for incremental deposits used as collateral. At 31 December 2023, repurchase agreements with a nominal value of €3,996 million were the subject of fair value hedge transactions executed to hedge interest rate risk.

Repurchase agreements are classified as fair value Level 2 transactions, whereas the fair value of other types of transaction included in this line item approximates to their carrying amounts and they are classified as Level 3.

The sub-item "Other payables" includes €2,102 million in guarantee deposits provided to counterparties in relation to interest rate swaps (with €2,082 million in collateral provided by specific Credit Support Annexes), in relation to BancoPosta RFC's cash flow hedge and fair value hedge policies adopted and repurchase agreements (€20 million as collateral in accordance with specific Global Master Repurchase Agreements). The decrease in this sub-item compared to 31 December 2022 is mainly attributable to the reduction of fair value hedge derivatives following early extinguishment transactions.

BancoPosta RFC has uncommitted overnight lines of credit amounting to €960 million, overdraft facilities for €184 million and arrangements for the issue of personal guarantees for €411 million granted to Poste Italiane SpA, undrawn at 31 December 2023.

In addition, from 5 December 2023, it may access a 3-year committed facility granted by Cassa Depositi e Prestiti for repurchase agreements up to a maximum of €3 billion, undrawn at 31 December 2023.

Finally, the Bank of Italy has granted BancoPosta RFC access to intraday credit in order to fund intraday interbank transactions. Collateral for this credit facility is provided by securities with a nominal value of €2,758 million, undrawn at 31 December 2023.

#### 1.2 Financial liabilities measured at amortised cost: breakdown of amounts due to customers by type

Transaction type/Amounts	Total at 31.12.2023					Total at 31.12.2022				
	Carrying amount	Fair Value			Carrying amount	Fair Value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
1. Current accounts and demand deposits	72,803	x	x	x	77,767	x	x	x		
2. Time deposits	10	x	x	x	-	x	x	x		
3. Loans	5,662	x	x	x	5,605	x	x	x		
3.1 Repurchase agreements	291	x	x	x	1,436	x	x	x		
3.2 Other	5,371	x	x	x	4,169	x	x	x		
4. Obligations to repurchase equity instruments	-	x	x	x	-	x	x	x		
5. Lease payables	-	x	x	x	-	x	x	x		
6. Other payables	2,153	x	x	x	2,723	x	x	x		
<b>Total</b>	<b>80,628</b>	-	<b>291</b>	<b>80,327</b>	<b>86,095</b>	-	<b>1,428</b>	<b>84,659</b>		

The sub-item "Current accounts and demand deposits" includes €10,152 million in postal current accounts held by PostePay SpA relating mainly to the deposit of funding from prepaid cards, €695 million in postal current accounts held by PosteVita SpA and €279 million in current accounts held by Poste Italiane outside the ring-fence.

At 31 December 2023 "Loans, repurchase agreements" amount to €2,627 million, reflecting transactions entered into with CC&G in relation to securities with a nominal amount of €2,999 million. These payables refer to ordinary financing transactions, targeted at investment in Italian fixed income government securities and utilised as funding for incremental deposits used as collateral.

Financial assets and liabilities relating to repurchase agreements managed through the CC&G that meet the requirements of IAS 32 are offset. The effect of netting at 31 December 2023, already included in the exposure to net balances, amounted to €2,337 million (€3,217 million at 31 December 2022).

In addition, further repurchase agreements in the amount of €616 million were concluded with CC&G in December 2023, which were settled in early January 2024.

The sub-item "Loans, Other" consist of the net amount of €5,371 million deposited in the MEF account held at the Treasury, which breaks down as follows:

- the balance of cash flows for advances, amounting to €5,168 million, represents the net amount payable as a result of advances from the MEF to meet cash requirements;
- net cash flow payable for postal savings management of €30 million, due to the excess repayments on deposits made in the last two days of the year in question and settled in the first few days of the following year; at 31 December 2023, the balance consisted of a payable of €124 million owed to Cassa Depositi e Prestiti and a receivable of €94 million owed to the MEF for issues of postal savings bonds attributable to Cassa Depositi e Prestiti;
- amounts payable in connection with robberies suffered by Post Offices of €157 million, relating to obligations assumed towards the MEF on behalf of the Treasury as a result of theft and embezzlement; these obligations derive from withdrawals made from the Treasury, which are necessary to replenish the cash shortfall due to these criminal events so as to ensure the continuity of the Post Offices' operations;
- amounts payable for operational risks for €16 million regard the portion of advances obtained from MEF to fund operations, in relation to which asset under recovery is certain or probable.

The sub-item "Other payables" mainly consists of national money orders for €980 million and endorsed cheques in circulation for €407 million and guarantee deposits for €729 million relating to sums received from counterparties with which interest rate swap transactions are in place (collateral provided for by specific Credit Support Annexes).

The Level 2 fair value refers to the repurchase agreements while the fair value of the remaining instruments of this line item approximates to its carrying amount and it is consequently classified as Level 3.

### 1.3 Financial liabilities measured at amortised cost: breakdown of outstanding securities by type

There are no securities in issue.



**SECTION 2 – FINANCIAL LIABILITIES HELD FOR TRADING – ITEM 20**

## 2.1 Financial liabilities held for trading: breakdown by type

Transaction type/Amounts	Total at 31.12.2023					Total at 31.12.2022				
	Nominal or notional amount	Fair Value			Fair Value *	Nominal or notional amount	Fair Value			Fair Value *
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
<b>A. On-balance sheet liabilities</b>										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	x	-	-	-	-	x
3.1.2 Other bonds	-	-	-	-	x	-	-	-	-	x
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	x	-	-	-	-	x
3.2.2 Other	-	-	-	-	x	-	-	-	-	x
<b>Total A</b>	-	-	-	-	-	-	-	-	-	-
<b>B. Derivative instruments</b>										
1. Financial derivatives	-	-	-	3	-	-	-	-	4	-
1.1 Trading	x	-	-	-	x	x	-	-	-	x
1.2 Connected to the fair value option	x	-	-	-	x	x	-	-	-	x
1.3 Other	x	-	-	3	x	x	-	-	4	x
2. Credit derivatives	-	-	-	-	-	-	-	-	-	-
2.1 For trading	x	-	-	-	x	x	-	-	-	x
2.2 Connected to the fair value option	x	-	-	-	x	x	-	-	-	x
2.3 Other	x	-	-	-	x	x	-	-	-	x
<b>Total B</b>	-	-	-	3	-	-	-	-	4	-
<b>Total (A+B)</b>	-	-	-	3	-	-	-	-	4	-

(\*) Fair value calculated excluding any changes in value due to changes in the credit standing of the issuer over the date of issue

Financial liabilities held for trading relate to a forward sale agreement for 95,000 ordinary shares of Visa Incorporated (discussed in Section 2 of Assets).

**SECTION 3 – FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE – ITEM 30**

No financial liabilities are held in portfolio designated at fair value through profit or loss (the "fair value option").

**SECTION 4 – HEDGING DERIVATIVES – ITEM 40**

## 4.1 Hedging derivatives by type and level

	Fair value at 31.12.2023			Notional amount* at 31.12.2023	Fair value at 31.12.2022			Notional amount* at 31.12.2022
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
	<b>A. Financial derivatives</b>	-	1,136		-	12,649	-	
1) Fair value	-	618	-	9,812	-	344	-	6,096
2) Cash flow	-	518	-	2,837	-	627	-	5,736
3) Foreign investments	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flow	-	-	-	-	-	-	-	-
<b>Total</b>	-	1,136	-	12,649	-	971	-	11,832

(\*) The settlement price of derivatives involving the exchange of principal (securities or other assets) has been indicated, as required by Bank of Italy Circular 262/2005.

The increase compared to 31 December 2022 in liabilities for hedging derivative financial instruments is mainly due to new hedging transactions following early extinguishments both with and without sale of the underlying, commented on in Part B - Section 5 of Assets.

## 4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transaction type/Type of hedge	Fair Value							Cash flow			Foreign investments
	Micro							Macro	Micro	Macro	
	debt securities and interest rates	equity instruments and equity indexes	currencies and gold	credit	commodities	other					
1. Financial assets measured at fair value through other comprehensive income	299	-	-	-	x	x	x	518	x	x	
2. Financial assets measured at amortised cost	236	x	-	-	x	x	x	-	x	x	
3. Portfolio	x	x	x	x	x	x	-	x	-	x	
4. Other transactions	-	-	-	-	-	-	-	x	-	x	
<b>Total assets</b>	<b>535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>518</b>	<b>-</b>	<b>-</b>	
1. Financial liabilities	83	x	-	-	-	-	x	-	x	x	
2. Portfolio	x	x	x	x	x	x	-	x	-	x	
<b>Total liabilities</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
1. Expected transactions	x	x	x	x	x	x	x	-	x	x	
2. Portfolio of financial assets and liabilities	x	x	x	x	x	x	-	x	-	-	

## SECTION 5 – ADJUSTMENTS FOR CHANGES IN HEDGED FINANCIAL LIABILITIES PORTFOLIO – ITEM 50

No macro-hedges have been arranged at the reporting date.

## SECTION 6 – TAX LIABILITIES – ITEM 60

Please refer to Assets, Section 10.

## SECTION 7 – LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS– ITEM 70

There are no such liabilities at the reporting date.

## SECTION 8 – OTHER LIABILITIES – ITEM 80

## 8.1 Other liabilities: breakdown

Items/Amounts	(€m)	
	Total at 31.12.2023	Total at 31.12.2022
Tax payables to revenue agency	1,969	1,806
Items in process	642	685
- amounts to be credited to Postal Savings Books	230	183
- other	412	502
Due to suppliers	73	114
Amounts due to customers	76	71
Contract liabilities	60	68
Due to Poste Italiane outside the ring-fence for current taxes liabilities	2	35
Amount due to staff	8	8
Other items	3	2
<b>Total</b>	<b>2,833</b>	<b>2,789</b>

The sub-item "Tax payables to revenue agency" mainly includes:

- €1,752 million in stamp duty accrued to 31 December 2023 on outstanding Interest-bearing Postal Certificates in accordance with the requirements referenced in Part B, Assets, Table 12.1;
- €74 million in tax withholdings on current account interest earned by customers.

"Items in process" refer mainly to domestic credit transfers for €19 million, and to BancoPosta's operations for amounts to be credited, mainly in the first few days of 2024, to PostePay for €45 million and to customers for €230 million relating to cheques to be credited to savings books.

The sub-item "Due to suppliers" mainly includes €61 million for trade payables to PostePay for collection and payment services under the service contract.

"Contract liabilities" are mainly due to the placement of loan products, as shown in the following table:

				(€m)
Description	Balance at 31.12.2022	Increases / (Decreases)	Change due to recognition of revenue for period	Balance at 31.12.2023
Liabilities for fees to be refunded	68	(50)	42	60
<b>Total</b>	<b>68</b>	<b>(50)</b>	<b>42</b>	<b>60</b>

Liabilities for commissions to be retroceded refer to the estimate of the commissions to be retroceded to partners for the contractually agreed early repayment of loan products placed after 1 January 2018.

The changes in the sub-item "Current tax liabilities due to Poste Italiane outside the ring-fence" are commented on in Section 12 of Assets.

## SECTION 9 – EMPLOYEE TERMINATION BENEFITS – ITEM 90

Movements in employee termination benefits during the year under review are shown below:

### 9.1 Employee termination benefits: annual changes

			(€m)	
	Total at 31.12.2023	Total at 31.12.2022		
<b>A. Opening balance</b>	<b>2</b>	<b>3</b>		
<b>B. Increases</b>	-	-		
B.1 Provisions for the year	-	-		
B.2 Other changes	-	-		
<b>C. Decreases</b>	-	<b>(1)</b>		
C.1 Benefits paid	-	-		
C.2 Other changes	-	<b>(1)</b>		
<b>D. Closing balance</b>	<b>2</b>	<b>2</b>		

The current service cost is not applicable to the employee termination benefits attributable to BancoPosta RFC, since this cost is recognised in personnel expenses, as the contributions are paid over to pension funds or other social security institutions.

The other decreases are due to transfers to the same or other Group companies and actuarial gains.

### 9.2 Other information

Measurement of the liability entails actuarial calculations for which the following assumptions were used in 2023:

#### Actuarial gains/(losses)

	(€m)	
	31.12.2023	31.12.2022
Change in demographic assumptions	-	-
Change in financial assumptions	-	-
Other experience-related adjustments	-	(0.6)
<b>Total</b>	<b>-</b>	<b>(0.6)</b>

## Sensitivity analysis

	Employee termination benefits at 31.12.2023
Inflation rate +0.25%	2
Inflation rate -0.25%	2
Discount rate +0.25%	2
Discount rate -0.25%	2
Turnover rate +0.25%	2
Turnover rate -0.25%	2

## Other information

	31.12.2023
<i>Service Cost</i>	-
Average duration of defined benefit plan	10.7

**SECTION 10 – PROVISIONS FOR RISKS AND CHARGES – ITEM 100**

## 10.1 Provisions for risks and charges: breakdown

	(€m)	
Items/Amounts	Total at 31.12.2023	Total at 31.12.2022
1. Provisions for credit risk relating to financial commitments and guarantees given	-	-
2. Provisions for other commitments and guarantees given	-	-
3. Provisions for retirement benefits	-	-
4. Other provisions for risks and charges	163	188
4.1 litigation	67	78
4.2 personnel expenses	1	1
4.3 other	95	109
<b>Total</b>	<b>163</b>	<b>188</b>

The composition of "Other provisions" is provided in Table 10.6, below.

**10.2 Provisions for risks and charges: annual changes**

				(€m)
	Provisions for other commitments and guarantees given	Provisions for retirement benefits	Other provisions for risks and charges	Total
<b>A. Opening balance</b>	-	-	188	188
<b>B. Increases</b>	-	-	8	8
B.1 Provisions for the year	-	-	8	8
B.2 Changes due to passage of time	-	-	-	-
B.3 Changes due to changed discount rates	-	-	-	-
B.4 Other changes	-	-	-	-
<b>C. Decreases</b>	-	-	(33)	(33)
C.1 Uses during the year	-	-	(17)	(17)
C.2 Changes due to changed discount rates	-	-	-	-
C.3 Other changes	-	-	(16)	(16)
<b>D. Closing balance</b>	-	-	163	163

The main changes are commented in the remainder of this section.

**10.6 Provisions for risks and charges - other provisions**

	(€m)	
Description	Total at 31.12.2023	Total at 31.12.2022
<b>Litigation</b>	67	78
Provisions for disputes with third parties	67	78
Provision for disputes with staff	-	-
<b>Provisions for personnel expenses</b>	1	1
<b>Other provisions</b>	95	109
Provisions for operational risks	95	109
<b>Total</b>	163	188

**Provisions for disputes with third parties** regard the present value of expected liabilities deriving from different types of legal and out-of-court disputes with suppliers and third parties, the related legal expenses, and penalties and indemnities payable to customers. Changes during the year relate to net absorptions of a total of €7 million for updating estimated liabilities and uses of €11 million for defined liabilities.

**Provisions for disputes with staff** regard liabilities that may arise following labour litigation and disputes of various types.

**Provisions for personnel expenses** are made to cover expected liabilities arising in relation to the cost of labour, which are certain or likely to occur but whose estimated amount is subject to change.

**Provisions for operational risks** mainly reflects liabilities for risks related to the distribution of postal savings products issued in past years, estimated risks for charges and expenses to be incurred as a result of foreclosures suffered by BancoPosta mainly in its capacity as a third-party foreclosing party, adjustments and adjustments of income from prior years and fraud. Changes during the year relate to net absorptions of a total of €2 million for updating estimated liabilities and uses of €5 million for defined liabilities.

**SECTION 11 – REDEEMABLE SHARES – ITEM 120**

Nothing to report.

**SECTION 12 – EQUITY – ITEMS 110, 130, 140, 150, 160, 170 AND 180**

#### 12.4 Profit reserves: other information

At 31 December 2023, the retained earnings reserve amounted to €1,357 million, down by €16 million due to accrued interest expenses on Equity instruments.

Other reserves are composed of equity reserves for €1,212 million, including the initial reserve of €1,000 million at the time of incorporation of BancoPosta RFC, €210 million in additional capital contributions by the same in 2018 and €2 million for incentive plan reserves, described in Part I.

With regard to the availability and distributability of the reserves of BancoPosta RFC, please refer to the information provided in paragraph 5, table B.3 - *Availability and distributability of reserves* - of this section - *Poste Italiane's financial statements* - of the Annual Report.

#### 12.5 Equity instruments: breakdown and annual changes

The capital instruments for BancoPosta RFC refer to two perpetual subordinated loans with a total nominal value of €450 million granted respectively on 30 June 2021 for €350 million with an 8-year "non-call" period, and on 30 June 2023 for €100 million with a 5-year "non-call" period, both with the aim of strengthening BancoPosta's Leverage Ratio (Basel III) and Tier 1 ratio<sup>345</sup>.

Here are the main features of the loan taken out on 30 June 2021:

- the loan has no fixed maturity and must be repaid only in the event of the dissolution or liquidation, as specified in the relevant terms and conditions, subject to the right of early redemption (call) in the cases provided for. Specifically, the call is scheduled to be made at any time from the First Call Date of 30 June 2029 and at each interest payment date thereafter; a loss-absorption mechanism is envisaged if the CET 1 ratio falls below 5.125%;
- the fixed annual coupon is 4.697% until the first Reset Date set for 30 June 2029. From that date, annual interest is determined as a function of the 5-year Euro Mid Swap rate plus a spread of 472.7 basis points. Interest is payable at the option of the issuer and on a non-cumulative basis, commencing 30 December 2021. The issue price was set at 100%.

Here are the main features of the loan taken out on 30 June 2023:

- the loan has no fixed maturity and must be repaid only in the event of the dissolution or liquidation, as specified in the relevant terms and conditions, subject to the right of early redemption (call) in the cases provided for. Specifically, the call is scheduled to be made at any time from the First Call Date of 30 June 2028 and at each interest payment date thereafter; a loss-absorption mechanism is envisaged if the CET 1 ratio falls below 5.125%;
- the fixed annual coupon is 9.55% until the first Reset Date set for 30 June 2028. From that date, annual interest is determined as a function of the 5-year Euro Mid Swap rate plus a spread of 653 basis points. Interest is payable at the option of the issuer and on a non-cumulative basis, commencing 30 December 2023. The issue price was set at 100%.

<sup>345</sup> Contributions from non-controlling shareholders to BancoPosta RFC are excluded, as they are not provided for in the special regulations governing the ring-fence.

**OTHER INFORMATION**

## 1. Commitments and guarantees given (other than those measured at fair value)

						(€m)	
	Nominal value on commitments and financial guarantees given				Total at 31.12.2023	Total at 31.12.2022	
	Stage 1	Stage 2	Stage 3	Acquired or originated impaired			
<b>1. Commitments to disburse funds</b>	-	-	-	-	-	<b>2,260</b>	
a) Central banks	-	-	-	-	-	-	
b) Public Administration entities	-	-	-	-	-	-	
c) Banks	-	-	-	-	-	-	
d) Other financial companies	-	-	-	-	-	2,260	
e) Non-financial companies	-	-	-	-	-	-	
f) Households	-	-	-	-	-	-	
<b>2. Financial guarantees given</b>	-	-	-	-	-	-	
a) Central banks	-	-	-	-	-	-	
b) Public Administration entities	-	-	-	-	-	-	
c) Banks	-	-	-	-	-	-	
d) Other financial companies	-	-	-	-	-	-	
e) Non-financial companies	-	-	-	-	-	-	
f) Households	-	-	-	-	-	-	
<b>Total</b>	-	-	-	-	-	<b>2,260</b>	

## 3. Assets pledged as collateral for liabilities and commitments

			(€m)	
Portfolios	Total at 31.12.2023	Total at 31.12.2022		
1. Financial assets measured at fair value through profit or loss	-	-		
2. Financial assets measured at fair value through other comprehensive income	4,093	6,246		
3. Financial assets measured at amortised cost	6,822	7,013		
4. Property, plant and equipment	-	-		
of which: property, plant and equipment qualifying as inventories	-	-		

"Financial assets measured at fair value through other comprehensive income" and "Financial assets measured at amortised cost" relate to securities used as collateral in repurchase agreements.

## 4. Brokerage and management on behalf of third parties

(€m)

Type of services	Amount
<b>1. Execution of orders on behalf of customers</b>	-
a) purchase	-
1. settled	-
2. not settled	-
b) sale	-
1. settled	-
2. not settled	-
<b>2. Individual portfolio management</b>	-
<b>3. Custody and administration of securities</b>	<b>75,743</b>
a) Third-party securities in custody: associated with depositary bank services (excluding portfolio management)	-
1. securities issued by the reporting bank	-
2. other securities	-
b) third-party securities in custody (excluding portfolio management): other	10,008
1. securities issued by the reporting bank	-
2. other securities	10,008
c) third-party securities deposited with third parties	10,008
d) own securities deposited with third parties	65,735
<b>4. Other transactions</b>	<b>259,218</b>
a) Postal Savings Books	91,649
b) Interest-bearing Postal Certificates	167,569

The "Custody and administration of third-party securities deposited with third parties" relates to customers' securities held at primary market operators and, to a marginal degree, securities received as collateral. With the exception of securities received as collateral, orders received from customers are executed by qualified, designated credit institutions.

"Other transactions" include the principal of postal savings deposits accepted for and on behalf of Cassa Depositi e Prestiti and the MEF.

## 5. Financial assets offset in the financial statements or subject to framework master netting agreements or similar arrangements

(€m)

Technical forms	Gross amount of financial assets (a)	Amount of financial liabilities offset in financial statements (b)	Amount of net financial assets reported in financial statements (c=a-b)	Related amounts not subject to offset in the financial statements		Net amount at 31 December 2023 (f=c-d-e)	Net amount at 31 December 2022
				Financial instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	4,257	-	4,257	1,068	2,812	377	91
2. Repurchase agreements	4,106	2,337	1,769	1,769	-	-	-
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
<b>Total at 31.12.2023</b>	<b>8,363</b>	<b>2,337</b>	<b>6,026</b>	<b>2,837</b>	<b>2,812</b>	<b>377</b>	<b>x</b>
<b>Total at 31.12.2022</b>	<b>10,684</b>	<b>3,217</b>	<b>7,467</b>	<b>2,555</b>	<b>4,821</b>	<b>x</b>	<b>91</b>

## 6. Financial liabilities offset in the financial statements or subject to master netting agreements or similar arrangements

(€m)

Technical forms	Gross amount of financial liabilities (a)	Amount of financial assets offset in financial statements (b)	Amount of net financial liabilities reported in financial statements (c=a-b)	Related amounts not subject to offset in the financial statements		Net amount at 31 December 2023 (f=c-d-e)	Net amount at 31 December 2022
				Financial instruments (d)	Cash deposits provided as collateral (e)		
1. Derivatives	1,136	-	1,136	1,053	83	-	-
2. Repurchase agreements	10,554	2,337	8,217	7,762	455	-	-
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
<b>Total at 31.12.2023</b>	<b>11,690</b>	<b>2,337</b>	<b>9,353</b>	<b>8,815</b>	<b>538</b>	<b>-</b>	<b>x</b>
<b>Total at 31.12.2022</b>	<b>14,313</b>	<b>3,217</b>	<b>11,096</b>	<b>10,183</b>	<b>913</b>	<b>x</b>	<b>-</b>

The above tables have been compiled in accordance with IFRS 7, which requires a specific disclosure regardless of whether or not the financial instruments have been offset in the financial statements.



In particular, the tables show:

- the statement of financial position values, before and after the effects of accounting netting, of repo transactions that meet the conditions necessary for the recognition of such effects;
- the statement of financial position values of derivative and repurchase agreements transactions that do not meet these conditions but are governed by standardised bilateral netting agreements that allow, in the event of counterparty default, the netting of credit and debit positions (ISDA and GMRA contracts);
- the value of the collateral attached to them.

In order to present the tables in compliance with the requirements of IFRS 7 and Bank of Italy Circular no. 262, repurchase agreements are shown at amortised cost, whilst derivative transactions are shown at fair value; the relevant financial guarantees are measured at fair value.

## PART C – INFORMATION ON PROFIT OR LOSS

### SECTION 1 – INTEREST – ITEMS 10 AND 20

#### 1.1 Interest and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other transactions	(€m)	
				FY 2023	FY 2022
<b>1. Financial assets measured at fair value through profit or loss</b>	-	-	-	-	-
1.1 Financial assets held for trading	-	-	-	-	-
1.2 Financial assets measured at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	-	-	-	-	-
<b>2. Financial assets measured at fair value through other comprehensive income</b>	935	-	x	935	822
<b>3. Financial assets measured at amortised cost</b>	1,346	-	-	1,346	1,023
3.1 Due from banks	35	-	-	35	8
3.2 Due from customers	1,311	-	-	1,311	1,015
<b>4. Hedging derivatives</b>	x	x	182	182	(58)
<b>5. Other assets</b>	x	x	309	309	273
<b>6. Financial liabilities</b>	x	x	x	6	35
<b>Total</b>	<b>2,281</b>	<b>-</b>	<b>491</b>	<b>2,778</b>	<b>2,095</b>
of which: interest income on impaired financial assets	-	-	-	-	-
of which: interest income on financial leases	x	-	x	-	-

The sub-items "Financial assets measured at fair value through other comprehensive income" and "Financial assets measured at amortised cost" mainly include interest accrued on securities portfolios in the amount of €1,716 million and on the deposit with the MEF in the amount of €441 million due to deposits on current accounts of the Public Administration. The sub-item "Other assets" includes interest income accrued during the year relating to tax credits Law no. 77/2020, as described in "Section 12 - Other assets - Item 120" of Part B.

The sub-item "Financial liabilities" reflects mainly interest income accruing during the year on repurchase agreement.

The increase in this item compared to the previous year is mainly due to the upward shift in the interest rate curve, which resulted in higher income mainly on investments in debt securities and on commitments of public customers' inflows bearing interest at a variable rate as described in Part B - Section 4 of Assets. In addition, the increase in the item also refers to the positive effects of hedging derivatives described in this section under "Differentials related to hedge transactions".

#### 1.3 Interest expense and similar charges: breakdown

Items/Technical forms	Payables	Securities	Other transactions	(€m)	
				FY 2023	FY 2022
<b>1. Financial liabilities measured at amortised cost</b>	<b>(587)</b>	-	-	<b>(587)</b>	<b>(148)</b>
1.1 Due to Central Banks	-	x	x	-	-
1.2 Due to banks	(198)	x	x	(198)	(22)
1.3 Due to customers	(389)	x	x	(389)	(126)
1.4 Debt securities in issue	x	-	x	-	-
<b>2. Financial liabilities held for trading</b>	-	-	-	-	-
<b>3. Financial liabilities measured at fair value</b>	-	-	-	-	-
<b>4. Other liabilities and provisions</b>	x	x	-	-	-
<b>5. Hedging derivatives</b>	x	x	-	-	-
<b>6. Financial assets</b>	x	x	x	-	(24)
<b>Total</b>	<b>(587)</b>	<b>-</b>	<b>-</b>	<b>(587)</b>	<b>(172)</b>
of which: interest expense on lease payables	-	x	x	-	-

The increase in the item interest expense and similar charges compared to the previous year was due to the change in the interest rate curve, which mainly generated higher charges on repurchase agreements and guarantee deposits received from counterparties, and higher interest paid to public customers for deposits on postal current accounts.

## 1.5 Differentials related to hedge transactions

Items	(€m)	
	FY 2023	FY 2022
A. Positive hedge differentials	330	93
B. Negative hedge differentials	(148)	(151)
<b>C. Balance (A-B)</b>	<b>182</b>	<b>(58)</b>

The increase in this item compared to the year 2022 is mainly due to the effects of the upward shift in the interest rate curve and the forward start of fair value hedges which became operational during the year, partially offset by early settlements described in Part B - Section 5 of Assets.

**SECTION 2 – FEES AND COMMISSIONS – ITEMS 40 AND 50**

## 2.1 Fee and commission income: breakdown

	(€m)	
Type of services/Amounts	FY 2023	FY 2022
<b>a) Financial instruments</b>	<b>12</b>	<b>6</b>
1. Securities placement	11	5
1.1 On a firm and/or irrevocable commitment basis	-	-
1.2 Without irrevocable commitment	11	5
2. Reception and transmission of orders and execution of orders on behalf of customers	1	1
2.1 Receipt or transmission of orders for one or more financial instruments	1	1
2.2 Execution of orders on behalf of customers	-	-
3. Other commissions related to financial instrument activities	-	-
of which: proprietary trading	-	-
of which: individual portfolio management	-	-
<b>b) Corporate Finance</b>	-	-
1. Advice on mergers and acquisitions	-	-
2. Treasury services	-	-
3. Other fee and commission income related to corporate finance	-	-
<b>c) Investment advisory activities</b>	-	-
<b>d) Clearing and settlement</b>	-	-
<b>e) Custody and administration</b>	<b>2</b>	<b>2</b>
1. Depository banking	-	-
2. Other commissions related to custody and administration activities	2	2
<b>f) Central administrative services for collective portfolio management</b>	-	-
<b>g) Trust activity</b>	-	-
<b>h) Payments services</b>	<b>725</b>	<b>728</b>
1. Current accounts	290	290
2. Credit cards	-	-
3. Other debit cards and payment cards	-	-
4. Bank transfers and other payment orders	75	63
5. Other fees related to payment services	360	375
<b>i) Distribution of third-party services</b>	<b>2,908</b>	<b>2,697</b>
1. Collective portfolio management	-	-
2. Insurance products	623	538
3. Other products	2,285	2,159
of which: individual portfolio management	2	1
<b>j) Structured finance</b>	-	-
<b>k) Securitisation servicing activities</b>	-	-
<b>l) Commitments to disburse funds</b>	-	-
<b>m) Financial guarantees given</b>	-	-
of which: credit derivatives	-	-
<b>n) Financing transactions</b>	-	-
of which: factoring services	-	-
<b>o) FX trading</b>	<b>1</b>	<b>1</b>
<b>p) Commodities</b>	-	-
<b>q) Other fee and commission income</b>	<b>22</b>	<b>20</b>
of which: for management of multilateral trading facilities	-	-
of which: for management of organised trading facilities	-	-
<b>Total</b>	<b>3,670</b>	<b>3,454</b>

Fees for "distribution of third-party services" include, in relation to other products, interest on postal deposits relating for €1,740 million to the provision and redemption of Interest-bearing Postal Certificates and payments into and withdrawals from Postal Savings Books, carried out on behalf of Cassa Depositi e Prestiti under the Agreement renewed on 23 December 2021, for the three-year period 2021-2024, and based on the Supplementary and Amending Deed of 30 January 2024, effective retroactively from 1 January 2023 to 31 December 2023.

The increase in this item compared to the previous year is mainly due to the increase in commissions on postal savings collection activities and the increase in commissions on the placement of insurance products.

## Revenue from contracts with customers

Description	(€m)	
	FY 2023	FY 2022
<b>Financial instruments</b>	<b>12</b>	<b>6</b>
Recognised at a point in time	-	-
Recognised over time	12	6
<b>Custody and administration</b>	<b>2</b>	<b>2</b>
Recognised at a point in time	-	-
Recognised over time	2	2
<b>Payments services</b>	<b>725</b>	<b>728</b>
Recognised at a point in time	224	229
Recognised over time	500	499
<b>Distribution of third-party services</b>	<b>2,908</b>	<b>2,697</b>
Recognised at a point in time	-	-
Recognised over time	2,908	2,697
<b>FX trading</b>	<b>1</b>	<b>1</b>
Recognised at a point in time	1	1
Recognised over time	-	-
<b>Other fee and commission income</b>	<b>22</b>	<b>20</b>
Recognised at a point in time	-	-
Recognised over time	22	20
<b>Total</b>	<b>3,670</b>	<b>3,454</b>

Revenue from contracts with customers relate mainly to: (i) revenue from distribution of third-party services: these are recognised over time and measured on the basis of the volumes placed, quantified on the basis of commercial agreements with financial institutions. With regard to the remuneration for postal savings deposits, the agreement entered into with Cassa Depositi e Prestiti provides for the payment of a variable fee when certain levels of funding are reached, the quantification of which is determined annually on the basis of volumes of deposits and early redemptions; certain commercial agreements, entered into with leading financial partners for the placement of loan products, provide for the relegation of placement fees in the event of early redemption or subrogation by customers; (ii) revenue for payment services: recognised at point in time on the basis of the number of transactions accepted at the counter (e.g. commissions on postal current account slips) and valued on the basis of the contractual terms of sale and recognised over time based on the customer's use of the service, mainly with reference to commissions on delegated services and current account maintenance and management services.

## 2.2 Fee and commission income by product and service distribution channel

Channels/Amounts	(€m)	
	FY 2023	FY 2022
<b>a) own branches:</b>	<b>2,919</b>	<b>2,702</b>
1. portfolio management	-	-
2. securities placements	11	5
3. third-party products and services	2,908	2,697
<b>b) door-to-door:</b>	-	-
1. portfolio management	-	-
2. securities placements	-	-
3. third-party products and services	-	-
<b>c) other distribution channels:</b>	-	-
1. portfolio management	-	-
2. securities placements	-	-
3. third-party products and services	-	-

"Own counters" means Poste Italiane SpA's post office network.

## 2.3 Fee and commission expense: breakdown

Services/Amounts	(€m)	
	FY 2023	FY 2022
<b>a) Financial instruments</b>	-	-
of which: financial instrument trading	-	-
of which: financial instrument placement	-	-
of which: individual portfolio management	-	-
- Own	-	-
- For third parties	-	-
<b>b) Clearing and Settlement</b>	-	-
<b>c) Custody and administration</b>	-	-
<b>d) Collection and payment services</b>	<b>198</b>	<b>214</b>
of which: credit cards, debit cards and other payment cards	-	-
<b>e) Securitisation servicing</b>	-	-
<b>f) Commitments to receive funds</b>	-	-
<b>g) Financial guarantees received</b>	-	-
of which: credit derivatives	-	-
<b>h) Door-to-door marketing of financial instruments, products and services</b>	-	-
<b>i) FX trading</b>	-	-
<b>j) Other fee and commission expense</b>	<b>2</b>	<b>2</b>
<b>Total</b>	<b>200</b>	<b>216</b>

Fee and commission expense for collection and payment services mainly relate for €184 million to costs accrued for services under the contract with PostePay.

## SECTION 3 – DIVIDENDS AND SIMILAR INCOME – ITEM 70

## 3.1 Dividends and similar income: breakdown

During the year, BancoPosta RFC received dividends of €0.2 million on its shares in Visa Incorporated, accounted for in "Financial assets measured at fair value through profit or loss".

**SECTION 4 – PROFITS/(LOSSES) ON TRADING – ITEM 80**

## 4.1 Profits/(losses) on trading: breakdown

(€m)					
Transactions/Profit component	Unrealised Gains (A)	Trading profits (B)	Unrealised Losses (C)	Trading losses (D)	Net result [(A+B) - (C+D)]
<b>1. Financial assets held for trading</b>	<b>2</b>	-	-	-	<b>2</b>
1.1 Debt securities	-	-	-	-	-
1.2 Equity instruments	-	-	-	-	-
1.3 UCIs	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	2	-	-	-	2
<b>2. Financial liabilities held for trading</b>	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
<b>3. Financial assets and liabilities: exchange differences</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>1</b>
<b>4. Derivative instruments</b>	-	-	<b>(2)</b>	<b>(3)</b>	<b>(5)</b>
4.1 Financial derivatives:	-	-	(2)	(3)	(5)
- on debt securities and interest rates	-	-	-	-	-
- on equity instruments and share indices	-	-	(2)	(3)	(5)
- on foreign exchange and gold	x	x	x	x	-
- Other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected with the fair value option	x	x	x	x	-
<b>Total</b>	<b>2</b>	-	<b>(2)</b>	<b>(3)</b>	<b>(2)</b>

**SECTION 5 – PROFITS/(LOSSES) ON HEDGING – ITEM 90**

## 5.1 Profits/(losses) on hedging: breakdown

(€m)		
Profit components/Amounts	FY 2023	FY 2022
<b>A. Income on:</b>		
A.1 Fair value hedge derivatives	273	11,137
A.2 Hedged financial assets (fair value)	894	1
A.3 Hedged financial liabilities (fair value)	-	141
A.4 Cash flow hedge derivatives	-	1
A.5 Foreign currency assets and liabilities	-	-
<b>Gross hedging income (A)</b>	<b>1,167</b>	<b>11,280</b>
<b>B. Cost of:</b>		
B.1 Fair value hedge derivatives	(894)	(141)
B.2 Hedged financial assets (fair value)	(171)	(11,121)
B.3 Hedged financial liabilities (fair value)	(103)	-
B.4 Cash flow hedge derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
<b>Gross hedging cost (B)</b>	<b>(1,168)</b>	<b>(11,262)</b>
<b>C. Profits/(Losses) on hedging (A – B)</b>	<b>(1)</b>	<b>18</b>
of which: result of hedges of net positions	-	-

**SECTION 6 – PROFITS/(LOSSES) ON DISPOSAL OR REPURCHASE – ITEM 100**

## 6.1 Profits/(Losses) on disposal or repurchase: breakdown

Items/Profit components	(€m)					
	FY 2023			FY 2022		
	Profits	Losses	Net result	Profits	Losses	Net result
<b>A. Financial assets</b>						
1. Financial assets measured at amortised cost	48	-	48	130	(53)	77
1.1 Due from banks	-	-	-	-	-	-
1.2 Due from customers	48	-	48	130	(53)	77
2. Financial assets measured at fair value through other comprehensive income	164	(54)	110	262	(4)	258
2.1 Debt securities	164	(54)	110	262	(4)	258
2.2 Loans	-	-	-	-	-	-
<b>Total assets (A)</b>	<b>212</b>	<b>(54)</b>	<b>158</b>	<b>392</b>	<b>(57)</b>	<b>335</b>
<b>B. Financial liabilities measured at amortised cost</b>						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
<b>Total liabilities (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SECTION 7 – PROFITS/(LOSSES) ON OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 110**

## 7.2 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

Transactions/Profit component	(€m)					Net result [(A+B)-(C+D)]
	Unrealised Gains (A)	Realised gains (B)	Unrealised Losses (C)	Realised losses (D)		
<b>1. Financial assets</b>	<b>8</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>9</b>	
1.1 Debt securities	8	1	-	-	9	
1.2 Equity instruments	-	-	-	-	-	
1.3 UCIs	-	-	-	-	-	
1.4 Loans	-	-	-	-	-	
<b>2. Financial assets in foreign currencies: exchange differences</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>(1)</b>	
<b>Total</b>	<b>8</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>8</b>	

**SECTION 8 – NET LOSSES/RECOVERIES DUE TO CREDIT RISK – ITEM 130**

## 8.1 Net losses/recoveries due to credit risk related to financial assets measured at amortised cost: breakdown

Transactions/Profit component	(€m)								FY 2023	FY 2022
	Impairment losses (1)				Recoveries (2)					
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3			
			Write-off	Other			Write-off	Other		
<b>A. Due from banks</b>	-	-	-	-	-	-	-	-	-	-
- Loans	-	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-	-
<b>B. Due from customers</b>	<b>(4)</b>	<b>(12)</b>	-	-	-	7	-	-	<b>(9)</b>	<b>3</b>
- Loans	-	(12)	-	-	-	7	-	-	(5)	5
- Debt securities	(4)	-	-	-	-	-	-	-	(4)	(2)
<b>Total</b>	<b>(4)</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>(9)</b>	<b>3</b>



## 8.2 Net losses/recoveries due to credit risk related to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Profit component	Impairment losses (1)						Recoveries (2)				Acquired or originated impaired financial	(€m)	
	Stage 1	Stage 2	Stage 3		Acquired or originated impaired		Stage 1	Stage 2	Stage 3	FY 2023		FY 2022	
			Write-off	Other	Write-off	Other							
A. Debt securities	(5)	-	-	-	-	-	2	-	-	-	(3)	(4)	
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-	
- to customers	-	-	-	-	-	-	-	-	-	-	-	-	
- to banks	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>(4)</b>	

Total net value adjustments were negative by €12 million and mainly related to the deterioration of the creditworthiness of debt securities. The negative change of €11 million compared to the previous year is mainly due to higher recoveries recognised during the year.

## SECTION 9 – PROFITS/(LOSSES) FROM CONTRACT AMENDMENTS WITHOUT TERMINATION – ITEM 140

Not applicable

## SECTION 10 – ADMINISTRATIVE EXPENSES – ITEM 160

### 10.1 Personnel expenses: breakdown

Type of expenses/Amounts	FY 2023	FY 2022
1) Employees	(35)	(32)
a) wages and salaries	(25)	(23)
b) social security	(6)	(5)
c) employee termination benefits	(1)	(1)
d) social security costs	-	-
e) provision for employee termination benefits	-	-
f) provisions for post-employment benefits:	-	-
- defined contribution plans	-	-
- defined benefit plans	-	-
g) payments to external supplementary pension funds:	(1)	(1)
- defined contribution plans	(1)	(1)
- defined benefit plans	-	-
h) cost of share-based payments	(1)	(1)
i) other employee benefits	(1)	(1)
2) Other active personnel	-	-
3) Directors and Statutory Auditors	-	-
4) Retirees	-	-
5) Recovery of employment costs of staff seconded to other companies	-	-
6) Refund of costs of third-party employees seconded to the company	-	-
<b>Total</b>	<b>(35)</b>	<b>(32)</b>

## 10.2 Average number of employees by category (\*)

	FY 2023	FY 2022
<b>Employees</b>	<b>412</b>	<b>397</b>
a) executives	26	28
b) middle managers	313	298
c) other employees	73	71
<b>Other employees</b>	-	-
<b>Total</b>	<b>412</b>	<b>397</b>

(\*) Figures expressed in full time equivalent terms.

## 10.4 Other employee benefits

This primarily relates to redundancy payments.

## 10.5 Other administrative expenses: breakdown

	(€m)	
Type of expenses/Amounts	FY 2023	FY 2022
1) Cost of services provided by Poste Italiane SpA	(4,887)	(4,551)
2) Advisory and other professional services	(13)	(14)
3) Taxes, penalties and duties	(38)	(30)
4) Other expenses	-	-
<b>Total</b>	<b>(4,938)</b>	<b>(4,595)</b>

The cost of services provided by Poste Italiane functions outside the ring-fence relates to those services described in Part A - *Accounting policies*, A.1, Section 4 - *Other information*.

## SECTION 11 – NET PROVISIONS FOR RISKS AND CHARGES – ITEM 170

## 11.3 Net provisions for other risks and charges: breakdown

	(€m)			
Items/Profit components	Provisions	Reversals	Net profit/(loss) for 2023	Net profit/(loss) for 2022
Provisions for litigation	(2)	8	6	10
Provisions for other risks and charges	(5)	7	2	11
<b>Total</b>	<b>(7)</b>	<b>15</b>	<b>8</b>	<b>21</b>

The main provisions and releases are discussed in Part B – Section 10 of Liabilities.

The decrease from the previous year of €13 million is due to the higher absorption in the statement of profit or loss recognised in the previous year mainly due to the prescription of certain stocks related to the funds transfer business.

## SECTION 12 – NET LOSSES/RECOVERIES ON PROPERTY, PLANT AND EQUIPMENT – ITEM 180

Nothing to report.

**SECTION 13 – NET LOSSES/RECOVERIES ON INTANGIBLE ASSETS – ITEM 190**

Nothing to report.

**SECTION 14 – OTHER OPERATING INCOME/(EXPENSE) – ITEM 200**

## 14.1 Other operating expense: breakdown

(€m)		
Profit components/Amounts	FY 2023	FY 2022
1. Burglaries and theft	(4)	(2)
2. Other expenses	(24)	(25)
<b>Total</b>	<b>(28)</b>	<b>(27)</b>

## 14.2 Other operating income: breakdown

(€m)		
Profit components/Amounts	FY 2023	FY 2022
1. Other revenue from contracts with customers	3	5
2. Other operating income	13	16
<b>Total</b>	<b>16</b>	<b>21</b>

The sub-item "Other revenue from contracts with customers" includes income recognised at a point in time for copying documents and prescription of certified cheques and income recognised over time for postal cheque protests.

**SECTION 15 – PROFITS/(LOSSES) ON INVESTMENTS – ITEM 220**

Nothing to report.

**SECTION 16 – PROFITS/(LOSSES) ON FAIR VALUE MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS – ITEM 230**

Nothing to report.

**SECTION 17 – IMPAIRMENT OF GOODWILL – ITEM 240**

Nothing to report.

**SECTION 18 – PROFITS/(LOSSES) ON DISPOSAL OF INVESTMENTS – ITEM 250**

Nothing to report.

**SECTION 19 – INCOME TAX EXPENSE ON CONTINUING OPERATIONS – ITEM 270**

## 19.1 Income tax expense on continuing operations: breakdown

Profit components/Amounts	(€m)	
	FY 2023	FY 2022
1. Current taxes (-)	(226)	(219)
2. Increase/(decrease) in current taxes of prior period taxation (+/-)	-	1
3. Reduction in current taxes (+)	-	-
3. bis Reduction in current taxes due to tax credit pursuant to Law 214/2011 (+)	-	-
4. Increase/(decrease) in deferred tax assets (+/-)	(8)	(13)
5. Increase/(decrease) in deferred tax liabilities (+/-)	1	-
<b>6. Tax expense for the year (-) (-1+/-2+3+3 bis+/-4+/-5)</b>	<b>(233)</b>	<b>(231)</b>

## 19.2 Reconciliation between theoretical tax charge at statutory rate and effective tax charge

Description	(€m)			
	FY 2023		FY 2022	
	IRES	Tax Rate	IRES	Tax Rate
<i>Profit before tax</i>	<u>834</u>		<u>834</u>	
Theoretical tax charge	200	24.0%	200	24.0%
Effect of increases/(decreases) on theoretical tax charge				
Net provisions for risks and charges and impairments of receivables	1	0.1%	(1)	-0.1%
Taxation for previous years	-	0.0%	(1)	-0.1%
Other	(5)	-0.6%	(4)	-0.5%
<b>Effective tax charge</b>	<b>196</b>	<b>23.5%</b>	<b>194</b>	<b>23.3%</b>

Description	(€m)			
	FY 2023		FY 2022	
	IRAP	Tax Rate	IRES	Tax Rate
<i>Profit before tax</i>	<u>834</u>		<u>834</u>	
Theoretical tax charge	38	4.5%	37	4.5%
Effect of increases/(decreases) on theoretical tax charge				
Provisions for risks and charges	-	0.0%	(1)	-0.1%
Other	(1)	-0.1%	1	0.1%
<b>Effective tax charge</b>	<b>37</b>	<b>4.4%</b>	<b>37</b>	<b>4.5%</b>

**SECTION 20 – PROFIT/(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS – ITEM 290**

Nothing to report.

**SECTION 21 – OTHER INFORMATION**

All information has been presented above.

**SECTION 22 – EARNINGS PER SHARE**

Nothing to report.

**PART D – COMPREHENSIVE INCOME****ANALYSIS OF COMPREHENSIVE INCOME**

Items	(€m)	
	FY 2023	FY 2022
<b>10. Profit/(Loss) for the year</b>	<b>600</b>	<b>602</b>
<b>Other components of comprehensive income not reclassified to profit or loss</b>		
<b>20. Equity instruments measured at fair value through other comprehensive income:</b>	-	-
a) changes in fair value	-	-
b) transfers to other equity	-	-
<b>30. Financial liabilities measured at fair value through profit or loss (changes in own credit rating):</b>	-	-
a) changes in fair value	-	-
b) transfers to other equity	-	-
<b>40. Hedges of equity instruments measured at fair value through other comprehensive income:</b>	-	-
a) changes in fair value (hedged instrument)	-	-
b) changes in fair value (hedging instrument)	-	-
<b>50. Property, plant and equipment</b>	-	-
<b>60. Intangible assets</b>	-	-
<b>70. Defined benefit plans</b>	-	1
<b>80. Non-current assets and disposal groups held for sale</b>	-	-
<b>90. Share of valuation reserve attributable to equity-accounted investments</b>	-	-
<b>100. Tax expense on other comprehensive income not reclassified to profit or loss</b>	-	-
<b>Other components of comprehensive income reclassified to profit or loss</b>		
<b>110. Hedges of foreign investments:</b>	-	-
a) changes in fair value	-	-
b) reclassified to profit or loss	-	-
c) other changes	-	-
<b>120. Foreign exchange differences:</b>	-	-
a) changes in value	-	-
b) reclassified to profit or loss	-	-
c) other changes	-	-
<b>130. Cash flow hedges:</b>	<b>(232)</b>	<b>(130)</b>
a) changes in fair value	80	280
b) reclassified to profit or loss	(312)	(410)
c) other changes	-	-
of which: result of net positions	-	-
<b>140. Hedges (elements not designated):</b>	-	-
a) changes in value	-	-
b) reclassified to profit or loss	-	-
c) other changes	-	-
<b>150. Financial assets (other than equity instruments) measured at fair value through other comprehensive income:</b>	<b>2,164</b>	<b>(4,544)</b>
a) changes in fair value	1,938	(4,527)
b) reclassified to profit or loss	226	(147)
- impairment losses due to credit risk	3	4
- realised gains/(losses)	223	(151)
c) other changes	-	130
<b>160. Non-current assets and disposal groups held for sale:</b>	-	-
a) changes in fair value	-	-
b) reclassified to profit or loss	-	-
c) other changes	-	-
<b>170. Share of valuation reserves attributable to equity-accounted investments:</b>	-	-
a) changes in fair value	-	-
b) reclassified to profit or loss	-	-
- impairment losses	-	-
- realised gains/(losses)	-	-
c) other changes	-	-
<b>180. Tax expense on other comprehensive income reclassified to profit or loss</b>	<b>(549)</b>	<b>1,332</b>
<b>190. Total other comprehensive income</b>	<b>1,383</b>	<b>(3,341)</b>
<b>200. Comprehensive income (Items 10+190)</b>	<b>1,983</b>	<b>(2,739)</b>

**PART E – INFORMATION ON RISKS AND RELATED HEDGING POLICIES**

## Introduction

BancoPosta RFC's operations, conducted in accordance with Presidential Decree 144/2001, consist in the management of liquidity generated by postal current account deposits, carried out in the name of BancoPosta but subject to statutory restrictions, and collections and payments on behalf of third parties.

The funds deposited by private account holders in postal current accounts are invested in euro zone government securities<sup>346</sup>, whilst deposits by Public Administration entities are deposited with the MEF.

In 2023, BancoPosta RFC's operations focused on investment of the significantly increased volume of current account deposits, the reinvestment of funds deriving from maturing government securities and in the active management of financial instruments.

The financial year 2023 was characterised by a reduction in yields on Italian government bonds (the 10-year BTP fell from 4.72% to 3.7%), which brought the BTP-Bund spread to 168 basis points compared to 214 last year. These movements led to an increase in the price of securities.

BancoPosta's capital structure, which is subject to the prudential provisions introduced with the third update of Bank of Italy Circular 285/2013, is particularly solid due to its CET1 ratio, which stood at 18.9% at 31 December 2023, and its Total Capital Ratio, which stood at 22.1% at 31 December 2023. The Leverage Ratio stood at 3.2%<sup>347</sup> at the end of 2023, an increase compared to 31 December 2022, also as a result of the contraction in the assets of the Statement of financial position linked, mainly, to the decrease in investments.

The investment profile is based on the constant monitoring of habits of current account holders and the use of a statistical/econometric model that forecasts the interest rates and maturities typical of postal current accounts. Accordingly, the portfolio composition aims to replicate the financial structure of postal current accounts by private customers. Management of the relationship between the structure of deposits and investments is handled through an appropriate Asset & Liability Management system. The above-mentioned system is thus the general reference for the investments (the limits of which are determined by specific guidelines approved by the Board of Directors) in order to limit exposure to interest rate and liquidity risks.

## Financial risk management

Balanced financial management and monitoring of the main risk/return profiles are carried out and ensured by dedicated organisational structures, both within and without the BancoPosta ring-fence, that operate separately and independently. In addition, specific processes are in place governing the assumption and management of and control over financial risks,

<sup>346</sup> The funds raised by private customers on postal current accounts must be used in euro area government securities and, for a portion not exceeding 50% of the funds raised, in other securities backed by the Italian government guarantee (as provided by Law no. 296 of 27 December 2006, and subsequent amendments provided by the 2015 Stability Law, no. 190 of 23 December 2014). With the conversion into Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021, BancoPosta RFC is allowed, as part of the 50% of its funding from private customers that can be invested in securities guaranteed by the Italian State, to use up to 30% of this portion to purchase transferable tax credits pursuant to Law Decree no. 34/2020 (the so-called "Decreto Rilancio") and subsequent amendments and additions, i.e. other transferable tax credits pursuant to current legislation (Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021).

<sup>347</sup> The CET1 ratio and the Total Capital ratio already take into account the proposed capital strengthening of €60 million by means of a profit provision for the financial year 2023, in application of the provisions of Article 26 of Regulation (EU) no. 575/2013. In addition, the Total Capital ratio was affected by the capital increase of €100 million through Additional Tier 1 on 30 June 2023.

including through the progressive implementation of adequate IT tools. In this regard, on 16 February 2021, the Board of Directors adopted a revised version of the Guidelines for Internal Control and Risk Management System (SCIGR), which contains integrated guidelines for BancoPosta RFC's Internal Control and Risk Management System. From an organisational viewpoint, the model consists of:

- the **Control and Risk Committee**, established in 2015 within the Board, has the task of supporting, through an appropriate investigative, proposal-making and advisory activity, the evaluations and decisions of the Board of Directors on the internal control and risk management system and on the approval of the relative periodic financial and non-financial reports;
- the **Financial and Insurance Services Committee**, established on 19 March 2018 has the objective of overseeing the process of developing the products and services distributed by BancoPosta, in order to take a uniform, integrated view of the entire offering and to monitor the performance of the financial investments in which private customer deposits are invested;
- the **BancoPosta's Risk Management and Governance Outsourcing function**, responsible for measuring and controlling risk and duly observing the independence of control functions from management.

The management of investments and risk hedging related to BancoPosta RFC have been assigned by means of a specific mandate to the specialist functions of BancoPosta Fondi SpA SGR, a Poste Italiane Group company.

In constructing the Risk Model used by BancoPosta RFC, account was also taken of the existing prudential supervisory standards for banks and the specific instructions for BancoPosta, published by the Bank of Italy on 27 May 2014 with the third revision of Circular 285 of 17 December 2013.

The above prudential standards have imposed the same obligations on BancoPosta as those applicable to banks in terms of corporate governance, internal controls and risk management, requiring, among other things, achievement of the following objectives:

- definition of a Risk Appetite Framework (RAF);
- oversight of implementation of the Company's strategies and policies;
- the containment of risks within the limits set by the RAF;
- protection of the value of assets and against losses;
- identification of material transactions to be subject to prior examination by the risk control function;
- application of the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP).

The RAF consists of a framework that defines, in keeping with the maximum acceptable risk, the business model and strategic plan, the risk appetite, risk tolerance thresholds, risk limits and risk management policies, together with the processes needed to define and implement them.

## SECTION 1 – CREDIT RISK

Credit risk regards the types of risk described below.

Credit risk is defined as the possibility that a change in the creditworthiness of a counterparty, to which the entity is exposed, could result in a matching change in the value of the amount due. It thus represents the risk that the debtor is partially or entirely unable to repay the principal and interest due.

Counterparty risk is the risk that a counterparty could default on obligations of a financial instrument during its term. This risk is inherent in certain types of transaction which, for BancoPosta RFC, would be derivatives and repurchase agreements.

Concentration risk is related to the overexposure to counterparties, groups of related counterparties and counterparties in the same business segment or that engage in the same business or operate in the same geographic region.

## Qualitative information

### 1. Generalities

Presidential Decree 144/2001 prohibits BancoPosta RFC from making loans to members of the public. As a result, there are no credit policies.

The nature of BancoPosta RFC's operations, however, results in a considerable concentration of exposure to Republic of Italy risk, as a result of its investments in Government securities and its deposits at the MEF. Credit risk models, explained below, show, however, that for capital requirements this type of investment does not determine capital absorption.

### 2. Credit risk management policies

#### 2.1 Organisational aspects

The role of BancoPosta RFC's Risk Management function is the management and control of credit, counterparty and concentration risks.

Monitoring credit risk is particularly focused on the following exposures:

- euro area government securities or other securities backed by the Italian State for the use of liquidity collected through current accounts from private customers;
- deposits at the MEF in which Public Administration and private account deposits are invested;
- any eventual amounts due from the Treasury as a result of depositing funds gathered less payables for advances disbursed;
- items in progress: cheque clearing, use of electronic cards, collections;
- temporarily overdrawn postal current accounts caused by debiting fees: limited to those which were not classified as impaired since the accounts were in funds in early 2024;
- cash collateral for outstanding transactions with banks and customers, in accordance with agreements intended to mitigate counterparty risk (CSA - Credit Support Annexes and GMRA – Global Master Repurchase Agreements);
- cash collateral provided to the guarantee fund of the Central Counterparty "Cassa di Compensazione e Garanzia" for repurchase agreement transactions;
- cash deposits from collateralisation for centrally margined derivatives transactions through clearing brokers;
- trade receivables payable by partners in relation to financial/insurance product placement.

Monitoring counterparty risk particularly regards hedging derivatives and repurchase agreements.

BancoPosta RFC's concentration risk is monitored to limit the instability that could be caused by the default of one customer or a group of related customers to which BancoPosta has a significant credit and counterparty risk exposure.

#### 2.2 Management, measurement and control systems

Credit risk is controlled through the following:

- minimum rating requirements for issuers/counterparties, based on the type of instrument;
- concentration limits per issuer/counterparty;
- monitoring of changes in the ratings of counterparties.



The limits for BancoPosta RFC's financial transactions contain rating limits that only permit dealings with investment grade counterparties. The limits referred to above have been established by the "Guidelines on Poste Italiane SpA's financial management" for BancoPosta RFC. Specifically, as regards rating limits, transactions are allowed solely with investment grade counterparties and euro area government issuers with a rating at least equal to that of the Italian Republic.

With reference to the monitoring thresholds of concentration risk, the limits set by prudential regulations are applied<sup>348</sup>.

The standardised approach<sup>349</sup> as defined by EU Regulation 575/2013, is used by BancoPosta to measure credit and counterparty risks. Application of this method entails the use of Standard & Poor's, Moody's, Fitch and DBRS for the computation of counterparty credit rating classes.

In terms of prudential oversight, the following methods are used to estimate the exposure to counterparty risk inherent in each of the following types of transaction:

- the "standardised" approach<sup>350</sup>, is used for interest rate swaps and forward purchases of government securities;
- Credit Risk Mitigation (CRM) techniques, the Full Method<sup>351</sup>, are used for repurchase transactions.

Concentration risk is measured using the method described in EU Regulation 575/2013 with regard to large exposures.

### 2.3 Measurement of expected credit losses

The Expected Credit Loss (ECL) method introduced by IFRS 9 applies to financial assets measured at amortised cost and to financial assets measured at fair value through other comprehensive income.

For financial assets other than trade receivables, BancoPosta RFC applies the General deterioration approach, with models to estimate risk parameters depending on the type of counterparty:

- Internal risk parameter estimation models for debt securities and deposits with Sovereign, Banking and Corporate counterparties;
- risk parameters deriving from agency ratings or average default rates for the sector for Public Administration and Central Counterparties.

Expected credit losses are determined either over a 12-month horizon or a lifetime horizon, depending on the stage of the exposure, on the basis of the following metrics:

- Probability of Default (PD);
- Loss Given Default (LGD);
- Exposure at Default (EAD);
- Time Factor (TF).

Below, the main assumptions adopted in determining the single factors are illustrated:

<sup>348</sup> According to prudential regulations, with reference to the rules on Large Exposures, risk-weighted assets must remain below 25% of own funds. As a rule, exposures are recognised at nominal value, taking into consideration any credit risk mitigation techniques. To take into account the lower risk related to the nature of the borrower, more favourable weighting factors are applied.

<sup>349</sup> The standardised approach entails risk weightings in accordance with the nature of the exposure and the identity of the counterparty and the counterparty's external credit rating.

<sup>350</sup> According to this methodology, the risk exposure of derivatives is calculated through the sum, increased by 40%, of the following two components: the replacement cost, represented by the fair value of derivatives considering the effect of collateral provided and received, and the add-on, calculated on the basis of the contractual characteristics of the derivatives, including the notional amount, maturity and reference risk driver.

<sup>351</sup> The full CRM method entails reducing risk exposure by the value of the guarantee. Specific rules are applied to take into account market price volatility of the guaranteed asset as well as the collateral received.

- PD: as indicated from the start, a Point in Time (PIT) and forward-looking evaluation has been adopted;
- LGD: values have been used consistent with the Internal Ratings-Based (IRB) Base Approach under the Basel guidelines (45% for senior risk assets, 75% for subordinated risk assets);
- EAD: exposure calculated prospectively until maturity of the instrument, starting from the development of projected cash flows. In the development account was taken of specific indexation assumptions for every asset class (fixed-rate securities, variable-rate securities, inflation-indexed securities, etc.);
- TF: the effective interest rate of each exposure was used as discount factor.

The collective impairment of a homogeneous group of financial assets defines the expected credit loss (ECL) of the instrument, even though it cannot be associated with a specific exposure. Grouping takes place in relation to the type of counterparty on the basis of the estimated PD.

BancoPosta RFC elected not to adopt the low risk credit exemption and to proceed instead with the staging of the financial instruments concerned.

Based on the impairment models described above, to allocate properly performing exposures in stage 1 or stage 2, the significant increase in exposures other than trade receivables is determined on the basis of the change in notches between the rating at the time of investment and the rating at the reporting date.

This change in notches is compared with a threshold that takes into account the following factors:

- the rating of the financial instrument at the time of investment;
- the rating of the financial instrument at the reporting date;
- the seniority of the position within the portfolio (vintage factor);
- an additive factor to mitigate the non-linearity of the PD vis-à-vis the rating classes<sup>352</sup>;
- a judgemental factor to be used only in the presence of sudden changes in the creditworthiness not yet reflected by the rating<sup>353</sup>.

Based on the above information, BancoPosta RFC does not apply the presumption that an exposure past due for over 30 days indicates automatically significant increases in credit risk after initial recognition.

BancoPosta RFC defines a default on the basis of ad hoc assessments that take into consideration:

- any payment delays;
- market information such as a default rating by the rating agencies;
- internal analyses of specific exposures.

With reference to late payments, a default definition based on a payment delay of 90 days is used.

In keeping with the accounting standard, in determining ECL consideration was given also to forward looking elements based on broad-consensus scenarios.

The approach followed involves inclusion of forward-looking information in the estimation of the PD. In particular, prospective estimates made available by the International Monetary Fund, the UN and the World Bank are used to calculate the PD of sovereign counterparties; with regard to other counterparties, on the other hand, the internal model adopted

<sup>352</sup> The additive factor is built in view of the rating level at the reporting date, where the better the rating the higher the threshold for the transition to Stage 2.

<sup>353</sup> The judgemental factor can summarise significant aspects in determining the significant increase of credit risk, considering such elements as:  
an actual or expected significant change of the internal/external credit rating of the financial instrument;  
actual or expected negative changes in economic, financial or business conditions that might cause a significant change in the borrower's ability to honour its obligations, such as an actual or expected increase in interest rates or an actual or expected significant increase in the unemployment rate.

allows the input dataset needed to calculate PD to be completed from scenario values referring to some of the model variables. The objective of the approach is to estimate the unknown variables by using the historical correlation of the available information<sup>354</sup>.

Variables reflecting social and governance factors were introduced into the PD Sovereign estimation model using indicators provided by authoritative sources such as the UN and the World Bank. The Environmental factor is negligible for these purposes in view of the 1-year time horizon of the PD itself. This factor is monitored, as part of BancoPosta RFC, through scenario analyses and verification of ratings provided by external agencies.

As to the estimation techniques used, it is noted that since the approaches to calculate the PD for Sovereign, Banking and Corporate counterparties cannot use default events, as they are not frequent, a shadow rating approach was adopted.

This method entails the use of target variables related to the level of external rating produced by the agencies; the target is identified as the default rate linked to the rating level. A key rating agency was selected to construct the target, taking into account both the large number of rated counterparties and the availability of historical data over what was deemed to be an adequate period of time.

The models have been constructed by extracting and utilising the following types of data for each country in the sample:

- macroeconomic data;
- market data: domestic equity indices, global energy/non-energy indices, Eurostoxx and S&P 500;
- financial statement data.

For trade receivables BancoPosta applies the *Simplified Approach*, where no significant increase in credit risk is expected. However, the loss provisions are calculated for an amount equal to lifetime expected credit loss.

Such approach is implemented through the following process:

- based on total revenue or the historical credit exposure, a credit threshold is identified beyond which the single receivables or the single exposure is evaluated. The analytical evaluation of the exposures entails an analysis of the borrower's credit quality and solvency, as determined on the basis of internal and external supporting evidence;
- for receivables falling below the threshold set, through the preparation of a matrix with the different impairment percentages estimated on the basis of historical losses, where they exist, or alternatively on the historical pattern of collections. In constructing the impairment matrix, receivables are grouped by homogeneous categories, based on their characteristics, to take into account the historical loss experience.

#### 2.4 Credit risk mitigation techniques

BancoPosta RFC adopts credit and counterparty risk mitigation techniques. Specifically:

- Fixed income instruments

Debt instruments secured by guarantees or other credit risk mitigation instruments are securities issued by Cassa Depositi e Prestiti SpA guaranteed by the Italian State and subscribed by BancoPosta RFC, amounting to a nominal value of €3,000 million at 31 December 2023. These are recognised as financial assets measured at amortised cost and, in determining the associated expected credit losses, account was taken of the PD of the Italian Republic.

- Derivative financial instruments and repurchase agreements

In order to limit the counterparty risk exposure, BancoPosta RFC has concluded standard ISDA master agreements (with attached CSA) and GMRA which govern the collateralisation, in cash or government securities, of derivative transactions

<sup>354</sup> In particular, the use of such approach is limited to situations where, actually, the final data are deemed to be no longer representative of the counterparty's risk.

and repurchase agreements, respectively. As of 2021, certain derivatives entered into by Bancoposta RFC through bilateral contracts will be routed to a Qualified Central Counterparty for centralised clearing through the services provided by a clearing broker. With reference to repo transactions, in order to mitigate counterparty risk and gain readier access to the market, from December 2017, BancoPosta RFC has begun to enter into repurchase agreements with the Central Counterparty, the "Cassa di Compensazione e Garanzia".

The calculation of positions in derivatives and repurchase agreements and the related risk mitigation instruments are illustrated in Part B – Other Information, tables 5 and 6, to which reference is made.

- Trade receivables

To mitigate the risks arising from the extension of credit terms to its customers, BancoPosta RFC has implemented a policy and suitable guidelines that govern the management of trade receivables, the terms and conditions of payment applicable to customers and defines the corporate process aimed at checking the customer's creditworthiness, as well as the sustainability of the business risk inherent in the contract involving extended payment terms.

Depending on the evaluations, the contracts entered into with customers may require a suitable guarantee. Guarantees are also requested if they are required by rules and regulations and/or implementing rules of specific services.

BancoPosta RFC accepts mainly guarantees issued by primary banks or insurance companies. Alternatively, upon request of the customer and after a risk analysis, it accepts sureties issued by other institutions, security deposits or the opening of postal escrow account.

Considering the limited risk of insolvency of government customers, BancoPosta RFC as a rule exempts the Public Administration from the provision of guarantees to secure trade receivables arising from transactions with it, save for the cases when such guarantees are mandatory by law or due to implementing rules of specific services.

Accordingly, the guarantees held are related mainly to private customers.

For all the exposures evaluated individually, to calculate the provisions for doubtful debts, guarantees reduce the amount of the exposure at risk.

At 31 December 2023, unsecured trade receivables minus the relevant loss provisions amount to €995 million.

At 31 December 2023, BancoPosta RFC does not hold financial assets secured by guarantees or other credit risk mitigation instruments for which no loss provisions have been made (except for the temporary use of liquidity in reverse repurchase agreements).

### *3. Credit-impaired financial assets*

At 31 December 2023, BancoPosta RFC held no impaired financial assets.

## Quantitative information

### A. Credit quality

#### A.1 Non-performing and performing credit exposures: balance, impairment, trends and business distribution

##### A.1.1 Distribution of financial assets by portfolio and credit quality (carrying amounts)

Portfolios/quality						(€m)
	Bad loans	Unlikely to pay	Non-performing past-due exposures	Performing past-due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	-	-	-	13	44,549	44,562
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	33,069	33,069
3. Financial assets measured at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	-	-
5. Financial assets held for sale	-	-	-	-	-	-
<b>Total at 31.12.2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>77,618</b>	<b>77,631</b>
<b>Total at 31.12.2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>79,712</b>	<b>79,737</b>

##### A.1.2 Distribution of financial assets by portfolio and credit quality (gross and net amounts)

Portfolios/quality	Non-performing				Performing			Total (net exposure)
	Gross exposure	Total impairment losses	Net exposure	Total partial write-offs*	Gross exposure	Total impairment losses	Net exposure	
1. Financial assets measured at amortised cost	-	-	-	-	44,643	81	44,562	44,562
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	33,088	19	33,069	33,069
3. Financial assets measured at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	-	-
5. Financial assets held for sale	-	-	-	-	-	-	-	-
<b>Total at 31.12.2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,731</b>	<b>100</b>	<b>77,631</b>	<b>77,631</b>
<b>Total at 31.12.2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,828</b>	<b>91</b>	<b>79,737</b>	<b>79,737</b>

(\*) amount reported for disclosure purposes

Portfolios/quality	Assets of evidently low credit quality		Other assets
	Cumulative losses	Net exposure	
1. Financial assets held for trading	-	-	-
2. Hedging derivatives	-	-	4,257
<b>Total at 31.12.2023</b>	<b>-</b>	<b>-</b>	<b>4,257</b>
<b>Total at 31.12.2022</b>	<b>-</b>	<b>-</b>	<b>6,109</b>

##### A.1.3 Distribution of financial assets by past due categories (carrying amounts)

Portfolios/stages of risk	Stage 1									Stage 2									Stage 3									Acquired or originated impaired financial assets								
	Between 1 and 30 days			30 - 90 days			Over 90 days			Between 1 and 30 days			30 - 90 days			Over 90 days			Between 1 and 30 days			30 - 90 days			Over 90 days			Between 1 and 30 days			30 - 90 days			Over 90 days		
1. Financial assets measured at amortised cost	-	-	-	-	-	-	-	-	-	6	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
3. Financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Total at 31.12.2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>Total at 31.12.2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			

##### A.1.4 Financial assets, commitments to disburse funds and financial guarantees given: overall impairment losses and overall provisions

Categories of risk	Total impairment losses																								Total provisions for commitments to disburse funds and financial guarantees given			Total							
	Assets in stage 1						Assets in stage 2						Assets in stage 3						Acquired or originated impaired financial assets						Stage 1	Stage 2	Stage 3								
	Due from banks and central banks on demand	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment	Due from banks and central banks on demand	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment	Due from banks and central banks on demand	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment												
Total opening impairment losses	-	16	16	-	-	34	-	-	57	-	-	34	23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91
Increase in acquired or originated financial assets	-	1	3	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	
Dispositions other than write-offs	-	-	(2)	-	-	(2)	-	-	(3)	-	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	
Net impairment losses/provisions of impairment losses due to credit risk (1)	-	3	2	-	-	5	-	-	8	-	-	10	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	
Changes in estimation method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Write-offs recognized directly in profit or loss	-	-	-	-	-	(3)	-	-	(3)	-	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total closing impairment losses</b>	<b>-</b>	<b>22</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106</b>		
Recovery of amounts on write-off of financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Write-offs recognized directly in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

The increase in the provision to cover expected losses is mainly due to the adjustment of the creditworthiness on the securities portfolio and deposits with the MEF. The assumptions adopted in the valuations at 31 December 2023, in fact,

led to an increase in the PD of Italy and other *Sovereign* counterparties in general compared to what was used in the valuations in the Separate Report at 31 December 2022.

#### A.1.5 Financial assets, commitments to disburse funds and financial guarantees given: transfers between the different credit risk stages (gross and nominal amounts)

Portfolios/stages of risk	Gross values/nominal value						(€m)
	Transfers between stage 1 and stage 2		Transfers between stage 2 and stage 3		Transfers between stage 1 and stage 3		
	from stage 1 to stage 2	from stage 2 to stage 1	from stage 2 to stage 3	from stage 3 to stage 2	from stage 1 to stage 3	from stage 3 to stage 1	
	1. Financial assets measured at amortised cost	-	-	-	-	-	
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	
3. Financial assets held for sale	-	-	-	-	-	-	
4. Commitments to disburse funds and financial guarantees given	-	-	-	-	-	-	
<b>Total at 31.12.2023</b>	-	-	-	-	-	-	
<b>Total at 31.12.2022</b>	-	-	-	-	-	<b>12</b>	

#### A.1.6 On- and off-balance-sheet credit exposures to banks: gross and net amounts

Types of exposures/Amounts	Gross exposure				Total impairments and total provisions				Net exposure	Total partial write-offs <sup>(*)</sup>
	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets		
<b>A. On-balance sheet credit exposures</b>										
<b>A.1 Demand</b>										
a) Non-performing	-	X	-	-	-	X	-	-	-	-
b) Performing	763	763	-	X	-	-	X	-	763	-
<b>A.2 Other</b>										
a) Bad loans	-	X	-	-	-	X	-	-	-	-
- of which: forbome exposures	-	X	-	-	-	X	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	X	-	-	-	-
- of which: forbome exposures	-	X	-	-	-	X	-	-	-	-
c) Non-performing past-due exposures	-	X	-	-	-	X	-	-	-	-
- of which: forbome exposures	-	X	-	-	-	X	-	-	-	-
d) Performing past-due exposures	-	-	-	X	-	-	X	-	-	-
- of which: forbome exposures	-	-	-	X	-	-	X	-	-	-
e) Other performing exposures	976	946	30	X	-	-	X	-	976	-
- of which: forbome exposures	-	-	-	X	-	-	X	-	-	-
<b>TOTAL A</b>	<b>1,739</b>	<b>1,709</b>	<b>30</b>	-	-	-	-	-	<b>1,739</b>	-
<b>B. Off-balance sheet credit exposures</b>										
a) Non-performing	-	X	-	-	-	X	-	-	-	-
b) Performing	3,362	-	-	X	-	-	X	-	3,362	-
<b>TOTAL B</b>	<b>3,362</b>	-	-	-	-	-	-	-	<b>3,362</b>	-
<b>TOTAL A+B</b>	<b>5,101</b>	<b>1,709</b>	<b>30</b>	-	-	-	-	-	<b>5,101</b>	-

(\*) amount reported for disclosure purposes

"Off-balance sheet exposures, Performing" relates to the counterparty risk associated with derivatives registering fair value gains, gross of any netting agreements<sup>355</sup>, and Repo financing with Securities Financing Transactions (SFT)<sup>356</sup> margins.

<sup>355</sup> BancoPosta RFC is not a party to enforceable master netting agreements or similar arrangements meeting the requirements of IAS 32, paragraph 42 for offsetting in the financial statements but used standard bilateral netting agreements that allow, in the event of the counterparty's default, the offsetting of debit and credit positions in relation to derivative financial instruments.

<sup>356</sup> As defined in the prudential requirements.

## A.1.7 On- and off-balance-sheet credit exposures to customers: gross and net amounts

(€m)

Types of exposures/Amounts	Gross exposure				Total impairments and total provisions				Net exposure	Total partial write-offs*
	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets		
<b>A. On-balance sheet credit exposures</b>										
a) Bad loans	-	X	-	-	-	X	-	-	-	-
- of which: forbome exposures	-	X	-	-	-	X	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	X	-	-	-	-
- of which: forbome exposures	-	X	-	-	-	X	-	-	-	-
c) Non-performing past-due exposures	-	X	-	-	-	X	-	-	-	-
- of which: forbome exposures	-	X	-	-	-	X	-	-	-	-
d) Performing past-due exposures	70	-	70	X	-	57	-	57	X	-
- of which: forbome exposures	-	-	-	X	-	-	-	-	X	-
e) Other performing exposures	76,685	75,731	954	X	-	43	41	2	X	-
- of which: forbome exposures	-	-	-	X	-	-	-	-	X	-
<b>TOTAL A</b>	<b>76,755</b>	<b>75,731</b>	<b>1,024</b>	-	-	<b>100</b>	<b>41</b>	<b>59</b>	-	<b>76,655</b>
<b>B. Off-balance sheet credit exposures</b>										
a) Non-performing	-	X	-	-	-	X	-	-	-	-
b) Performing	1,088	-	-	X	-	-	-	-	X	-
<b>TOTAL B</b>	<b>1,088</b>	-	-	-	-	-	-	-	-	<b>1,088</b>
<b>TOTAL A+B</b>	<b>77,843</b>	<b>75,731</b>	<b>1,024</b>	-	-	<b>100</b>	<b>41</b>	<b>59</b>	-	<b>77,743</b>

(\*) amount reported for disclosure purposes

"Off-balance sheet exposures, Performing" relates to the counterparty risk associated with derivatives registering positive fair value gross of any existing netting agreements.

## A.2 Classification of financial assets, commitments to disburse funds and financial guarantees given based on external and internal ratings

BancoPosta RFC has no lending policies as it does not grant loans to the public. It also uses internal models only for the measurement of expected losses as required by IFRS 9, but not for the quantification of capital requirements for credit risk.

## A.2.1 Distribution of financial assets, commitments to disburse funds and financial guarantees given by external rating classes (gross amounts)

(€m)

Exposures	External rating classes						Unrated	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
<b>A. Financial assets measured at amortised cost</b>	<b>287</b>	<b>602</b>	<b>43,154</b>	<b>56</b>	-	-	<b>544</b>	<b>44,643</b>
- Stage 1	287	592	42,655	56	-	-	-	43,590
- Stage 2	-	10	499	-	-	-	544	1,053
- Stage 3	-	-	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-	-	-
<b>B. Financial assets measured at fair value through other comprehensive income</b>	-	-	<b>33,088</b>	-	-	-	-	<b>33,088</b>
- Stage 1	-	-	33,088	-	-	-	-	33,088
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-	-	-
<b>C. Financial assets held for sale</b>	-	-	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-	-	-
<b>Total (A + B + C)</b>	<b>287</b>	<b>602</b>	<b>76,242</b>	<b>56</b>	-	-	<b>544</b>	<b>77,731</b>
<b>D. Commitments to disburse funds and financial guarantees given</b>	-	-	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
<b>Total (D)</b>	-	-	-	-	-	-	-	-
<b>Total (A + B + C + D)</b>	<b>287</b>	<b>602</b>	<b>76,242</b>	<b>56</b>	-	-	<b>544</b>	<b>77,731</b>

Stage 2 reflects mainly financial assets represented by trade receivables for which loss provisions are measured with the simplified approach.

The rating agency equivalents of credit rating classes are shown below:

Credit rating class	Fitch	Moody's	S&P	DBRS
1	from AAA to AA-	from Aaa to Aa3	from AAA to AA-	from AAA to AAL
2	from A+ to A-	from A1 to A3	from A+ to A-	from AH to AL
3	from BBB+ to BBB-	from Baa1 to Baa3	from BBB+ to BBB-	from BBBH to BBBL
4	from BB+ to BB-	from Ba1 to Ba3	from BB+ to BB-	from BBH to BBL
5	from B+ to B-	from B1 to B3	from B+ to B-	from BH to BL
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC

The nature of BancoPosta's operations exposes it to a substantial degree of concentration in respect of the Italian state. The concentration can be seen in Table A.2.1 under External Rating Class 3, which includes the Italian state.

### A.3 Distribution of guaranteed credit exposures by type of guarantee

#### A.3.1 Guaranteed on- and off-balance-sheet credit exposures to banks

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)								Total (1)+(2)		
			Mortgages	Real estate - leasing finance	Securities	Other collateral	Credit derivatives				Unsecured loans						
							CLNs	Central counterparties	Banks	Other financial companies	Other entities	Public Administration entities	Banks	Other financial companies		Other entities	
<b>1. Guaranteed on-balance sheet credit exposures:</b>																	
1.1 guaranteed in full	150	150	-	-	150	-	-	-	-	-	-	-	-	-	-	-	150
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 partially guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2. Guaranteed off-balance sheet credit exposures:</b>																	
2.1 guaranteed in full	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 partially guaranteed	2,406	2,406	-	-	15	2,082	-	-	-	-	-	-	-	-	-	-	2,097
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Guaranteed credit exposures to banks at 31 December 2023 relate to reversal repo transactions and derivative transactions with a positive net fair value.

#### A.3.2 Guaranteed on- and off-balance-sheet credit exposures to customers

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)								Total (1)+(2)			
			Mortgages	Real estate - leasing finance	Securities	Other collateral	Credit derivatives				Unsecured loans							
							CLNs	Central counterparties	Banks	Other financial companies	Other entities	Public Administration entities	Banks	Other financial companies		Other entities		
<b>1. Guaranteed on-balance sheet credit exposures:</b>																		
1.1 guaranteed in full	5,342	5,341	-	-	3,956	-	-	-	-	-	-	-	-	1,385	-	-	-	5,341
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 partially guaranteed	1,505	1,505	-	-	-	-	-	-	-	-	-	-	-	1,500	-	-	-	1,500
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2. Guaranteed off-balance sheet credit exposures:</b>																		
2.1 guaranteed in full	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 partially guaranteed	798	798	-	-	-	729	-	-	-	-	-	-	-	-	-	-	-	729
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash credit exposures refer to:

- fixed-rate securities with a nominal amount of €3,000 million issued by Cassa Depositi e Prestiti and guaranteed by the Italian State;
- reversal repo transactions managed through the Central Counterparty (CC&G) that meet the requirements of IAS 32 and are therefore offset in the financial statements in the amount of €2,337 million.

Off-balance sheet credit exposures refer to derivative transactions with a positive net fair value.

At 31 December 2023, reverse repurchase agreements for €361 million were entered into, but still not settled, with Central Counterparty, secured by securities with a nominal amount of €339 million.



**B. Distribution and concentration of credit exposures****B.1 Distribution of on and off-balance sheet credit exposures to customers by economic sector**

Exposures/ Counterparties	(€m)									
	Public Administration entities		Financial companies		Financial companies (of which: insurance companies)		Non-financial companies		Households	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses
<b>A. On-balance sheet credit exposures</b>										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
- of which: forborne exposures	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
- of which: forborne exposures	-	-	-	-	-	-	-	-	-	-
A.3 Non-performing past-due exposures	-	-	-	-	-	-	-	-	-	-
- of which: forborne exposures	-	-	-	-	-	-	-	-	-	-
A.4 Performing exposures	70,647	44	5,618	3	332	-	384	26	6	27
- of which: forborne exposures	-	-	-	-	-	-	-	-	-	-
<b>TOTAL A</b>	<b>70,647</b>	<b>44</b>	<b>5,618</b>	<b>3</b>	<b>332</b>	<b>-</b>	<b>384</b>	<b>26</b>	<b>6</b>	<b>27</b>
<b>B. Off-balance sheet credit exposures</b>										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	-	-	1,088	-	-	-	-	-	-	-
<b>TOTAL B</b>	<b>-</b>	<b>-</b>	<b>1,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B) at 31.12.2023</b>	<b>70,647</b>	<b>44</b>	<b>6,706</b>	<b>3</b>	<b>332</b>	<b>-</b>	<b>384</b>	<b>26</b>	<b>6</b>	<b>27</b>
<b>TOTAL (A+B) at 31.12.2022</b>	<b>75,382</b>	<b>37</b>	<b>9,459</b>	<b>2</b>	<b>288</b>	<b>-</b>	<b>372</b>	<b>29</b>	<b>6</b>	<b>23</b>

**B.2 Geographical distribution of on- and off-balance sheet credit exposures to customers**

Exposures/ geographic areas	(€m)									
	ITALY		OTHER EUROPEAN COUNTRIES		AMERICAS		ASIA		REST OF THE WORLD	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses
<b>A. On-balance sheet credit exposures</b>										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A.3 Non-performing past-due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Performing exposures	76,548	100	107	-	-	-	-	-	-	-
<b>TOTAL A</b>	<b>76,548</b>	<b>100</b>	<b>107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Off-balance sheet credit exposures</b>										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	-	-	1,088	-	-	-	-	-	-	-
<b>TOTAL B</b>	<b>-</b>	<b>-</b>	<b>1,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B) at 31.12.2023</b>	<b>76,548</b>	<b>100</b>	<b>1,195</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B) at 31.12.2022</b>	<b>82,603</b>	<b>91</b>	<b>2,616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**B.2 Geographical distribution of on- and off-balance sheet credit exposures to customers**

Exposures/ geographic areas	(€m)							
	ITALY, NORTHWEST		ITALY, NORTHEAST		ITALY, CENTRE		ITALY, SOUTH AND ISLANDS	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses
<b>A. On-balance sheet credit exposures</b>								
A.1 Bad loans	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-
A.3 Non-performing past-due exposures	-	-	-	-	-	-	-	-
A.4 Performing exposures	2	8	1	5	76,540	57	5	30
<b>TOTAL A</b>	<b>2</b>	<b>8</b>	<b>1</b>	<b>5</b>	<b>76,540</b>	<b>57</b>	<b>5</b>	<b>30</b>
<b>B. Off-balance sheet credit exposures</b>								
B.1 Non-performing exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	-	-	-	-	-	-	-	-
<b>TOTAL B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B) at 31.12.2023</b>	<b>2</b>	<b>8</b>	<b>1</b>	<b>5</b>	<b>76,540</b>	<b>57</b>	<b>5</b>	<b>30</b>
<b>TOTAL (A+B) at 31.12.2022</b>	<b>3</b>	<b>9</b>	<b>13</b>	<b>4</b>	<b>82,582</b>	<b>50</b>	<b>5</b>	<b>28</b>

The concentration in central Italy is due to the fact that nearly all exposures consist of Italian Government securities and deposits at the MEF.

### B.3 Geographical distribution of on and off-balance sheet credit exposures to banks

Exposures/ geographic areas	(€m)									
	ITALY		OTHER EUROPEAN COUNTRIES		AMERICAS		ASIA		REST OF THE WORLD	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses
<b>A. On-balance sheet credit exposures</b>										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A.3 Non-performing past-due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Performing exposures	941	-	798	-	-	-	-	-	-	-
<b>TOTAL A</b>	<b>941</b>	<b>-</b>	<b>798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Off-balance sheet credit exposures</b>										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	429	-	2,740	-	-	-	-	-	-	-
<b>TOTAL B</b>	<b>429</b>	<b>-</b>	<b>2,740</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B) at 31.12.2023</b>	<b>1,370</b>	<b>-</b>	<b>3,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B) at 31.12.2022</b>	<b>3,132</b>	<b>-</b>	<b>4,854</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### B.3 Geographical distribution of on and off-balance sheet credit exposures to banks

Exposures/ geographic areas	(€m)							
	ITALY, NORTHWEST		ITALY, NORTHEAST		ITALY, CENTRE		ITALY, SOUTH AND ISLANDS	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses
<b>A. On-balance sheet credit exposures</b>								
A.1 Bad loans	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-
A.3 Non-performing past-due exposures	-	-	-	-	-	-	-	-
A.4 Performing exposures	30	-	-	-	911	-	-	-
<b>TOTAL A</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>911</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Off-balance sheet credit exposures</b>								
B.1 Non-performing exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	262	-	-	-	167	-	-	-
<b>TOTAL B</b>	<b>262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B) at 31.12.2023</b>	<b>292</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,078</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B) at 31.12.2022</b>	<b>738</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,394</b>	<b>-</b>	<b>-</b>	<b>-</b>

### B.4 Large exposures

In compliance with the supervisory standards in force, the table for "Large exposures" shows information on exposures to customers or groups of connected customers that exceed 10% of total own funds. The exposures are determined with reference to total on-balance sheet risk assets and off-balance sheet transactions, without applying any risk weightings. Based on these criteria, the table includes entities that, despite having a risk weighting of 0%, represent an unweighted exposure in excess of 10% of own funds. Exposures to the Italian state shown in the table represent approximately 94% of the total carrying amount. The remaining exposures regard primary counterparties represented by European banks and other central counterparties in Italy. However, in view of the fact that it cannot lend to the public, the Bank of Italy has exempted BancoPosta RFC from application of the requirements regarding limits on large exposures. No further exemptions from the remaining obligations have been granted.

**Large exposures**

a) Carrying amount (€m)	81,512
b) Weighted amount (€m)	1,135
c) Number	5

**E. Disposal of assets***A. Financial assets sold but not fully derecognised***Qualitative information**

In the case of BancoPosta RFC, this category only regards Italian government securities provided as collateral for repurchase agreements. BancoPosta uses these transactions to access the interbank market to raise funds, with the aim of funding the purchase of government securities and the deposits necessary for margin lending.

**Quantitative information****E.1 Financial assets sold recognised in full and related financial liabilities: carrying amounts**

(€m)

	Financial assets sold recognised in full				Associated financial liabilities		
	Carrying amount	of which: securitised	of which: subject to repurchase agreements	of which non-performing	Carrying amount	of which: securitised	of which: subject to repurchase agreements
<b>A. Financial assets held for trading</b>	-	-	-	X	-	-	-
1. Debt securities	-	-	-	X	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
<b>B. Other financial assets mandatorily measured at fair value</b>	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
<b>C. Financial assets measured at fair value</b>	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
<b>D. Financial assets measured at fair value through other comprehensive income</b>	4,093	-	4,093	-	3,986	-	3,986
1. Debt securities	4,093	-	4,093	-	3,986	-	3,986
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
<b>E. Financial assets measured at amortised cost</b>	6,822	-	6,822	-	6,567	-	6,567
1. Debt securities	6,822	-	6,822	-	6,567	-	6,567
2. Loans	-	-	-	-	-	-	-
<b>TOTAL at 31.12.2023</b>	<b>10,915</b>	-	<b>10,915</b>	-	<b>10,553</b>	-	<b>10,553</b>
<b>TOTAL at 31.12.2022</b>	<b>13,012</b>	-	<b>13,012</b>	-	<b>13,342</b>	-	<b>13,342</b>

## SECTION 2 – MARKET RISK

Market risk relates to:

- price risk: the risk that the value of a financial instrument fluctuates as a result of market price movements, deriving from factors specific to the individual instrument or the issuer, and factors that influence all instruments traded on the market;
- foreign exchange risk: the risk that the value of a financial instrument fluctuates as a result of movements in exchange rates for currencies other than the functional currency;
- fair value interest rate risk: the risk that the value of a financial instrument fluctuates as a result of movements in market interest rates;
- spread risk: the risk relates to the potential fall in the value of bonds held, following a deterioration in the creditworthiness of issuers;
- cash flow interest rate risk: the risk that the cash flows will fluctuate because of movements in market interest rates;
- interest rate risk of future cash flows: the risk that the cash flows will fluctuate because of movements in inflation rates in the market.

### 2.1 Interest rate and price risks - supervisory trading book

At 31 December 2023, there were financial liabilities for trading deriving exclusively from the stipulation of a forward contract for the sale of 95 thousand ordinary shares of *Visa Incorporated* for the purpose of stabilising their yield. This transaction does not meet the "trading intent" requirement, as defined by art. 104 of Regulation (EU) no. 575/2013, for classification in the "Regulatory trading book"; this intent is, however, excluded from the "Guidelines on Poste Italiane SpA's financial management" for BancoPosta RFC.

Information on the market risks associated with this transaction is provided in the "Banking Book" section.

### 2.2 Interest rate and price risks - banking book

#### Qualitative information

##### A. Generalities, management policies and interest rate and price risk measurement methods

- **Interest rate risk**

Interest rate risk is inherent in the operations of a financial institution and can affect income (cash flow interest rate risk) and the value of the firm (fair value interest rate risk). Movements in interest rate can affect the cash flows associated with variable rate assets and liabilities and the fair value of fixed rate instruments.

Cash flow interest rate risk arises from the mismatch – in terms of interest rate, interest rate resets and maturities – of financial assets and liabilities until their contractual maturity and/or expected maturity (banking book), with effects in terms of interest spreads and an impact on future results. This risk is of particular relevance to variable-rate assets and liabilities or assets and liabilities which have been transformed into variable rate by fair value hedges.

Fair value interest rate risk primarily refers to the effects of changes in interest rates on the price of fixed rate financial instruments or variable rate financial instruments converted to fixed rate via cash flow hedges and, to a lesser degree, the effects of changes in interest rates on the fixed components of variable-rate financial instruments or fixed rate financial

instruments converted to variable rate via fair value hedges. The impact of these effects is directly related to the financial instrument's duration.<sup>357</sup>

Interest rate risk on the banking book is measured internally using the economic value method. This results in a need to develop an amortisation schedule for the sight deposits consistent with its nature and to select a time horizon and confidence levels for the estimates. A maximum time horizon (cut-off point) of 24 years is used for retail customer deposits, 6 years for business customer deposits, 10 years for Postepay cards<sup>358</sup> and 2 years for Public Administration deposits, based on a 99% confidence level. This approach entails the computation of an ALM rate risk through the determination of asset/liability.

The exposure to interest rate risk, as measured internally, is subject to stress tests of the principal risk factors – such as the duration of deposits, the value of assets and liabilities in the statement of financial position – that contribute to determining the measurement of exposure. In particular, the stress tests assumed include a reduction in the maximum maturity horizon (cut-off) for on-demand funding and the revaluation of assets and liabilities under adverse market scenarios.

Interest rate risk management and mitigation is based on the conclusions of the measurement of risk exposure and compliance - in line with the risk appetite and thresholds and limits established in the RAF - with financial operations guidelines as approved from time to time by the Poste Italiane SpA's Board of Directors.

Details on the risk management model are contained in the note on financial risks in Part E.

BancoPosta RFC monitors market risk, including fair value interest rate and spread risks, inherent in financial assets measured at fair value through other comprehensive income and derivative financial instruments through the computation of Value at Risk (VaR) over a time horizon of 1 day at a 99% confidence level.

- **Spread risk**

Spread risk regards commitments in euro area government securities or guaranteed by the Italian government and classified as financial assets measured at fair value through other comprehensive income. The year 2023 witnessed an average reduction in the yields on Italian government bonds compared with the previous year and, at 31 December 2023, the spread between ten-year Italian government bonds and German bunds is approximately 168 bps, down on the figure for the previous year (214 bps at 31 December 2022).

In the reporting period, the above resulted, in the portfolio of financial assets measured at fair value through other comprehensive income (notional of around €35 billion), held by BancoPosta RFC, in an overall net increase in fair value of approximately €2.3 billion: this change was partly recognised in the profit and loss for a positive amount of approximately €0.4 billion relating to the change in the fair value of securities hedged against interest rate risk, whilst the positive change in the fair value of unhedged securities and the spread risk component (not hedged) was reflected in equity for approximately €1.9 billion.

- **Price risk**

Price risk relates to financial assets measured at fair value through profit or loss.

This sensitivity analysis takes into account the main positions potentially exposed to the greatest risk of price movements.

BancoPosta RFC monitors the price risk to which its shareholdings are exposed by computing Value at Risk (VaR) over a time horizon of 1 day at a 99% confidence level.

<sup>357</sup> Duration is the indicator used to estimate the percentage change in price in response to a shift in market returns.

<sup>358</sup> Since 1 October 2018, prepaid cards are the responsibility of Postepay SpA. The liquidity collected through these cards is transferred to BancoPosta, which invests it in accordance with the investment constraints imposed on other deposits from private customers. As such, for the purposes of specific risk analyses, the rationales related to each model underlying the different types of deposit inflow continue to apply.

## Quantitative information

### 1. Banking Book: Time-to-maturity (repricing date) of financial assets and financial liabilities

Currency: Euro

(€m)

Type/Time-to-maturity	Demand	3 months or less	3 - 6 months	6 months - 1 year	1 - 5 years	5 - 10 years	Over 10 years	Unspecified maturity
<b>1. On-balance sheet assets</b>	<b>13,067</b>	<b>8,586</b>	<b>6,597</b>	<b>630</b>	<b>10,213</b>	<b>9,278</b>	<b>32,358</b>	-
1.1 Debt securities	-	4,391	6,597	630	10,213	9,278	32,358	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	4,391	6,597	630	10,213	9,278	32,358	-
1.2 Due from banks	1,587	150	-	-	-	-	-	-
1.3 Due from customers	11,480	4,045	-	-	-	-	-	-
- current accounts	6	-	-	-	-	-	-	-
- other loans	11,474	4,045	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	11,474	4,045	-	-	-	-	-	-
<b>2. On-balance sheet liabilities</b>	<b>81,349</b>	<b>3,631</b>	<b>251</b>	<b>210</b>	<b>6,472</b>	-	-	-
2.1 Due to customers	78,940	2,628	-	10	-	-	-	-
- current accounts	72,803	1	-	10	-	-	-	-
- other deposits	6,137	2,627	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	6,137	2,627	-	-	-	-	-	-
2.2 Due to banks	2,409	1,003	251	200	6,472	-	-	-
- current accounts	307	-	-	-	-	-	-	-
- other deposits	2,102	1,003	251	200	6,472	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
3.1 With underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	15,697	-	3,000	10,939	2,123	555	-
+ Short positions	-	5,346	-	4,332	-	50	22,586	-
<b>4. Other off-balance sheet transactions</b>								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

## 1. Banking Book: Time-to-maturity (repricing date) of financial assets and financial liabilities

Currency: US dollar

(€m)

Type/Time-to-maturity	Demand	3 months or less	3 - 6 months	6 months - 1 year	1 - 5 years	5 - 10 years	Over 10 years	Unspecified maturity
<b>1. On-balance sheet assets</b>	<b>1</b>	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Due from banks	1	-	-	-	-	-	-	-
1.3 Due from customers	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
<b>2. On-balance sheet liabilities</b>	-	-	-	-	-	-	-	-
2.1 Due to customers	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other deposits	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other deposits	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
3.1 With underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
<b>4. Other off-balance sheet transactions</b>								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

## 1. Banking Book: Time-to-maturity (repricing date) of financial assets and financial liabilities

Currency: Swiss franc

(€m)

Type/Time-to-maturity	Demand	3 months or less	3 - 6 months	6 months - 1 year	1 - 5 years	5 - 10 years	Over 10 years	Unspecified maturity
<b>1. On-balance sheet assets</b>	<b>1</b>	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Due from banks	1	-	-	-	-	-	-	-
1.3 Due from customers	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
<b>2. On-balance sheet liabilities</b>	-	-	-	-	-	-	-	-
2.1 Due to customers	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other deposits	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other deposits	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
3.1 With underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
<b>4. Other off-balance sheet transactions</b>								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-



## 1. Banking Book: Time-to-maturity (repricing date) of financial assets and financial liabilities

Currency: Other currencies

(€m)

Type/Time-to-maturity	Demand	3 months or less	3 - 6 months	6 months - 1 year	1 - 5 years	5 - 10 years	Over 10 years	Unspecified maturity
<b>1. On-balance sheet assets</b>	<b>1</b>	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Due from banks	1	-	-	-	-	-	-	-
1.3 Due from customers	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
<b>2. On-balance sheet liabilities</b>	-	-	-	-	-	-	-	-
2.1 Due to customers	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other deposits	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other deposits	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
3.1 With underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
<b>4. Other off-balance sheet transactions</b>								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

## 2. Banking portfolio: internal models and other methods of sensitivity analysis

• **Fair value interest rate risk**

The sensitivity of exposures to fair value interest rate risk was tested by assuming a parallel shift of the market yield curve of +/- 100 bps. The sensitivities data shown by the analysis provide a base scenario that can be used to measure potential changes in fair value, in the presence of changes in interest rates.

BancoPosta RFC's financial assets measured at fair value through other comprehensive income at 31 December 2023 had a duration of 5.38 for the portfolio of securities and derivatives (31 December 2022: 5.01). The sensitivity analysis is shown in the table.

## Fair value interest rate risk

Description (€m)	Risk exposure				Equity reserves before taxation	
	31.12.2023		31.12.2022		31.12.2023	
	Notional value*	Fair value	Notional value*	Fair value	+100bps	-100bps
Financial assets measured at fair value through other comprehensive income						
Fixed income instruments	34,859	33,069	37,489	33,161	(1,044)	1,067
Assets - Hedging derivatives	-	-	1,806	350	-	-
Liabilities - Hedging derivatives	-	-	2,793	(96)	-	-
<b>Total</b>	<b>34,859</b>	<b>33,069</b>	<b>42,088</b>	<b>33,415</b>	<b>(1,044)</b>	<b>1,067</b>

(\*) The settlement price of derivatives involving the exchange of principal (securities or other assets) has been indicated, as required by Bank of Italy Circular 262/2005.

All of BancoPosta RFC's investments are classified as either "Financial assets measured at amortised cost" or "Financial assets measured at fair value through other comprehensive income". The sensitivity analysis shown above is for the last of these categories.

In particular, in relation to financial assets measured at fair value through other comprehensive income, the risk in question concerns fixed income government bonds for €33,069 million, consisting of fixed-rate securities for €16,093 million, variable-rate securities for €652 million, variable-rate securities converted into fixed-rate positions through cash flow hedge interest rate swaps for €3,730 million, inflation-linked securities for €1,116 million and fixed- or variable-rate securities converted into variable-rate positions through fair value hedge derivatives for €11,478 million (of which €4,680 million with forward starts).

- **Spread risk**

Spread risk reflects the impact of the difference between yields on sovereign debt and the fair value of euro area government bonds, where such difference, or spread, reflects the perception of markets regarding issuers' creditworthiness.

The value of the portfolio of bonds issued or guaranteed by the Italian government is much more sensitive to the credit risk associated with the Italian Republic than to changes in so-called risk-free interest rates. This is due to the fact that changes in credit spreads are not hedged and regard the entire securities portfolio, meaning both the fixed and variable rate components. In this latter case, in fact, fair value hedge derivatives, used to convert variable rate instruments, hedge only the risk-free interest rate risk and not credit risk. This means that a change in the credit spread has an equal impact on both fixed and variable instruments.

The sensitivity to the spread<sup>359</sup> has been calculated by applying a shift of +/- 100 bps to the yield curve for Italian government bonds.

<sup>359</sup> For sensitivity purposes, the swap rate curve and the BTP curve were used (10-year swap rate of 249 bps and the spread of the BTP compared to the 10-year swap rate of 121 bps).

The sensitivity analyses are shown below.

### Fair value spread risk

Description (€m)	Risk exposure				Equity reserves before taxation	
	31.12.2023		31.12.2022		31.12.2023	
	Notional value*	Fair value	Notional value*	Fair value	+100bps	-100bps
Financial assets measured at fair value through other comprehensive income						
Fixed income instruments	34,859	33,069	37,489	33,161	(2,993)	3,508
Assets - Hedging derivatives	-	-	1,806	350	-	-
Liabilities - Hedging derivatives	-	-	2,793	(96)	-	-
<b>Total</b>	<b>34,859</b>	<b>33,069</b>	<b>42,088</b>	<b>33,415</b>	<b>(2,993)</b>	<b>3,508</b>

(\*) The settlement price of derivatives involving the exchange of principal (securities or other assets) has been indicated, as required by Bank of Italy Circular 262/2005.

It is worthy of note that any change in the spread would not entail any accounting effect on financial assets measured at amortised cost but would affect solely unrealised gains/losses. In other words, fixed income instruments measured at amortised cost, which at 31 December 2023 amounted to €30,398 million (nominal value of €30,877 million) and have a fair value of €28,318 million, would be reduced in fair value by approximately €2.72 billion following an increase in the spread of 100 bps, with the change not reflected in the accounts.

Movements in the spread have no impact on BancoPosta RFC's ability to meet its capital requirements, as the fair value reserves are not included in the computation of own funds for supervisory purposes.

The following is the result of the VaR analysis performed with reference to financial assets measured at fair value through other comprehensive income and the related derivative financial instruments, taking into account the variability of both spread and interest rate risk on fair value:

	(€m)	
	2023	2022
Average VaR	(415)	(454)
Minimum VaR	(296)	(285)
Maximum VaR	(565)	(641)

Taking into account financial assets measured at fair value through other comprehensive income (including the related hedges outstanding), the combined analysis of spread risk and fair value interest rate risk at 31 December 2023 results in a potential loss of €313 million (VaR at the end of the period). The decrease in VaR at the end of the period, compared with the €513 million at 31 December 2022, reflects the reduction in market volatility during the year and the different portfolio composition.

### Cash flow interest rate risk

The sensitivity to cash flow interest rate risk at 31 December 2022 and 31 December 2023 is summarised in the table below and was computed assuming a +/- 100 bps parallel shift in the market forward interest rate curve.

## Cash flow interest rate risk

Description (€m)	Risk exposure		Net interest and other banking income	
	31.12.2023	31.12.2022	31.12.2023	
	Notional	Notional	+100 bps	-100 bps
Cash				
- Deposits with Bank of Italy	756	1,885	8	(8)
- Deposits with banks	7	5	-	-
Financial assets measured at amortised cost				
Due from banks				
- Collateral guarantees	796	1,468	8	(8)
Due from customers				
- Deposits at MEF ( <i>PA deposits</i> )	8,936	11,907	89	(89)
- Deposits at MEF ( <i>private customer deposits</i> )	873	1,991	9	(9)
- Collateral guarantees	427	989	4	(4)
- Due from Poste Italiane SpA outside the ring-fence	355	349	4	(4)
- Fixed income instruments	6,456	8,115	64	(64)
Financial assets measured at fair value through other comprehensive income				
- Fixed income instruments	8,895	10,540	89	(89)
Financial liabilities measured at amortised cost				
Due to banks				
- Collateral guarantees	(2,102)	(3,636)	(21)	21
- Repurchase agreements	(3,996)	(3,996)	(40)	40
Due to customers				
- Collateral guarantees	(729)	(1,188)	(7)	7
<b>Total variability</b>	<b>20,674</b>	<b>28,429</b>	<b>207</b>	<b>(207)</b>

Cash flow interest rate risk at 31 December 2023 was primarily due to:

- the placement of Public Administration and private deposits with the MEF;
- deposits with the Bank of Italy of account temporary excess of liquidity deriving from private customer deposits;
- fixed-rate securities issued by the Italian State converted into variable-rate positions through fair value hedge derivatives for a total nominal amount of €14,701 million, including: (i) €1,964 million with hedging effects in the 12 months following the reporting period; (ii) €2,395 million with inflation-linked return;
- variable-rate securities issued by the Italian State with a total nominal value of €650 million;
- receivables for a total amount of €1,223 million for guarantee deposits provided as collateral for derivative liabilities and repurchase agreements;
- payables for a total amount of €2,831 million for guarantee deposits provided as collateral for derivative liabilities and repurchase agreements;
- repos swapped in variable-rate bonds through fair value hedge derivatives for a total nominal amount of €3,996 million.

- **Cash flow inflation risk**

Cash flow inflation rate risk at 31 December 2023 relates to government inflation-indexed bonds which were not hedged through the arrangement of cash flow hedges or fair value hedges entered into by BancoPosta RFC, having a nominal value of €1,301 million and a carrying amount of €1,445 million. The effects of sensitivity analysis are immaterial.

- **Price risk**

The sensitivity of financial instruments to price risk is analysed using a variability stress calculated with reference to one-year historical volatility, considered to be representative of potential market movements.

#### Price risk

Description (€m)	Risk exposure		Net interest and other banking income	
	31.12.2023	31.12.2022	31.12.2023	
			+ Vol	- Vol
Financial assets measured at fair value through profit or loss				
Equity instruments	26	40	4	(4)
Financial liabilities held for trading	(3)	(4)	(3)	3
<b>Total</b>	<b>23</b>	<b>36</b>	<b>1</b>	<b>(1)</b>

Notes on the related equity instruments (shares) are contained in Part B, Assets, Table 2.5.

The preference Visa Incorporated shares (Series C Convertible Participating Preferred Stock) held in portfolio were sensitivity tested using similar Class A shares, after adjusting for the volatility of the shares traded on the NYSE. This volatility was mitigated by the partial forward sale of Visa Incorporated Series C ordinary shares in 2021 and 2023. The shares' price risk is also monitored through the computation of VaR.

	(€m)	
	2023	2022
Closing VaR	(0.2)	(0.2)
Average VaR	(0.2)	(0.2)
Minimum VaR	(0.1)	(0.2)
Maximum VaR	(0.2)	(0.2)

## 2.3 Foreign exchange risk

### Qualitative information

#### A. Generalities, management policies and foreign exchange risk measurement methods

Foreign exchange risk relates to losses that could be incurred on foreign currency positions, regardless of portfolio, through fluctuations in foreign exchange rates. In BancoPosta RFC's case, this risk primarily derives from foreign currency bank accounts, foreign currency cash and VISA shares<sup>360</sup>.

Foreign exchange risk is controlled by the Risk Management unit using the measurement of exposure to the risk in accordance with financial operations guidelines which restrict currency trading to the foreign exchange service and international bank transfers.

Foreign exchange risk is measured using the Bank of Italy prudential methodology currently recommended for banks (see EU Regulation 575/2013). Furthermore, sensitivity stress tests are regularly conducted for the most important exposures with reference to hypothetical levels of exchange rate volatility for each currency position. Movements in exchange rates equal to the historical volatility are assumed to emulate market fluctuations.

#### B. Foreign exchange hedges

### Quantitative information

#### 1. Distribution of assets, liabilities and derivatives by currency

Items	Currency						(€m)
	US Dollar	Swiss Franc	GB Sterling	Japanese Yen	Tunisian Dinar	Other currencies	
<b>A. Financial assets</b>	<b>27</b>	<b>1</b>	-	-	-	-	<b>1</b>
A.1 Debt securities	-	-	-	-	-	-	-
A.2 Equity instruments	26	-	-	-	-	-	-
A.3 Due from banks	1	1	-	-	-	-	1
A.4 Due from customers	-	-	-	-	-	-	-
A.5 Other financial assets	-	-	-	-	-	-	-
<b>B. Other assets</b>	<b>48</b>	<b>8</b>	<b>3</b>	-	-	-	-
<b>C. Financial liabilities</b>	-	-	-	-	-	-	-
C.1 Due to banks	-	-	-	-	-	-	-
C.2 Due to customers	-	-	-	-	-	-	-
C.3 Debt securities	-	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-	-
<b>D. Other liabilities</b>	-	-	-	-	-	-	-
<b>E. Financial derivatives</b>							
- Options							
+ Long positions	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-
- Other derivatives							
+ Long positions	21	-	-	-	-	-	-
+ Short positions	23	-	-	-	-	-	-
<b>Total assets</b>	<b>96</b>	<b>9</b>	<b>3</b>	-	-	-	<b>1</b>
<b>Total liabilities</b>	<b>23</b>	-	-	-	-	-	-
<b>Net position (+/-)</b>	<b>73</b>	<b>9</b>	<b>3</b>	-	-	-	<b>1</b>

"Other assets" relate to foreign currencies held in post offices for the foreign exchange service.

<sup>360</sup> The exchange rate risk relating to VISA shares was mitigated through forward sale transactions carried out during 2021 and 2023.

## 2. Internal models and other methods of sensitivity analysis

Application of the foreign exchange rate volatility during the period to the most important equity instruments held by BancoPosta are shown in the following table.

### Foreign exchange risk - US dollar

Description (€m)	Risk exposure				Net interest and other banking income	
	31.12.2023		31.12.2022		31.12.2023	
	USD	Euro	USD	Euro	- Vol 260 days	- Vol 260 days
Financial assets measured at fair value through profit or loss						
Equity instruments	29	26	42	40	2	(2)
Liabilities held for trading	(3)	(3)	(4)	(4)	(2)	2
<b>Total</b>	<b>26</b>	<b>23</b>	<b>38</b>	<b>36</b>	<b>-</b>	<b>-</b>

## SECTION 3 – DERIVATIVE INSTRUMENTS AND HEDGING POLICIES

### 3.1 Trading derivative instruments

#### A. Financial derivatives

##### A.1 Trading financial derivatives: year-end notional amounts

Underlying assets/Types of derivative	Total at 31.12.2023				Total at 31.12.2022			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties With netting agreements	Without central counterparties Without netting agreements		Central counterparties	Without central counterparties With netting agreements	Without central counterparties Without netting agreements	
<b>1. Debt securities and interest rates</b>	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
<b>2. Equity instruments and equity indexes</b>	-	21	-	-	-	35	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	21	-	-	-	35	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
<b>3. Currencies and gold</b>	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
<b>4. Commodities</b>	-	-	-	-	-	-	-	-
<b>5. Other</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>

## A.2 Trading financial derivatives: gross positive and negative fair value - breakdown by product

Types of derivatives	Total at 31.12.2023				Total at 31.12.2022			
	Over the counter				Over the counter			
	Central counterparties	Without central counterparties		Organised markets	Central counterparties	Without central counterparties		Organised markets
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
<b>1. Positive fair value</b>								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-
<b>2. Negative fair value</b>								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	(3)	-	-	-	(4)	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
<b>Total</b>	-	(3)	-	-	-	(4)	-	-

## A.3 OTC trading financial derivatives: notional amounts, gross positive and negative fair value by counterparty



	(€m)			
Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
<b>Contracts not falling within the scope of netting agreements</b>				
<b>1) Debt securities and interest rates</b>				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
<b>2) Equity instruments and equity indexes</b>				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
<b>3) Currencies and gold</b>				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
<b>4) Commodities</b>				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
<b>5) Other</b>				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
<b>Contracts falling within the scope of netting agreements</b>				
<b>1) Debt securities and interest rates</b>				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
<b>2) Equity instruments and equity indexes</b>				
- notional amount	-	21	-	-
- positive fair value	-	-	-	-
- negative fair value	-	(3)	-	-
<b>3) Currencies and gold</b>				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
<b>4) Commodities</b>				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
<b>5) Other</b>				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

## A.4 Residual life of OTC trading financial derivatives: notional amounts

	(€m)			
Underlyings/Residual life	1 year or less	1 - 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	-	-	-	-
A.2 Financial derivatives on equity instruments and equity indexes	-	21	-	21
A.3 Financial derivatives on currencies and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
<b>Total at 31.12.2023</b>	-	21	-	21
<b>Total at 31.12.2022</b>	35	-	-	35

### 3.2 Hedge accounting

BancoPosta RFC has fair value and cash flow hedge policies for which it elected, under IFRS 9, to maintain the accounting treatment provided for by IAS 39.

The reform of key interest rate benchmarks, called the "InterBank Offered Rate (IBOR) Reform", involved regulators in various jurisdictions around the world with the aim of replacing some interbank rates with risk-free alternative rates and preparing guidelines to update contract models.

Currently, the main benchmarks for the euro area are:

- the Euro Short Term Rate - ESTR (administered by the European Central Bank and published as of 2 October 2019) which replaced the Euro OverNight Index Average (EONIA - no longer listed as of 1 January 2022) redefining it as ESTR plus 8.5 bps;
- the EURIBOR (administered by the European Money Market Institute), whose reform process ended in November 2019.

BancoPosta RFC holds financial instruments indexed to the EURIBOR, which continues to be quoted daily, and the related cash flows continue to be exchanged with counterparties as usual. In relation to this parameter, there is therefore no uncertainty resulting from the IBOR reform on 31 December 2023. These instruments are subject to daily collateralisation remunerated to EONIA (from 2022 ESTR + 8.5 bps).

In particular, BancoPosta RFC holds interest rate swaps designated as fair value hedges that have the "EURIBOR-indexed variable "leg" with a notional amount of €29,027 million. With particular reference to almost all of these instruments, the cash flows at 31 December 2023 are discounted at the EONIA rate defined as ESTR plus 8.5 bps and not at the ESTR rate as defined in the contracts in place with the counterparties.

#### Qualitative information

##### A. Fair value hedges

BancoPosta RFC has a government bond portfolio – made up of fixed income BTPs and inflation-linked BTPs – subject to movements in fair value due to changes in interest rates and in the inflation rate.

To limit the effects of interest rates on fair value, BancoPosta RFC enters into Interest Rate Swaps (IRS) Over the Counter (OTC) to hedge the fair value of the bonds held in portfolio. The objective of these transactions is to have instruments that can offset changes in fair value of the portfolio due to interest rate fluctuations and the rate of inflation.

In addition, BancoPosta RFC carries out transactions in repurchase agreements, on euro-government securities or with the guarantee of the Italian state for various purposes, including to invest in government bonds, to meet liquidity needs arising from the dynamics of funding on current accounts, and to actively manage the treasury position and guarantee deposits for collateralisation transactions. These transactions are mainly fixed-rate transactions and, therefore, are exposed to changes in fair value due to fluctuations in interest rates.

To limit the effects of interest rates on fair value, BancoPosta RFC enters into Interest Rate Swaps (IRS) Over the Counter (OTC) to hedge the fair value of the repos held in portfolio.

### B. Cash flow hedges

BancoPosta RFC enters into:

- **forward purchases** of government bonds, to limit the exposure to interest rate risk deriving from the need to reinvest the cash generated by matured bonds held in portfolio and the 10-year indexed component of the returns on deposits with the MEF of funding from the Public Administration;
- **forward sales** of government bonds to pursue the stabilisation of returns.

These derivatives qualify as cash flow hedges of forecast transactions.

In addition, BancoPosta RFC has a portfolio of inflation-linked BTPs subject to cash flow variability in relation to inflation. To limit the effects of interest rates on cash flows, BancoPosta RFC enters into OTC interest rate swaps to hedge the cash flows of the bonds held in portfolio. The objective of these transactions is to stabilise until maturity the return of the instrument, regardless of movements of the variable parameter.

### C. Hedges of foreign operations

BancoPosta RFC does not have a policy for hedges of foreign operations.

### D. Hedging instruments

Regarding fair value hedge instruments, the main source of ineffectiveness is the use of different spreads/fixed rates<sup>361</sup> in determining the fair value of the hypothetical derivative and the derivative actually entered into. In particular, to evaluate the effectiveness of the hedge relationship, for the hypothetical derivative use is made of the mid-market spread/fixed rate, which makes the present value at the settlement date equal to zero, and for the actual derivative the interest rate agreed upon with the counterparty.

As to cash flow hedge instruments, the main source of ineffectiveness is the use of the fixed income component used in determining the fair value of the hypothetical derivative and the actual derivative. In particular, to evaluate the effectiveness of the hedge relationship use is made, for the hypothetical derivative, the fixed rate that makes the present value at the settlement date equal to zero while for the actual derivative the calculation is performed with the interest rate agreed upon with the counterparty.

With respect to the hedges of forecast transactions, no source of ineffectiveness was identified, as the forward prices of the counterparties were assumed to be perfectly equal to the theoretical forward prices.

### E. Hedged items

BancoPosta RFC designates as hedged items:

- fixed-rate and index-linked bonds and repos at fixed rate, in connection to the fair value hedge policy;

<sup>361</sup> For Repos, hedging is performed by defining the variable-rate component simply indexed to EURIBOR and the fixed-rate component incorporating market conditions.

- inflation-linked bonds and forecast transactions, in connection with cash flow hedge policies.

In particular, in fair value hedges of Italian government bonds, the credit risk of the Italian Republic is not hedged and is set for the duration of the swap. In addition, full hedges and partial hedges are implemented, with the start date equal to the date of purchase of the instrument (swap spot start) and after the purchase of the instrument (swap forward start), respectively.

As regards fair value hedges of repos, total hedges are implemented, with an immediate start date.

Regarding fair value hedges, BancoPosta RFC evaluates the effectiveness of every hedging relationship in offsetting movements in fair value through a retrospective effectiveness test and a prospective effectiveness test<sup>362</sup>, using the approaches illustrated in the following notes.

The retrospective effectiveness test is run by utilising the "dollar offset approach through the hypothetical derivative"<sup>363</sup>. With this approach, consideration is given to the hedge ratio of the change in fair value of the actual derivative to the change in fair value of the hypothetical derivative occurred between inception and the valuation date. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%.

The hypothetical derivative and the actual derivative have a settlement date consistent with the hedge inception (spot or forward start - solely for government bonds) and differ solely in their spread/fixed rate which is considered, as already indicated, the main source of ineffectiveness. The partial ineffectiveness of the hedge, equal to the difference between the changes in value of the two derivatives (hypothetical and actual) represents the net effect of the hedge recognised separately in profit or loss.

For the purposes of the prospective effectiveness test, different approaches have been applied, depending on the characteristics of the hedging swap. Specifically:

- the "Critical terms"<sup>364</sup> approach for swap spot start, for which it has been determined at inception that the characteristics of the fixed leg make it possible to replicate exactly the fixed cash flows generated by the hedged item;
- the "Dollar offset through the hypothetical derivative" approach for forward start swaps and forward hedging swaps, for which the prospective effectiveness test is performed by calculating the hedge ratio between the change in fair

<sup>362</sup> IAS 39 requires two effectiveness tests:

- prospective effectiveness test: attests that the hedging relationship is expected to be highly effective in future periods;
  - retrospective effectiveness test: attests that the hedging relationship has been effective from inception to the reporting date.
- For a hedge to be effective, the prospective effectiveness test must show that the hedge is highly effective in offsetting fair value or cash flow movements attributable to the hedged instrument during the designation period, while the result of the retrospective test must show offset ratios ranging from 80% to 125%.

A hedge can be ineffective when the hedging instrument and the hedged item: are in different currencies; have different maturities; use different underlying interest rates; are exposed to different counterparty risks; and when the derivative is not equal to zero at inception.

<sup>363</sup> The dollar offset approach is a quantitative method that involves a comparison between movements in the fair value or cash flow of the hedging instrument and the movements in the fair value or cash flow of the hedged instrument attributable to the risk hedged. Depending on the policy selected, this approach can be used:

- on a cumulative basis, by observing the performance of the hedge since inception;
- on a periodic basis, by comparing the hedge performance with that of the last test.

The dollar offset approach can be implemented through a hypothetical derivative, that is by constructing a theoretical derivative to compare the relevant theoretical movements in fair value or cash flow with those of the hedged instrument (actual derivative).

<sup>364</sup> The critical terms approach involves a comparison between the critical terms of the hedging instrument with those of the hedged item. The hedging relationship is highly effective when all the critical terms of the two instruments match perfectly and there are no features or options that might invalidate the hedge. Critical terms include, for example: notional amount of the derivative and principal of the underlying, credit risk, timing, currency of the cash flows.

value of the hypothetical derivative and the change in fair value of the actual derivative<sup>365</sup>. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%.

Regarding cash flow hedges, BancoPosta RFC evaluates the effectiveness of the designated derivative in every hedging relationship through a retrospective effectiveness test and a prospective effectiveness test.

With regards to the hedges of forecast transactions, the retrospective effectiveness test involves the calculation of a hedge ratio defined as the ratio of the difference between the fair value of the forward transaction entered into with the counterparty on the test and inception date and the present value of the difference between the theoretical forward price of the BTP calculated as of the test and inception date. Assuming a perfect match between the forward prices of the counterparties and the theoretical forward prices, the hedge ratio is always equal to 100%. As such, there are no sources of ineffectiveness.

For the purposes of the prospective effectiveness test, the critical terms approach is applied, considering at inception the consistency between the hedging instrument and the hedged item on the basis of the qualitative characteristics of the contracts<sup>366</sup>.

With respect to inflation-linked bonds, the retrospective effectiveness test considers the hedge ratio between the change in fair value of the actual derivative to the change in fair value of the hypothetical derivative occurred between the date of inception and the valuation date. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%.

The hypothetical derivative and the actual derivative have the settlement date that matches the inception of the hedge and differ in terms of their fixed income component. Moreover, for the derivatives used to hedge inflation-linked BTP, the fair value at the settlement date reflects also the interest accrued of the instrument accrued from the latest interest payment date to the date of settlement of the derivative. As such, both are considered the main sources of ineffectiveness.

The change in fair value of the actual derivative is recognised through equity, for the effective portion of the hedge, while the change in fair value of the ineffective portion is recognised through profit or loss.

For the purposes of the prospective effectiveness test, different approaches have been applied, depending on the characteristics of the hedging swap. Specifically:

- the "Critical terms" approach for derivatives for which it has been determined at inception that the characteristics of the indexed leg of the swap make it possible to replicate exactly the variable cash flows generated by the hedged item;
- the "Dollar offset through the hypothetical derivative" approach for derivative contracts with a fixed rate applicable to a nominal amount growing constantly at six-month intervals until the derivative expires. For these contracts the prospective effectiveness test is performed by calculating the hedge ratio between the change in fair value of the hypothetical derivative and the change in fair value of the derivative entered into<sup>367</sup>. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%.

<sup>365</sup> Calculated by assuming a parallel shift of +/- 100 bps of the yield curves.

<sup>366</sup> The notional amount of the forward contract must be set, at the settlement date, as equal to the nominal amount of the instrument in case of purchase, and equal or lower than the nominal amount of the instrument in case of sale. The underlying of the forward contract must coincide with the instrument that must be purchased or sold (in this case it must be an instrument in the portfolio) at the settlement date. The settlement date must be the same as the date on which the cash flow to be hedged is expected, in case of forward purchase, or must be related to the year in which the total return must be stabilised, in case of forward sale.

<sup>367</sup> Calculated by assuming a parallel shift of +/- 100 bps of the yield curves.

## Quantitative information

## A. Hedging financial derivatives

## A.1 Hedging financial derivatives: year-end notional amounts

Underlying assets/Types of derivative	Total at 31.12.2023				Total at 31.12.2022			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	With netting agreements	Without netting agreements		Central counterparties	With netting agreements	Without netting agreements	
<b>1. Debt securities and interest rates</b>	-	32,314	-	-	-	39,478	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	32,314	-	-	-	34,879	-	-
c) Forwards	-	-	-	-	-	4,599	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
<b>2. Equity instruments and equity indexes</b>	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
<b>3. Currencies and gold</b>	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
<b>4. Commodities</b>	-	-	-	-	-	-	-	-
<b>5. Other</b>	-	-	-	-	-	-	-	-
<b>Total</b>	-	32,314	-	-	-	39,478	-	-

At 31 December 2023, BancoPosta RFC had outstanding OTC derivatives transactions with Qualified Central Counterparty clearing through clearing brokers for a notional amount of €226 million.

## A.2 Hedging financial derivatives: gross positive and negative fair value – breakdown by product

Types of derivatives	Positive and negative fair value							Change in value used to recognise ineffective portion of hedge		
	Total at 31.12.2023				Total at 31.12.2022				Total at 31.12.2023	Total at 31.12.2022
	Over the counter			Organised markets	Over the counter			Organised markets		
Central counterparties	With netting agreements	Without netting agreements	Central counterparties		With netting agreements	Without netting agreements	Central counterparties		With netting agreements	Without netting agreements
<b>1. Positive fair value</b>	-	-	-	-	-	-	-	-	-	
a) Options	-	-	-	-	-	-	-	-	-	
b) Interest rate swaps	-	4,257	-	-	-	5,759	-	(348)	9,738	
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	
d) Equity swaps	-	-	-	-	-	-	-	-	-	
e) Forwards	-	-	-	-	-	350	-	-	350	
f) Futures	-	-	-	-	-	-	-	-	-	
g) Other	-	-	-	-	-	-	-	-	-	
<b>Total</b>	-	4,257	-	-	-	6,109	-	(348)	10,088	
<b>2. Negative fair value</b>	-	-	-	-	-	-	-	-	-	
a) Options	-	-	-	-	-	-	-	-	-	
b) Interest rate swaps	-	(1,136)	-	-	-	(875)	-	(311)	962	
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	
d) Equity swaps	-	-	-	-	-	-	-	-	-	
e) Forwards	-	-	-	-	-	(96)	-	-	(96)	
f) Futures	-	-	-	-	-	-	-	-	-	
g) Other	-	-	-	-	-	-	-	-	-	
<b>Total</b>	-	(1,136)	-	-	-	(971)	-	(311)	866	

## A.3 OTC hedging financial derivatives: notional amounts, gross positive and negative fair value by counterparty

(€m)

Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
<b>Contracts not falling within the scope of netting agreements</b>				
<b>1) Debt securities and interest rates</b>				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
<b>2) Equity instruments and equity indexes</b>				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
<b>3) Currencies and gold</b>				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
<b>4) Commodities</b>				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
<b>5) Other</b>				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
<b>Contracts falling within the scope of netting agreements</b>				
<b>1) Debt securities and interest rates</b>				
- notional amount	-	24,252	8,062	-
- positive fair value	-	3,169	1,088	-
- negative fair value	-	(786)	(350)	-
<b>2) Equity instruments and equity indexes</b>				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
<b>3) Currencies and gold</b>				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
<b>4) Commodities</b>				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
<b>5) Other</b>				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

## A.4 Residual life of OTC hedging financial derivatives: notional amounts

(€m)

Underlying assets/Residual life	1 year or less	1 - 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	4,021	609	27,684	32,314
A.2 Financial derivatives on equity instruments and equity indexes	-	-	-	-
A.3 Financial derivatives on currencies and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
<b>Total at 31.12.2023</b>	<b>4,021</b>	<b>609</b>	<b>27,684</b>	<b>32,314</b>
<b>Total at 31.12.2022</b>	<b>4,739</b>	<b>4,096</b>	<b>30,643</b>	<b>39,478</b>

**D. Hedged instruments****D.1 Fair value hedges**

(€m)

	Micro-hedges: carrying amount	Micro-hedges - net positions: balance sheet value of assets or liabilities (before netting)	Micro-hedges			Macro-hedges: carrying amount
			Cumulative changes in fair value of hedged instrument	Termination of the hedge: residual cumulative changes in fair value	Change in value use to recognise ineffective portion of hedge	
<b>A. Assets</b>						
<b>1. Financial assets measured at fair value through other comprehensive income - hedging:</b>						
1.1 Debt securities and interest rates	11,478	-	(1,656)	(615)	383	X
1.2 Equity instruments and equity indexes	-	-	-	-	-	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Receivables	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
<b>2. Financial assets measured at amortised cost - hedging:</b>						
1.1 Debt securities and interest rates	11,073	-	(1,944)	(419)	340	X
1.2 Equity instruments and equity indexes	-	-	-	-	-	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Receivables	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
<b>Total at 31.12.2023</b>	<b>22,551</b>	<b>-</b>	<b>(3,600)</b>	<b>(1,034)</b>	<b>723</b>	<b>-</b>
<b>Total at 31.12.2022</b>	<b>23,737</b>	<b>-</b>	<b>(5,554)</b>	<b>(1,308)</b>	<b>(11,119)</b>	<b>-</b>
<b>B. Liabilities</b>						
<b>1. Financial liabilities measured at amortised cost - hedging:</b>						
1.1 Debt securities and interest rates	(3,966)	-	38	-	(103)	X
1.2 Currencies and gold	-	-	-	-	-	X
1.3 Other	-	-	-	-	-	X
<b>Total at 31.12.2023</b>	<b>(3,966)</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>(103)</b>	<b>-</b>
<b>Total at 31.12.2022</b>	<b>(3,863)</b>	<b>-</b>	<b>141</b>	<b>-</b>	<b>141</b>	<b>-</b>

**D.2 Cash flow hedges and hedges of foreign investments**

(€m)

	Change in value use to recognise ineffective portion of hedge	Hedge reserve	Termination of hedge: residual value of hedge reserve
<b>A. Cash flow hedges</b>			
<b>1. Assets</b>			
1.1 Debt securities and interest rates	38	(413)	-
1.2 Equity instruments and equity indexes	-	-	-
1.3 Currencies and gold	-	-	-
1.4 Receivables	-	-	-
1.5 Other	-	-	-
<b>2. Liabilities</b>			
1.1 Debt securities and interest rates	-	-	-
1.2 Currencies and gold	-	-	-
1.3 Other	-	-	-
<b>Total (A) at 31.12.2023</b>	<b>38</b>	<b>(413)</b>	<b>-</b>
<b>Total (A) at 31.12.2022</b>	<b>43</b>	<b>(181)</b>	<b>-</b>
<b>B. Hedges of foreign investments</b>			
	X	-	-
<b>Total (A + B) at 31.12.2023</b>	<b>38</b>	<b>(413)</b>	<b>-</b>
<b>Total (A + B) at 31.12.2022</b>	<b>43</b>	<b>(181)</b>	<b>-</b>



## E. Effects of hedging transactions through Equity

### E.1 Reconciliation of equity components

	(€m)									
	Cash flow hedge reserve					Hedge reserve of foreign investments				
	Debt securities and interest rates	Equity instruments and equity indexes	Currencies and gold	Receivables	Other	Debt securities and interest rates	Equity instruments and equity indexes	Currencies and gold	Receivables	Other
Opening balance	(181)	-	-	-	-	-	-	-	-	-
Changes in fair value (effective portion)	80	-	-	-	-	-	-	-	-	-
Reclassifications to profit or loss	(312)	-	-	-	-	-	-	-	-	-
of which: future transactions no longer expected	-	-	-	-	-	X	X	X	X	X
Other changes	-	-	-	-	-	-	-	-	-	-
of which: transfers to initial carrying amount of hedged instruments	-	-	-	-	-	X	X	X	X	X
Closing balance	(413)	-	-	-	-	-	-	-	-	-

## SECTION 4 –LIQUIDITY RISK

### Qualitative information

#### A. Generalities, management policies and liquidity risk measurement methods

Liquidity risk is the risk that an entity may have difficulties in raising sufficient funds, at market conditions, to meet its obligations deriving from financial instruments. Liquidity risk may derive from the inability to sell financial assets quickly at an amount close to fair value or the need to raise funds at off-market rates.

It is policy to minimise liquidity risk through:

- diversification of the various forms of short-term and long-term loans and counterparties;
- gradual and consistent distribution of the maturities of medium/long-term loans;
- use of dedicated analytical models to monitor the maturities of assets and liabilities;
- the availability of the interbank markets as a source of repurchase agreement finance, with collateral in the form of securities held in portfolio, due to the fact that such assets consist of financial instruments deemed to be highly liquid assets by current standards.

In order to mitigate liquidity and market risk in the event of extreme market scenarios, BancoPosta RFC can access financing facilities, details of which are provided in Part B, Liabilities, Section 1.

In terms of BancoPosta RFC's operations, liquidity risk regards the deposits in current accounts and prepaid cards<sup>368</sup>, in relation to investment in euro-government and/or Italian government-guaranteed securities or tax credits as well as the margins on derivative transactions. The potential risk derives from a mismatch between the maturities of investments in securities and in tax credits and those of liabilities, represented by current accounts where the funds are available on demand, thus compromising the ability to meet its obligations to current account holders. This potential mismatch between assets and liabilities is monitored via comparison of loan and deposit maturities, using the statistical model of the performance of current account deposits, in accordance with the various likely maturity schedules and assuming the progressive total withdrawal of deposits over a period of 24 years for retail customers, 6 years for business customers, 10 years for PostePay cards and 6 years for Public Administration customers. BancoPosta RFC closely monitors the behaviour of deposits taken in order to assure the model's validity.

In addition to postal deposits, BancoPosta also funds itself through:

- long-term repos, amounting to an outstanding €7 billion

<sup>368</sup> Since 1 October 2018, prepaid cards are the responsibility of Postepay SpA. The liquidity collected through these cards is transferred to BancoPosta, which invests it in accordance with the investment constraints imposed on other deposits from private customers. As such, for the purposes of specific risk analyses, the rationales related to each model underlying the different types of deposit inflow continue to apply.

- short-term deposits created through repurchase agreements as funding for incremental deposits used as collateral for interest rate swaps and Repos (collateral provided, respectively, under CSAs and GMRA).

BancoPosta RFC's maturity mismatch approach entails an analysis of the mismatch between cash in and outflows for each time band of the maturity ladder.

BancoPosta RFC's cash is dynamically managed by treasury for the timely and continual monitoring of private customer postal current account cash flows and the efficient management of short-term cash shortfalls and excesses. In order to assure flexible investments in securities consistent with the dynamic nature of current accounts, BancoPosta RFC can also use the MEF buffer account within certain limits and subject to payment of a fee.

Details on the risk management model are contained in the note on financial risk at the beginning of this Part E.

The liquidity risk resulting from contract terms requiring the provision of additional collateral in the event of a downgrade of Poste Italiane SpA is negligible. Such contracts include those for margin lending of derivatives, which require the threshold amount<sup>369</sup> to be reduced to zero in the event that Poste Italiane SpA's rating is downgraded to below "BBB-". The threshold amounts relating to margin lending contracts included in repurchase agreements are equal to zero, meaning that these transactions are not subject to liquidity risk.

BancoPosta RFC's liquidity is assessed, in the form of stress tests, through risk indicators (the Liquidity Coverage Ratio and Net Stable Funding Ratio) defined by the Basel 3 prudential regulations. These indicators aim to assess whether or not the entity has sufficient high-quality liquid assets to overcome situations of acute stress lasting a month, and to verify that assets and liabilities have sustainable maturity profiles assuming a stress scenario lasting one year. Taking into account the capital structure of BancoPosta RFC characterised by the presence of a high amount of EU government securities and deposits mainly made up of retail deposits, these indicators are well above the limits imposed by prudential regulations.

Moreover, liquidity risk is monitored through the development of early warning indicators that, in addition to taking into account the level of deposit withdrawals under conditions of stress, aim to monitor funding outflows in line with the estimated performance of deposits at a 99% confidence level.

## Quantitative information

### 1. Distribution of contractual time-to-maturity of financial assets and liabilities

The time distribution of assets and liabilities is shown below, as established for banks' financial statements (Bank of Italy Circular 262/2005 and subsequent updates), using accounting data reported for the residual contractual term to maturity. Management data, such as the modelling of demand deposits and the reporting of cash and cash equivalents taking account of their degree of liquidity, has, consequently, not been used.

<sup>369</sup> The threshold amount is the amount of collateral that is not required to be provided under the contract; it therefore represents the residual counterparty risk to be borne by a counterparty.

## Currency: Euro

(€m)

Items/Time-to-maturity	Demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	1 - 5 years	Over 5 years	Unspecified maturity
<b>A. On-balance sheet assets</b>	<b>11,995</b>	<b>4,560</b>	<b>828</b>	<b>250</b>	<b>825</b>	<b>3,835</b>	<b>1,268</b>	<b>16,304</b>	<b>53,763</b>	-
A.1 Government bonds	-	-	58	250	803	2,124	1,236	9,899	50,022	-
A.2 Other debt securities	-	-	-	-	22	10	32	1,500	1,500	-
A.3 UCIs	-	-	-	-	-	-	-	-	-	-
A.4 Due from	11,995	4,560	770	-	-	1,701	-	4,905	2,241	-
- Banks	791	946	-	-	-	-	-	-	-	-
- Customers	11,204	3,614	770	-	-	1,701	-	4,905	2,241	-
<b>B. On-balance sheet liabilities</b>	<b>79,906</b>	<b>4,998</b>	<b>462</b>	<b>150</b>	<b>854</b>	<b>255</b>	<b>210</b>	<b>6,572</b>	-	-
B.1 Deposits and current accounts	73,110	-	-	-	-	-	10	-	-	-
- Banks	307	-	-	-	-	-	-	-	-	-
- Customers	72,803	-	-	-	-	-	10	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	6,796	4,998	462	150	854	255	200	6,572	-	-
<b>C. Off-balance sheet transactions</b>										
C.1 Financial derivatives with exchange of principal										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of principal										
- Long positions	-	-	-	5	359	80	456	-	-	-
- Short positions	-	-	-	-	267	31	261	-	-	-
C.3 Deposits and loans to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of principal										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

## 1. Distribution of contractual time-to-maturity of financial assets and liabilities

Currency: US dollar

(€m)

Items/Time-to-maturity	Demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	1 - 5 years	Over 5 years	Unspecified maturity
<b>A. On-balance sheet assets</b>	<b>1</b>	-	-	-	-	-	-	-	-	-
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCIs	-	-	-	-	-	-	-	-	-	-
A.4 Due from	<b>1</b>	-	-	-	-	-	-	-	-	-
- Banks	<b>1</b>	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-
<b>B. On-balance sheet liabilities</b>	-	-	-	-	-	-	-	-	-	-
B.1 Deposits and current accounts	-	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
<b>C. Off-balance sheet transactions</b>	-	-	-	-	-	-	-	-	-	-
C.1 Financial derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

## 1. Distribution of contractual time-to-maturity of financial assets and liabilities

Currency: Swiss franc

(€m)

Items/Time-to-maturity	Demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	1 - 5 years	Over 5 years	Unspecified maturity
<b>A. On-balance sheet assets</b>	<b>1</b>	-	-	-	-	-	-	-	-	-
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCIs	-	-	-	-	-	-	-	-	-	-
A.4 Due from	<b>1</b>	-	-	-	-	-	-	-	-	-
- Banks	1	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-
<b>B. On-balance sheet liabilities</b>	-	-	-	-	-	-	-	-	-	-
B.1 Deposits and current accounts	-	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
<b>C. Off-balance sheet transactions</b>	-	-	-	-	-	-	-	-	-	-
C.1 Financial derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

## 1. Distribution of contractual time-to-maturity of financial assets and liabilities

Currency: Other currencies

(€m)										
Items/Time-to-maturity	Demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	1 - 5 years	Over 5 years	Unspecified maturity
<b>A. On-balance sheet assets</b>	<b>1</b>	-	-	-	-	-	-	-	-	-
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCIs	-	-	-	-	-	-	-	-	-	-
A.4 Due from	<b>1</b>	-	-	-	-	-	-	-	-	-
- Banks	1	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-
<b>B. On-balance sheet liabilities</b>	-	-	-	-	-	-	-	-	-	-
B.1 Deposits and current accounts	-	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
<b>C. Off-balance sheet transactions</b>	-	-	-	-	-	-	-	-	-	-
C.1 Financial derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

## SECTION 5 – OPERATIONAL RISKS

## Qualitative information

## A. Generalities, management policies and operational risk measurement methods

Operational risk refers to the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. This category of risk includes losses resulting from fraud, human error, business disruption, systems failures, breach of contracts and natural disasters. Operational risk includes legal risk, but not strategic and reputational risks.

To protect against this form of risk, BancoPosta RFC has formalised a methodological and organisational framework to identify, measure and manage the operational risk related to its products/processes.

The framework, which is based on an integrated (qualitative and quantitative) measurement model, makes it possible to monitor and manage risk on an increasingly informed basis.

In 2023, activities continued to refine the operational risk management framework, with the aim of making the process of recording operational losses, monitoring and reporting more efficient and mitigating such risks by cross-functional working groups. Support has also been provided to the specialist units and the owner of the process of analysing and assessing IT risk, in keeping with the approach adopted in 2022, and the monitoring of IT risk recovery plans was reinforced.

The activities carried out in 2023 also included assessments of the risk profile related to the assignment and outsourcing of BancoPosta RFC, the fine-tuning of the model for monitoring outsourcing risk, and ex-ante assessments of the risk profile related to the innovation of BancoPosta's offering and/or specific project initiatives.

### Quantitative information

At 31 December 2023, the risk map prepared in accordance with the aforementioned framework shows the type of operational risks BancoPosta RFC's products are exposed to. In particular:

#### Operational risk

Event type	Number of types
Internal fraud	28
External fraud	44
Employee practices and workplace safety	8
Customers, products and business practices	37
Damage to material property	4
Business disruption and system failure	8
Execution, delivery and management of the process	107
<b>Total at 31 December 2023</b>	<b>236</b>

For each type of mapped risk, the related sources of risk (internal losses, external losses, scenario analysis and risk indicators) have been recorded and classified in order to construct complete inputs for the integrated measurement model.

Systematic measurement of the mapped risks has enabled the prioritization of mitigation initiatives and the attribution of responsibilities in order to contain any future impact.

## PART F – INFORMATION ON EQUITY

### SECTION 1 – BANCOPOSTA RFC'S EQUITY

#### A. Qualitative information

The prudential regulations applicable to banks and investment firms from 1 January 2014 are contained in Bank of Italy Circular 285/2013 and subsequent updates, the purpose of which was to implement EU Regulation 575/2013 (the so-called Capital Requirements Regulation, or "CRR") and Directive 2013/36/EU (the so-called Capital Requirements Directive, or "CRD IV"), containing the reforms required in order to introduce the "Basel 3" regulations. In the third revision of the above Circular, the Bank of Italy has extended the prudential requirements applicable to banks to BancoPosta, taking into account the specific nature of the entity. As a result, BancoPosta RFC is required to comply with Pillar 1 capital requirements (credit, counterparty, market and operational risks) and those regarding Pillar 2 internal capital adequacy (Pillar 1 and interest rate risks), for the purposes of the ICAAP process. The relevant definition of capital in both cases is provided by the above supervisory standards<sup>370</sup>.

<sup>370</sup> Regulatory capital takes account of the provisions set forth in "Regulation (EU) no. 2020/873 of the European Parliament and of the Council of 24/06/2020 amending Regulations (EU) no. 575/2013 and (EU) no. 2019/876 as regards certain adjustments in response to the COVID-19 pandemic" ("Quick Fix"). BancoPosta RFC made use of the

In view of the extension of prudential standards to BancoPosta, BancoPosta RFC is now required to establish a system of internal controls in line with the provisions of Bank of Italy Circular 285/2013, which, among other things, requires the definition of a Risk Appetite Framework (RAF) and the containment of risks within the limits set by the RAF<sup>371</sup>. Compliance with the objective, threshold and limit system established by the RAF influences decisions regarding profit distributions as part of capital management.

## B. Quantitative information

### B.1 Company equity: breakdown

Items/Amounts	(€m)	
	Amount at 31.12.2023	Amount at 31.12.2022
1. Share capital	-	-
2. Share premium reserve	-	-
3. Reserves	2,570	2,585
- profit	1,358	1,373
a) legal	-	-
b) required by articles of association	-	-
c) treasury shares	-	-
d) other	1,358	1,373
- other	1,212	1,212
4. Equity instruments	450	350
5. (Treasury shares)	-	-
6. Valuation reserves:	(841)	(2,223)
- Equity instruments measured at fair value through other comprehensive income	-	-
- Hedges of equity instruments measured at fair value through other comprehensive income	-	-
- Financial assets (other than equity instruments) measured at fair value through other comprehensive income	(544)	(2,092)
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedges of foreign investments	-	-
- Cash flow hedges	(295)	(129)
- Hedges (elements not designated)	-	-
- Translation differences	-	-
- Non-current assets and disposal groups held for sale	-	-
- Financial liabilities designated at fair value through profit or loss (changes in own credit rating)	-	-
- Actuarial gains/(losses) on defined benefit plans	(2)	(2)
- Share of valuation reserves relating to equity accounted investments	-	-
- Special revaluation laws	-	-
7. Profit/(Loss) for the year	600	602
<b>Total</b>	<b>2,779</b>	<b>1,314</b>

"Reserves, other" consists of: i) the specific equity reserve of €1 billion, of which the initial reserve provided to BancoPosta RFC on its creation, through the attribution of BancoPosta RFC's retained earnings and increased by the €210 million contribution, resolved by the Extraordinary Shareholders' Meeting of 29 May 2018, through the allocation of BancoPosta RFC's available reserves; ii) profit reserve of €2 million for incentive plans, described in Part I.

The "Equity instruments" include the capital contributions completed on 30 June 2021 and 30 June 2023, through the granting of two perpetual subordinated loans, under terms and conditions that allow them to be counted as Additional Tier 1 capital ("AT 1")<sup>372</sup>, for amounts of €350 million and €100 million respectively.

possibility, recognised by this legislation, to adopt the new percentages for the transitional period from 31 December 2020 to 31 December 2024.

<sup>371</sup> A definition of the RAF is provided in the "Introduction" to Part E.

<sup>372</sup> For more details on the characteristics of the capital instruments issued, please refer to the Public Disclosure ("Pillar 3").



## B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

Assets/Amounts	(€m)			
	Total at 31.12.2023		Total at 31.12.2022	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	578	(1,122)	236	(2,328)
2. Equity instruments	-	-	-	-
3. Loans	-	-	-	-
<b>Total</b>	<b>578</b>	<b>(1,122)</b>	<b>236</b>	<b>(2,328)</b>

## B.3 Valuations reserves for financial assets measured at fair value through other comprehensive income: annual changes

	(€m)		
	Debt securities	Equity instruments	Loans
<b>1. Opening balance</b>	<b>(2,092)</b>	-	-
<b>2. Increases</b>	<b>1,576</b>	-	-
2.1 Increases in fair value	1,407	-	-
2.2 Impairment losses due to credit risk	5	x	-
2.3 Reclassification to profit or loss of negative reserve for realised losses	163	x	-
2.4 Transfers to other equity (equity instruments)	-	-	-
2.5 Other changes	1	-	-
<b>3. Decreases</b>	<b>(28)</b>	-	-
3.1 Decreases in fair value	(22)	-	-
3.2 Recoveries due to credit risk	(2)	-	-
3.3 Reclassification to profit or loss of positive reserve for realised gains	(4)	x	-
3.4 Transfers to other equity (equity instruments)	-	-	-
3.5 Other changes	-	-	-
<b>4. Closing balance</b>	<b>(544)</b>	-	-

## B.4 Valuation reserves for defined benefit plans: annual changes

	(€m)	
	Total at 31.12.2023	Total at 31.12.2022
<b>Opening actuarial gains/(losses)</b>	<b>(2)</b>	<b>(2)</b>
Actuarial gains/(losses)	-	-
Taxation of actuarial gains/(losses)	-	-
<b>Closing actuarial gains/(losses)</b>	<b>(2)</b>	<b>(2)</b>

## SECTION 2 – OWN FUNDS AND CAPITAL RATIOS

BancoPosta RFC's own funds are all Tier 1 capital (CET 1 and AT1).

Common Equity Tier 1 ("CET 1") is composed of:

- other reserves, being revenue reserves, amounting to €1 billion originating from the creation of the ring-fence, and any further amounts attributed by Poste Italiane SpA that meet the requirements for inclusion in own funds<sup>373</sup>;
- undistributed earnings, being BancoPosta RFC's profits appropriated on approval of Poste Italiane SpA's financial statements.

<sup>373</sup> Contributions from non-controlling shareholders to BancoPosta RFC are excluded, as they are not provided for in the special regulations governing the ring-fence.

Additional Tier 1 ("AT 1") includes the capital injections of €350 million and €100 million finalised on 30 June 2021 and 30 June 2023.

At 31 December 2023, own funds totalled €3,104 million, including €60 million calculated from the profit for 2023 (in compliance with the provisions of art. 26 of Regulation (EU) no. 575/2013) and €14 million deriving from the application of the transitional arrangements pursuant to Regulation (EU) no. 2020/873 (CRR "Quick fix").

Based on prudential standards, BancoPosta is required to comply with the following minimum capital ratios:

- Common Equity Tier 1 ratio (the ratio of CET1 to total risk weighted assets - RWAs<sup>374</sup>): equal to 7.0% (4.5% being the minimum requirement and 2.5% being the capital conservation buffer);
- Tier 1 ratio (the ratio of Tier 1 to total risk weighted assets - RWAs): equal to 8.5% (6.0% being the minimum requirement and 2.5% being the capital conservation buffer);
- Total Capital ratio (the ratio of total own funds to total risk weighted assets - RWAs): equal to 10.5% (8% being the minimum requirement and 2.5% being the capital conservation buffer).

Following the Supervisory Review and Evaluation Process (SREP), on 20 May 2022 the Bank of Italy communicated to BancoPosta RFC the decision on the amount of capital BancoPosta must hold, in addition to the regulatory minimum, to cover its overall risk exposure. The new limits (Overall Capital Requirement (OCR) ratios) required by the Supervisory Authority are as follows:

- CET 1 ratio: 7.80%, comprising a binding measure of 5.30% (of which 4.50% against the minimum regulatory requirements and 0.80% against the additional requirements determined on the basis of the SREP results) and, for the remainder, the capital conservation buffer component;
- Tier 1 ratio: 9.55%, comprising a binding measure of 7.05% (of which 6.00% against the minimum regulatory requirements and 1.05% against the additional requirements determined on the basis of the SREP results) and, for the remainder, the capital conservation buffer component;
- Total Capital ratio: 11.95%, comprising a binding measure of 9.45% (of which 8% against the minimum regulatory requirements and 1.45% against the additional requirements determined on the basis of the SREP results) and, for the remainder, the capital conservation buffer component.

<sup>374</sup> Risk weighted assets, or RWAs, are calculated by applying a risk weighting to the assets exposed to credit, counterparty, market and operational risks.

Moreover, in order to ensure compliance with the binding measures outlined above and to ensure that BancoPosta's own funds can absorb any losses arising from stress scenarios, taking into account the results of stress tests performed by BancoPosta RFC under ICAAP, the Bank of Italy has identified the following capital levels that BancoPosta is required to maintain:

- CET 1 ratio: 8.55%, consisting of an OCR CET1 ratio of 7.80% and a Target Component (Pillar 2 Guidance, P2G), against a higher risk exposure under stress conditions, of 0.75%;
- Tier 1 ratio: 10.30%, consisting of an OCR T1 ratio of 9.55% and a Target Component of 0.75%, against a higher risk exposure under stress conditions;
- Total Capital ratio: 12.70%, consisting of an OCR TC ratio of 11.95% and a Target Component of 0.75%, against a higher risk exposure under stress conditions.

At 31 December 2023 BancoPosta RFC complies with the requirements of the prudential regulations in force, with a Tier 1 ratio and a Total Capital ratio of 22.1% and a CET1 ratio of 18.9%<sup>375</sup>, which are also in line with the additional requirements provided for by the aforementioned procedure.

For more details, reference is made, as provided for by Circular no 262 of the Bank of Italy, to the information on own funds and capital adequacy contained in the public disclosure ("Pillar 3").

## PART G – BUSINESS COMBINATIONS

No business combinations took place either during or subsequent to the period under review.

## PART H – RELATED PARTY TRANSACTIONS

### 1. Payments to key management personnel

Key management personnel consist of Directors and first-line managers of Poste Italiane SpA, whose compensation before social security and welfare charges and contributions are disclosed in section 6.5 - *Related parties* - of this section - Poste Italiane SpA's financial statements - of the Annual Report and are reflected in BancoPosta RFC as part of the expenses for services provided by functions outside the ring-fence (see Part C, Table 10.5), and defined by the specific operating guidelines (Part A, paragraph A.1, Section 4).

### 2. Related party transactions

Related party transactions have been carried out on terms equivalent to those prevailing in arm's length transactions between independent parties.

<sup>375</sup> The ratios take into account the computation of €60 million, as they are the subject of the resolution of Poste Italiane's Board of Directors concerning the proposed allocation of profit for the year 2023 and in compliance with the provisions of Article 26 of Regulation (EU) no. 575/2013..

## Impact of related party transactions on the financial position at 31 December 2023

(€m)

Name	Total at 31.12.2023						
	Financial assets	Due from banks and customers	Hedging derivative assets and liabilities	Other assets	Financial liabilities	Due to banks and customers	Other liabilities
Poste Italiane SpA	-	370	-	39	-	279	3
<b>Direct subsidiaries</b>							
BancoPosta Fondi SpA SGR	-	26	-	-	-	11	3
Consorzio PosteMotori	-	3	-	-	-	1	-
Consorzio Servizi ScpA	-	-	-	-	-	-	-
EGI SpA	-	-	-	-	-	1	-
PatentiViaPoste ScpA	-	-	-	-	-	1	-
Poste Vita SpA	-	324	-	-	-	695	26
Postel SpA	-	-	-	-	-	-	-
PostePay SpA	-	73	-	190	-	10,152	107
SDA Express Courier SpA	-	-	-	-	-	3	-
Milkman Deliveries SpA	-	-	-	-	-	3	-
<b>Indirect subsidiaries</b>							
Kipoint SpA	-	-	-	-	-	-	-
LIS Pay S.p.A.	-	-	-	-	-	1	-
Poste Assicura SpA	-	8	-	-	-	6	-
Poste Insurance Broker	-	-	-	-	-	2	-
<b>Associates</b>							
Financit SpA	-	3	-	-	-	-	-
Sennder Italia Srl	-	-	-	-	-	36	-
<b>External related parties</b>							
MEF	-	10,060	-	-	-	5,371	-
Cassa Depositi e Prestiti Group	2,891	247	-	-	-	-	-
Monte dei Paschi Group	-	56	164	-	-	348	-
Other related parties external to the Group	-	-	-	-	-	-	1
Provision for doubtful debts due from external related parties	(2)	(5)	-	-	-	-	-
<b>Total</b>	<b>2,889</b>	<b>11,165</b>	<b>164</b>	<b>229</b>	<b>-</b>	<b>16,910</b>	<b>140</b>

## Impact of related party transactions on the financial position at 31 December 2022

(€m)

Name	Total at 31.12.2022						
	Financial assets	Due from banks and customers	Hedging derivative assets and liabilities	Other assets	Financial liabilities	Due to banks and customers	Other liabilities
Poste Italiane SpA	-	349	-	44	-	227	36
<b>Direct subsidiaries</b>							
BancoPosta Fondi SpA SGR	-	19	-	-	-	7	3
Consorzio PosteMotori	-	3	-	-	-	3	-
Consorzio Servizi Telef. Mobile ScpA	-	-	-	-	-	1	-
EGI SpA	-	-	-	-	-	1	-
PatentiViaPoste ScpA	-	-	-	-	-	3	-
Poste Vita SpA	-	280	-	-	-	179	17
Postel SpA	-	-	-	-	-	-	-
PostePay SpA	-	141	-	83	-	9,404	102
SDA Express Courier SpA	-	-	-	-	-	5	-
Sennder Italia Srl	-	-	-	-	-	20	-
Milkman Deliveries SpA	-	-	-	-	-	7	-
<b>Indirect subsidiaries</b>							
Kipoint SpA	-	-	-	-	-	1	-
LIS Pay S.p.A.	-	-	-	-	-	23	-
Poste Assicura SpA	-	7	-	-	-	12	-
Poste Insurance Broker	-	-	-	-	-	3	-
<b>Associates</b>							
Financit SpA	-	3	-	-	-	-	-
<b>External related parties</b>							
MEF	-	14,158	-	-	-	4,169	-
Cassa Depositi e Prestiti Group	2,865	21	-	-	-	-	-
Monte dei Paschi Group	-	73	203	-	-	396	-
Other related parties external to the Group	-	-	-	-	-	-	1
Provision for doubtful debts due from external related parties	(1)	(5)	-	-	-	-	-
<b>Total</b>	<b>2,864</b>	<b>15,049</b>	<b>203</b>	<b>127</b>	<b>-</b>	<b>14,461</b>	<b>159</b>

## Impact of related party transactions on profit or loss at 31 December 2023

(€m)								
FY 2023								
Name	Interest and similar income	Interest expense and similar charges	Fee income	Fee expenses	Dividends and similar income	Net impairment (losses)/recoveries on impairment	Administrative expenses	Other operating income/(expense)
Poste Italiane SpA	13	(233)	-	-	-	-	(4,887)	-
<b>Direct subsidiaries</b>								
BancoPosta Fondi SpA SGR	-	-	96	(13)	-	-	-	-
Consorzio PosteMotori	-	-	-	-	-	-	-	-
Poste Vita SpA	-	(24)	600	-	-	-	-	-
PostePay SpA	-	(43)	252	(184)	-	-	-	2
<b>Indirect subsidiaries</b>								
Poste Assicura SpA	-	-	56	-	-	-	-	-
Poste Insurance Broker	-	-	1	-	-	-	-	-
<b>Associates</b>								
Financit SpA	-	-	30	-	-	-	-	-
<b>External related parties</b>								
MEF	441	-	61	-	-	-	-	-
Cassa Depositi e Prestiti Group	73	-	1,740	-	-	-	-	-
Enel Group	-	-	-	-	-	-	-	-
Eni Group	-	-	-	-	-	-	-	-
Monte dei Paschi Group	3	(7)	-	-	-	-	-	-
Other related parties external to the Group	-	-	-	-	-	-	(3)	-
<b>Total</b>	<b>530</b>	<b>(307)</b>	<b>2,836</b>	<b>(197)</b>	<b>-</b>	<b>-</b>	<b>(4,890)</b>	<b>2</b>

## Impact of related party transactions on profit or loss at 31 December 2022

(€m)								
FY 2022								
Name	Interest and similar income	Interest expense and similar charges	Fee income	Fee expenses	Dividends and similar income	Net impairment (losses)/recoveries on impairment	Administrative expenses	Other operating income/(expense)
Poste Italiane SpA	1	(1)	-	-	-	-	(4,551)	-
<b>Direct subsidiaries</b>								
BancoPosta Fondi SpA SGR	-	-	71	(13)	-	-	-	-
Consorzio PosteMotori	-	-	4	-	-	-	-	-
Poste Vita SpA	-	(3)	521	-	-	-	-	-
PostePay SpA	-	(26)	252	(200)	-	-	-	1
<b>Indirect subsidiaries</b>								
Poste Assicura SpA	-	-	50	-	-	-	-	-
Poste Insurance Broker	-	-	1	-	-	-	-	-
<b>Associates</b>								
Financit SpA	-	-	40	-	-	-	-	-
<b>External related parties</b>								
MEF	323	(4)	61	-	-	(1)	-	-
Cassa Depositi e Prestiti Group	65	-	1,600	(1)	-	-	-	-
Enel Group	-	-	1	-	-	-	-	-
Eni Group	-	-	1	-	-	-	-	-
Monte dei Paschi Group	(1)	(1)	-	-	-	-	-	-
Other related parties external to the Group	-	-	-	-	-	-	(3)	-
<b>Total</b>	<b>388</b>	<b>(35)</b>	<b>2,602</b>	<b>(214)</b>	<b>-</b>	<b>(1)</b>	<b>(4,554)</b>	<b>1</b>

## PART I – SHARE-BASED PAYMENT ARRANGEMENTS

### A. Qualitative information

#### 1. Description of share-based payment arrangements

#### LONG-TERM INCENTIVE SCHEME: PERFORMANCE SHARE PLAN

The Shareholders' Meeting of Poste Italiane SpA, held on 28 May 2019 approved the information circular for the "Equity-based incentive plans – Performance Share LTIP", prepared in accordance with art 84-bis of Regulations for Issuers with reference to the first Cycle 2019-2021 and the second cycle 2020-2022.

The Shareholders' Meeting of Poste Italiane SpA, held on 28 May 2021 approved the information circular for the "Equity-based incentive plans – 2021-2023 Performance Share LTIP", prepared in accordance with art 84-bis of Regulations for Issuers with reference to the performance period 2021-2023.

The Shareholders' Meeting of Poste Italiane SpA held on 27 May 2022 approved the information circular for the "Equity-based incentive plans – 2022-2024 Performance Share LTIP", prepared in accordance with art 84-bis of Regulations for Issuers with reference to the performance period 2022-2024.

The Shareholders' Meeting of Poste Italiane SpA held on 8 May 2023 approved the information circular for the "Equity-based incentive plans – 2023-2025 Performance Share LTIP", prepared in accordance with art 84-bis of Regulations for Issuers with reference to the performance period 2023-2025.

These incentive systems, constructed in line with market practices, aim to strengthen the link between the variable component of remuneration and the Group's medium to long-term strategy, in line with the budget and the goals in the Strategic Plan, over a multi-year period.

#### Description of the Plans

The "Performance Share LTIPs", as described in the relevant Information Circulars, provide for the assignment of Rights to the Poste Italiane's ordinary Shares. The number of Rights to be granted to Beneficiaries is subject to the achievement of Performance Targets over a three-year period, following confirmation of achievement of the Hurdle and Qualifying Conditions. Plans are developed over a three-year time horizon and shares are awarded if performance targets are achieved or after a retention period. The key characteristics of the Plans are described below.

#### Beneficiaries

The beneficiaries of the Plan are some BancoPosta RFC resources.

#### Plans' terms and conditions

The Performance Targets, common to all Beneficiaries, to which the vesting of the Rights and, therefore, the allocation of the Shares is conditioned, for the first award cycle are highlighted below:

- a profitability indicator identified in the Group's three-year cumulative EBIT used to recognise the continuity and sustainability of profitability results over the long term;

- an indicator of shareholder value creation, based on the relative Total Shareholder Return, used to measure performance based on the value created for Poste Italiane's shareholders compared with the FTSE MIB index<sup>376</sup>.

For the 2021-2023, 2022-2024 and 2023-2025 Performance Share LTIPs, the following KPIs are added to the two targets indicated above for the ESG component:

- 2021-2023 Performance Share LTIP: sustainable finance, target linked to the inclusion of an ESG component in Poste Vita investment products by 2023. In particular, the indicator is calculated by comparing the number of products offered with ESG components to the total number of products offered;
- 2022-2024 Performance Share LTIP: equal gender representation in succession plans, an objective linked to strengthening the presence of women in managerial succession plans, to help increase the presence of women in positions of greater responsibility in the Poste Italiane Group. Specifically, the indicator is calculated by comparing the number of succession applications occupied by women to the total number of applications;
- 2023-2025 Performance Share LTIP: Green Transition, a target related to the reduction of tCO<sub>2</sub> emissions; this target is intended to measure the reduction of the Group's total emissions (tCO<sub>2</sub>e) over the 2023-2025 time horizon. Creating value for the country, an objective that takes into account the progress of the construction sites related to the "Polis Project". In particular, the indicator is calculated as the ratio of the number of initiatives launched to the total number of physically feasible initiatives.

Vesting of the Rights and the therefore the awarding of the Shares is subject to achievement of the Performance Hurdle, designed to ensure sustainability of the Plan at Group level. The Performance Hurdle corresponds with achievement of a certain target for the Group's cumulative EBIT over a three-year period at the end of each Performance Period. In addition, vesting of the phantom stocks is also subject to achievement of Qualifying Conditions, designed to ensure the stability of BancoPosta RFC's capital and liquidity position, as follows:

- Indicator of capital adequacy, (CET 1) at the end of the period;
- Indicator of short-term liquidity, (LCR) at the end of the period;
- RORAC risk-adjusted earnings at the end of the period.

The Shares relating to the 2019-2021 and 2020-2022 Performance Share LTIPs will be awarded by the end of the year following the end of the Performance Period as follows:

- 40% up-front;
- the remaining 60% in two portions, with deferral periods of 2 and 4 years, respectively.

For BP Beneficiaries (including the General Manager) in relation to the 2021-2023, 2022-2024 and 2023-2025 Performance Share LTIPs, the following disbursement method is envisaged: 40% upfront and 60% in five deferred annual instalments over a five-year period (the first three equal to 10% of the total rights accrued and the next two equal to 15% of the total rights accrued). A further Retention Period of one year will be applied to both the up-front and deferred portions.

The allocation of deferred Shares will take place following the verification of the continued existence of BancoPosta RFC's levels of capital adequacy, short-term liquidity and risk-adjusted profitability.

For more details on the operating mechanisms of the incentive plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

<sup>376</sup> The objective linked to the "relative Total Shareholder Return" (rTSR) includes a "negative threshold" provision: if Poste Italiane's TSR is negative, despite being higher than the TSR registered by the index, the number of vested Rights (linked to rTSR) is reduced to the minimum threshold of 50%.

## Determination of fair value and effects on profit or loss

The valuations of these plans were mainly based on the conclusions reached by actuaries outside the Group.

The unit fair value of each Right at the valuation date is equal to its nominal value at the grant date (determined on the basis of stock market prices), discounted by the expected dividend rate and the risk-free interest rate and updated taking into account the best estimate of service conditions and performance (non-market based performance conditions).

						(€m)		
Incentive plans	Number of beneficiaries	Units (No. of Phantom Stocks / Rights to receive shares)		Fair value at grant date		Cost	IFRS 2 Reserve / Liabilities	Payments / Countervalue delivery of treasury shares
		Number of Units	Of which under retention period	Grant date	Fair Value			
				BP Beneficiaries				
Deliver 3 years	13	8,044	8,044	29/05/2018	€9.19	0.01	0.08	-
19-21 Performance Share LTIP	10	32,866		07/10/2019	€7.01	0.01	0.23	(0.2)
20-22 Performance Share LTIP	10	39,573	13,563	12/11/2020	€ 4.89 - € 5.41	(0.07)	0.20	(0.0)
21-23 Performance Share LTIP	10	73,148	-	28/05/2021	€ 8.27 - € 9.07	0.15	0.58	-
22-24 Performance Share LTIP	12	61,793	-	27/05/2022	€4.65	0.09	0.19	-
23-25 Performance Share LTIP	14	99,899		08/05/2023	€4.47	0.15	0.15	-
<b>Total</b>						<b>0.3</b>	<b>1.3</b>	<b>(0.2)</b>

## SHORT-TERM INCENTIVE SCHEMES: MBO

On 27 May 2014, the Bank of Italy issued specific Supervisory Provisions for BancoPosta (Part IV, Chapter I, "BancoPosta" including in Circular 285 of 17 December 2013 "Prudential supervisory standards for banks") which, in taking into account BancoPosta's specific organisational and operational aspects, has extended application of the prudential standards for banks to include BancoPosta. This includes the standards relating to remuneration and incentive policies (Part I, Title IV, Chapter 2 "Remuneration and incentive policies and practices" in the above Circular 285). These standards provide that a part of the bonuses paid to BancoPosta RFC's Risk Takers may be awarded in the form of financial instruments over a multi-year timeframe.

With regard to the management incentive schemes adopted for BancoPosta RFC MBO for 2018, where the incentive is above a certain materiality threshold, the MBO management incentive scheme envisages the award of 50% of the incentive in the form of phantom stocks, representing the value of Poste Italiane's shares, and application of the following deferral mechanisms:

- 60% of the award to be deferred for a 5-year period on a pro-rata basis, in the case of Material Risk Takers who are beneficiaries of both the short-term incentive scheme and long-term incentive scheme, "Phantom Stock LTIP";
- 40% of the award to be deferred for a 3-year period on a pro-rata basis for the remaining Material Risk Takers.

The most recent short-term management incentive schemes (MBO 2019, MBO 2020, MBO 2021, MBO 2022 and MBO 2023), provide, where the incentive exceeds a materiality threshold, for the payment of a portion of the bonus accrued in the form of Poste Italiane SpA's Shares and the application of deferral mechanisms:

- 60% of the incentive over 5 years pro-rata for the head of the BancoPosta function;
- 40% over 5 years pro-rata for the Senior Management Beneficiaries;
- 40% over 3 years pro-rata<sup>377</sup> for the Other Beneficiaries.

<sup>377</sup> For the MBO 2021, MBO 2022 and MBO 2023 only, the pro-rata years are 4, although for the fourth year only a cash payment is provided.



The allocation of Phantom Stocks (MBO 2017 and 2018) and Rights to receive Shares (MBO 2019, MBO 2020, MBO 2021, MBO 2022 and MBO 2023) is subject to the existence of a Performance Hurdle (Group Profitability EBIT) and Qualifying Conditions as follows:

- Capital adequacy: CET 1, risk tolerance level approved in the Risk Appetite Framework (RAF);
- Short-term liquidity: LCR, risk tolerance level approved in the Risk Appetite Framework (RAF);
- Risk-adjusted earnings (RORAC) threshold level approved in the Risk Appetite Framework (RAF) for MBO 2023 only.

Shares allocated in the form of Phantom Stock or Shares are subject to a Retention Period for both up-front and deferred shares.

Payment of the deferred portion will take place each year, provided that BancoPosta RFC's minimum regulatory capital, liquidity and risk-adjusted earnings requirements have been met (solely for MBO 2023). The effects on profit or loss and on equity are recognised in the period in which the instruments vest.

#### Determination of fair value and effects on profit or loss

The valuations of these plans were mainly based on the conclusions reached by actuaries outside the Group.

		Units (Rights to receive shares)		Fair value at grant date	Cost	IFRS 2 Reserve / Liabilities	Payments / Countervalue delivery of treasury shares
		Number of beneficiaries	Number of Units	Of which under retention period	BP Beneficiaries		
					Grant date	Fair Value	
<i>Incentive plans</i>							
MBO 2018	8	8,764	-		19/03/2019	€10.21	0.02
MBO 2019	4	2,848	1,659		05/03/2020	€7.63	-
MBO 2020	9	3,843	1,895		24/03/2021	€ 8.36 - € 8.83	(0.01)
MBO 2021	12	20,504	8,117		22/03/2022	€ 8.25 - € 8.77	(0.01)
MBO 2022	11	56,570	27,842		28/03/2023	€ 7.7 - € 8.31	0.1
MBO 2023(*)	10	58,785	-		19/03/2024	€ 7.79 - € 8.21	0.5
<b>Total</b>							<b>0.6</b>
							<b>1.2</b>
							<b>(0.3)</b>

(\*) MBO 2023 estimated on the basis of the best available information, pending the actual finalisation of the system, in order to identify the cost of the service received.

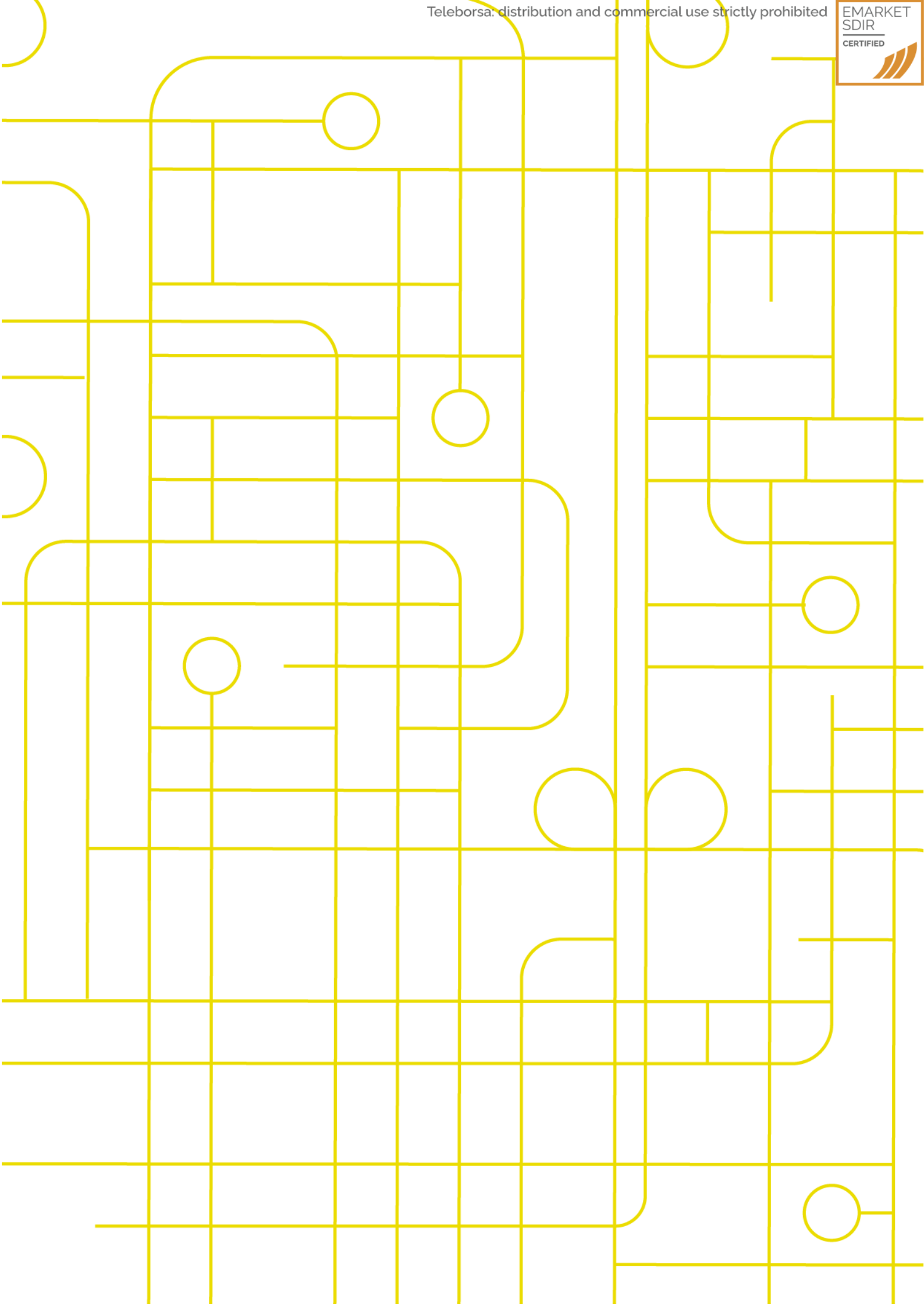
## PART L – OPERATING SEGMENTS

The economic flows and performance of the operations are reported internally on a regular basis to executives without identifying segments. BancoPosta RFC's results are consequently evaluated by senior management as one business division.

Furthermore, in accordance with IFRS 8.4, when separate and consolidated financial statements are combined segment information is only required for the consolidated statements.

## PART M – INFORMATION ON LEASES

During the reporting period, BancoPosta RFC did not carry out any transactions in accordance with IFRS 16 relating to Leases.



# REPORTS AND ATTESTATIONS

3.



## Attestation of the Consolidated Financial Statements of the Poste Italiane Group at 31 December 2023 pursuant to art. 154-bis, paragraph 5, of Legislative Decree 58/1998 and art. 81-ter of CONSOB Regulation no. 11971 of 14 May 1999

1. The undersigned Matteo Del Fante, as Chief Executive Officer, and Alessandro Del Gobbo, as Manager Responsible for Financial Reporting of Poste Italiane S.p.A., also taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, attest to:

- the adequacy, in relation to the characteristics of the Poste Italiane Group, and
- the effective application of the administrative and accounting procedures for the formation of the Consolidated Financial Statements of the Poste Italiane Group in the period between 1 January 2023 and 31 December 2023.

2. In this regard, please note that:

- the adequacy of the administrative and accounting procedures for the formation of the Consolidated Financial Statements of the Poste Italiane Group was verified by evaluating the internal control system on financial reporting. This evaluation was performed by taking as a reference the criteria laid out in the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- no significant aspects emerged from the evaluation of the internal control system on financial reporting.

3. It is also attested that:

3.1 The Consolidated Financial Statements of the Poste Italiane Group for the year ended 31 December 2023:

- a) have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union through EC Regulation 1606/2002, issued by the European Parliament and by the Council on 19 July 2002;
- b) are consistent with the underlying accounting books and records;
- c) give a true and fair view of the financial position and results of operations of the issuer and the companies included in the scope of consolidation.

3.2 The report on operations includes a reliable analysis of the operating and financial performance and the situation of the issuer and the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Rome, 19 March 2024

Chief Executive Officer

Matteo Del Fante

(original signed)

Manager Responsible for Financial Reporting

Alessandro Del Gobbo

(original signed)

(This report has been translated from the original issued in accordance with Italian legislation)

## Attestation of the Financial Statements at 31 December 2023 pursuant to art. 154-bis, paragraph 5, of Legislative Decree 58/1998 and art. 81-ter of CONSOB Regulation no. 11971 of 14 May 1999

1. The undersigned Matteo Del Fante, as Chief Executive Officer, and Alessandro Del Gobbo, as Manager Responsible for Financial Reporting of Poste Italiane S.p.A., also taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, attest to:

- the adequacy, in relation to the characteristics of the company, and
- the effective application of the administrative and accounting procedures for the formation of the Financial Statements in the period between 1 January 2023 and 31 December 2023.

2. In this regard, please note that:

- the adequacy of the administrative and accounting procedures for the formation of the Financial Statements of Poste Italiane S.p.A. was verified by evaluating the internal control system on financial reporting. This evaluation was performed by taking as a reference the criteria laid out in the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- no significant aspects emerged from the evaluation of the internal control system on financial reporting.

3. It is also attested that:

3.1 The Financial Statements for the year ended 31 December 2023:

- d) have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union through EC Regulation 1606/2002, issued by the European Parliament and by the Council on 19 July 2002;
- e) are consistent with the underlying accounting books and records;
- f) give a true and fair view of the financial position and results of operations of the issuer.

3.2 The report on operations includes a reliable analysis of the operating and financial performance and the situation of the issuer, together with a description of the main risks and uncertainties.

Rome, 19 March 2024

Chief Executive Officer

Matteo Del Fante

(original signed)

Manager Responsible for Financial Reporting

Alessandro Del Gobbo

(original signed)

(This report has been translated from the original issued in accordance with Italian legislation)

**REPORT BY THE BOARD OF STATUTORY AUDITORS OF POSTE  
ITALIANE S.P.A.  
TO THE SHAREHOLDERS  
pursuant to art. 153 of Legislative Decree 58/1998**

Dear Shareholders,

During the year ended 31 December 2023, the Board of Statutory Auditors of Poste Italiane S.p.A. (“Company”, “Poste” or “Parent Company”) fulfilled its statutory duties in accordance with the Italian Civil Code and Legislative Decree 39/2010, Legislative Decree 58/1998 (Testo Unico della Finanza, the “Consolidated Law on Finance”), pursuant to Presidential Decree 144/2001 “Regulations governing the services provided by BancoPosta”, and in accordance with the provisions applied to BancoPosta by the relevant authorities. In conducting its duties, the Board of Statutory Auditors also took into account the indications contained in the Corporate Governance Code for listed Companies, which the Company formally adopted with the Board of Directors’ (“BoD”) resolution of 17 December 2020. The oversight activities required by law were also conducted in accordance with the Code of conduct for Boards of Statutory Auditors of listed Companies, drawn up by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants and Accounting Experts) in April 2018 (“Code of Conduct”), whose latest version was published on 21 December 2023.

**Election and activities of the Board of Statutory Auditors**

The undersigned members of the Company’s Board of Statutory Auditors, elected by the Annual General Meeting of shareholders held on 27 May 2022, are Mauro Lonardo, Chairman, and Serena Gatteschi and Gianluigi Fiorendi, standing Auditors.

Considering the applicability to the Company of the Regulation on the requirements and criteria of eligibility for the office of corporate officers of banks and financial intermediaries set forth in the Decree of the Ministry of Economy and Finance no. 169 of 23 November 2020, (“Ministerial Decree 169/2020”), following appointment, the Board of Statutory Auditors assessed the suitability of the Standing and Alternate Auditors, in

accordance with the current regulatory provisions and, in particular, the aforementioned decree, ascertaining that they meet the requirements of the current regulations and also providing for corrective measures for Alternate Auditors in the event of their taking over as Standing Auditors and the outcome of the audit - in compliance with the provisions of Ministerial Decree 169/2020 and subsequent Measure of the Bank of Italy of 5 May 2021 - was sent to the Supervisory Authority which had provided a positive response.

During the year, the Board of Statutory Auditors proceeded to verify (i) the existence of compliance with the accumulation of offices, noting that all Statutory Auditors complied with the limit set forth in Article 17 of Italian Ministerial Decree 169/2020 (4 non-executive offices) and (ii) the *time commitment* - the assessment of which was updated by each Statutory Auditor as their offices changed. As a result of the audit, it was ascertained that each Auditor devoted adequate time to the performance of the task, in accordance with Article 16 of Ministerial Decree No. 169/2020.

The Board of Statutory Auditors (“Board”) obtained the information needed in order to carry out its assigned duties by attending all the Board of Directors’ and Board Committee meetings, by taking part in the induction sessions organised by the Company, by holding focus meetings with the Company’s principal functions, in particular with the control functions, with the BancoPosta function, the Supervisory Board and with the Company’s management, as well as through ongoing contact with the Manager responsible for financial reporting and with the Statutory external auditors Deloitte & Touche S.p.A. (“Deloitte” or the “Independent Auditor”) appointed to audit the annual and consolidated financial statements for the nine-year period 2020-2028.

During the course of 2023, the meetings of the internal board Committees and of the Board of Statutory Auditors, given the large number of meetings, the need to ensure attendance in the event of consecutive meetings and the complexity of bringing together participating members and corporate functions located in different areas of the country, for reasons of efficiency and effectiveness of the proceedings, were held with all participants connected by audio/video link, except for a few meetings held in person to fulfil certain formalities, while all Board meetings, or some strategic induction meetings, were held in person in order to improve engagement and interpersonal relations.

During the year 2023, the world economy continued to be characterised by uncertainty, affected by geopolitical tensions and ongoing conflicts. In this regard, the Board noted that

the Poste Group's sphere of operations is mainly domestic and that it has limited business relations with the countries involved in the ongoing conflict.

During 2023, the Board updated the "Regulations governing the functioning of the Board of Statutory Auditors of Poste Italiane S.p.A.", adopted on 30 January 2020, that regulates the procedures for functioning of the Board of Statutory Auditors in compliance with the law, the By-laws and the provisions of Bank of Italy Circular 285 of 17 December 2013 and subsequent amendments and additions, as well as the principles enshrined in the Corporate Governance Code for listed Companies and the Code of Conduct of the Board of Statutory Auditors of listed Companies.

The Board of Statutory Auditors also continued its supervision of the events occurring after the close of the 2023 financial year, constantly discussing them with the corporate functions and the Statutory Auditor in order to assess their relevance.

On the above basis, the following information is provided in accordance with the provisions of Consob announcement DEM/1025564/2001, following the numerical order established thereby, as amended by announcement DEM/3021582 of 4 April 2003 and then by announcement DEM/6031329 of 7 April 2006.

**A) Oversight of compliance with the law and the Company's By-laws and with correct corporate governance principles, the adequacy of the organisational structure and the administrative and accounting systems adopted by the Company, and with Legislative Decree 39/2010, as amended.**

*1. Most significant transactions having an impact on the results of operations and financial position and their compliance with the law and the By-laws.*

The Board of Statutory Auditors verified compliance with the law and the Articles of Association, receiving information from the Directors during meetings and from the responsible functions, on the overall operating performance, the outlook for the Company and on the most significant transactions having an impact on the results of operations and financial position decided on and carried out by the Company and by Companies of the Group during the year, also verifying that the latter were carried out according to a process inspired by principles of correct administration.



On the basis of the information made available, the Board has come to the reasonable conclusion that these transactions are to be considered compliant with the law, the Articles of Association, the regulations and the principles of proper administration, and that they do not appear to be manifestly imprudent, nor risky or in conflict with the resolutions passed by the Shareholders' Meeting, nor such as to compromise the integrity of the company's assets.

These transactions are illustrated in the Report on Operations to which reference should be made, mentioning herein, due to their significance, the transactions indicated below, i.e. (i) the acquisition by Net Holding S.p.A. (60% owned by Poste Vita) of the controlling stake of 97.84% in Net Insurance (which in turn owns 100% of Net Insurance Life S.p.A.), (ii) the acquisition of the shares in Address Software S.r.l. held by third parties, enabling Postel to fully control it; (iii) the acquisition of the stake in MLK Deliveries S.p.A. (MLK) from Milkman S.p.A. (Milkman), which gives Poste Italiane full control. The shares sold constituted approximately 30% of the share capital and the transaction, which was already envisaged as an option under the contractual agreements signed in 2020, was completed in July 2023, (iv) the transaction to reorganise the investment in the sender Group, under which Poste increased its stake in sender Technologies from 1.7% to 10.2% (by transferring 35% of the shares held in sender Italia) and maintained a 25% equity investment in sender Italia.

The Board of Statutory Auditors monitored that the meetings were conducted in accordance with the By-laws and the laws and regulations that govern the operation of meetings; based on the information provided during the meetings of the Board of Directors ("BoD"), there is no evidence that the Directors engaged in transactions involving potential conflicts of interest with the Company.

*2. and 3. Exceptional or unusual transactions, including those with Group companies or related and connected parties.*

In this regard, the Board declares that:

- ✓ based on the assessments conducted, we are not aware of exceptional or unusual transactions with Group Companies, third parties or other related and connected parties;
- ✓ the procedures applied by the Company in conducting related party transactions comply with the principles contained in Consob Regulation 17221 of 12 March

2010, as amended by Consob Resolution 22144 of 22 December 2021, in force from 31 December 2021 and by the provisions of Bank of Italy Circular 285/2013 (Part III, Chapter 11), with reference to transactions between BancoPosta and Poste Italiane's related parties;

- ✓ infra-group or related party transactions did not give rise to critical issues;
- ✓ with regard to transactions carried out by relevant persons and by persons closely associated with them (provisions relating to "Internal Dealing"), the Board verified that the Company has adopted specific internal regulations and procedures for such disclosures following the revised interpretation provided by ESMA and the changes introduced by Consob Resolution 19925 of 22 March 2017.

The Board oversaw effective implementation of the rules governing related and connected party transactions, by attending all meetings of the Related and Connected Parties Committee ("CP Committee"). Moreover, the Directors have provided disclosure on intra-group and related and connected party transactions in the Report on Operations and the notes to the separate and consolidated financial statements, reporting the economic-equity effects of the transactions with related parties.

The current Guideline 'Management of Transactions with Related Parties and Connected Persons' was last approved in 2021.

In view also of the provisions of the Consob Regulation, in 2022 the Board of Statutory Auditors monitored the improvement of the documentation supporting the occurrence of the conditions for exclusion in the case of "excluded transactions". Therefore, also for the disclosures on transactions with related and connected parties concluded in 2023, pursuant to paragraph 4.6.1 of the Guideline, members of the Related and Connected Parties Committee and the Board were provided with additional documentation, signed by the Head of the Proposing function, in which both the reference parameters for the ordinary nature of the transaction (within the scope of the types envisaged by the Consob Regulation and the Bank of Italy provisions) and the existence of market or standard equivalent conditions are certified.

*4. Oversight of the financial reporting process. Observations and proposals regarding any qualifications or emphases of matter contained in the Independent Auditor's report.*

The Board of Statutory Auditors, identified by art. 19, paragraph 2 of the Consolidated Law as the "Committee responsible for internal and statutory auditing", oversaw the financial reporting process.

The Board of Statutory Auditors has verified the existence of adequate regulations and processes relating to the financial reporting process, examining the process that enables the “Manager responsible for financial reporting” (“Manager responsible for financial reporting” or “DP”), appointed pursuant to Law 262/2005, and the Company’s Chief Executive Officer to issue the attestations required by art. 154-bis of the Consolidated Law on Finance.

On 18 March 2024, the Board of Statutory Auditors held a specific meeting with the Manager responsible for financial reporting to examine the Group’s Internal Control System on Financial Reporting (“SCIIF”), during which the Manager responsible for financial reporting stated that the results showed the system to be effective allowing significant weaknesses to be ruled out. In addition, the Manager responsible for financial reporting represented that the activities for the certification of the Annual Report 2023 were carried out in accordance with the methodology provided for by the SCIIF Guideline and covered all the significant processes of the Companies, which constitute the perimeter of reference (so-called Large Portion): Poste Italiane, Poste Vita, Poste Assicura, SDA Express Courier, PostePay, BancoPosta Fondi SGR, Postel, Nexive Network and from this year LIS Holding and LIS Pay.

The Report by the Manager responsible for financial reporting shows that the audits performed on a systematic and continuous basis (audits and the self-assessment process), the methodological evolutions introduced and the progressive extension of the scope of analysis have contributed to maintaining a high level of supervision by the Manager responsible for financial reporting on processes relevant to financial reporting. The audits carried out showed a residual number of exceptions, confirming that a consolidated level of maturity of the internal control system had been reached.

The phases of the attestation process (Perimeter Identification, Risk and Control Assessment, Control Assessment, Deficiencies and Remediation Plans) are fully supported by the GRC-Archer Group IT Platform, in order to facilitate the coordination and integration between the activities of the Manager responsible for financial reporting and those of the other Compliance Specialists.

In addition, in order to comply with the provisions of the Business Crisis and Insolvency Code (‘Crisis Code’), the Manager responsible for financial reporting continued to carry out activities, at Group level, to consolidate the process and information flows for the purpose of pinpointing possible signs of crisis or insolvency and loss of business continuity.

The results of the monitoring conducted at Group level did not show any situations of crisis, insolvency or loss of business continuity.

The evaluation of the SCIIF was carried out on the basis of the following verification activities: (i) Self Assessment: process of self-certification of the controls performed by the Control Owners; (ii) Independent Monitoring: checks on the key controls performed by Internal Control; (iii) IT General Control: checks on the integrity of IT systems performed by DTO/Information Systems, with the support of external consultants; (iv) Segregation of Duties (SOD): assessment on the level of segregation on accounting systems, performed by the DP and (v) Letters of Attestation received from Management (First Levels of Poste and CEO of Subsidiaries), supplemented with selected disclosures and indicators for the purposes of the new Business Crisis and Insolvency Code.

The various project initiatives completed during 2023 include:

- with reference to the provisions of the Business Crisis and Insolvency Code, for the Parent Company, a process and information flows envisaged by the current risk management model for the verification of possible signs of crisis or insolvency and loss of business continuity have been consolidated and formalised through a process of progressive application; the information flows governed by Model 262 have been supplemented, making provision for the preparation of specific information on the matter of business continuity issued by the Group Companies to the Manager responsible for financial reporting through the Letter of Attestation; the information has also been reported to the respective administrative and control bodies. Indicators useful for monitoring and detecting possible signs of business crisis were identified and shared, consistent with the provisions of the regulations, including: (i) indicators of financial indebtedness (e.g. overdue trade payables, payables to personnel); (ii) the ‘*Debt Service Coverage Ratio*’ indicator on projected cash flows from operations; (iii) *ad hoc* indicators constructed by taking into account the specific risks of the business and the characteristics of the companies. Finally, the operating procedure to formalise and regulate the process of corporate crisis management at Group level was published;
- the extension of the process of assessing the control system to the companies LIS Holding and LIS Pay was completed, consisting of mapping and assessment activities required by Model 262, formalisation of the administrative-accounting procedures relating to the relevant processes of LIS Pay (Commission and Fee Management, Reporting Package and Supervisory Reporting) and LIS Holding (Commission and

Fee Management, Asset Management, Reporting Package): the checks carried out to assess the internal control system of the companies (Independent Monitoring, Self Assessment, IT General Controls) showed no significant aspects;

- with reference to the Polis Project, the “Polis Project Reporting” procedure has been formalised and published, which regulates the activities and controls implemented necessary to ensure the reliability and trustworthiness of the accounting reporting of expenses incurred by Poste for the implementation of project activities and the adequacy and effective operation of the SCIIF. Independent audits were carried out by a consultancy firm of high standing, which did not bring to light any major issues.

In terms of the 2024 activity planning of the Manager responsible for financial reporting, current project initiatives include: (i) the introduction of cross-company controls to assess the structural elements of the control system (e.g., control environment, risk assessment, etc.), aimed at ensuring a general context in which processes are executed and monitored in accordance with Group guidelines; (ii) the formalisation of the monitoring process of users with high privileges (SAP All, SAP New and Debug) and the correct assignment of the relative roles; the evolution of the Integrated Framework related to the Internal Control System on Sustainability Reporting.

The Board of Statutory Auditors analysed the methodological framework and the audit plan adopted by the Independent Auditor and acquired the necessary information during the course of its work, with information on the audit approach used for the various significant reporting areas, as well as receiving updates on the progress of the audit assignment and on the main aspects for the attention of the Independent Auditor.

The Independent Auditor, with which we also periodically met in compliance with the provisions of art. 150, paragraph 3, of the CLF, for the mutual exchange of information, has not informed the Board of Statutory Auditors of any actions or events deemed to be censurable or of an irregular nature requiring specific reporting pursuant to art. 155, paragraph 2, of the CLF.

The administrative and accounting procedures adopted in preparation of the separate and consolidated financial statements, and of any other financial communication, have been drawn up under the responsibility of the Manager responsible for financial reporting who, together with the Chief Executive Officer, has attested to their adequacy with regard to the nature of Poste Italiane and to their effective application.

The Board of Statutory Auditors has also examined the reports prepared by the Independent Auditor, appointed by Annual General Meeting of Poste shareholders to audit the separate and consolidated financial statements for the financial years from 2020 to 2028.

On 4 April 2024, the Independent Auditor issued its reports on the separate and consolidated financial statements for the year ended 31 December 2023, prepared pursuant to art. 14 of Legislative Decree 39/2010 and art. 10 of Regulation (EU) 537/2014. The Board of Statutory Auditors has noted that the Auditor has not pointed out any remarks or requests for information in its Reports and refers to the Reports issued by the Auditing Firm for the Auditor's opinions and statements.

The Board also noted that in the Additional Report prepared pursuant to Article 11 of EU Regulation No. 537/2014, the Auditor confirmed that the audit activities did not reveal any significant deficiencies in the internal control system in relation to the financial reporting process.

The Independent Auditor's Reports, issued in compliance with art. 10 of Regulation (EU) 537/2014, include information on key matters covered by the audit and the related audit procedures applied. These key aspects, as indicated in the Reports on the annual and consolidated financial statements (Estimate of the recoverable amount of the "Mail, Parcels and Distribution" business segment for the annual financial statements and (i) Impairment test of goodwill on the "Mail, Parcels and Distribution" CGU and on the "Payments and Mobile" CGU solely for the consolidated financial statements and (ii) First-time application of IFRS 17 - Insurance contracts and (iii) Assessment of liabilities for Insurance Contracts), as well as the opinions on the annual and consolidated financial statements, are in line with as indicated in the Additional Report intended for the Board of Statutory Auditors, in its role as Internal Control and Audit Committee, prepared pursuant to art. 11 of the aforementioned Regulation.

The above key aspects were the subject of detailed analysis and updating during the periodic meetings that the Board of Statutory Auditors held with the Independent Auditor, including that of the investee Poste Vita S.p.A. and the Administration, Finance and Control function ("AFC").

In addition to the above-mentioned issues, the Board of Statutory Auditors requested further clarifications from the AFC function, the Manager responsible for financial reporting, the Legal Affairs function and the Auditor, concerning (i) Evaluation of legal risks (Tax Credits), (ii) Provision for staff redundancy incentives, (iii) Estimates on provisions for risks and charges, as well as the nature and risks related to contingent

liabilities with reference to legal disputes, (iv) Financial assets and liabilities, (v) LIS impairment test, (vi) Net Insurance impairment test, (vii) Impairment test on the equity investment held in Anima Holding S.p.A., (viii) Financial reporting and ESMA non-financial statement of 25 October 2023; (ix) Purchase Price Allocation processes for LIS, Plurima, Sourcesense and Agile, (x) European Single Electronic Format (ESEF) tagging. The AFC Function and the Manager responsible for financial reporting outlined the assessment logic adopted, as well as the support provided in terms of the accounting principles applied to the case. The line identified by management for the accounting treatment of the cases above has been analysed in detail and fully shared by the Independent Auditor.

The Board also held a specific meeting with the Auditor, in order to get an update on the progress of the activities carried out by the Company aimed at implementing “areas for improvement” suggested by the Auditor in the Additional Report pursuant to Article 11 of Legislative Decree No. 39/2010 of the year 2022. At the end of the meeting, the Board ascertained that the ideas had been taken on board by the Company and the Company had started the relevant activities, which were largely completed, as also indicated in the Additional Report pursuant to Article 11 of Legislative Decree No. 39/2010 for the year 2023. The Board of Statutory Auditors has verified that, with reference to the *Impairment test*, the methodology for determining the discount rate of annual cash flows has been updated, in order to reflect the scenarios characterising the current macroeconomic context, in the determination of the WACC, and the reference procedural framework has been updated in order to incorporate the implementation of specific controls within the valuation process. With regard to the issue of the purchase of tax credits by Poste Italiane, a subject characterised by continuous changes by the legislator and the publication of various Circulars issued by the Revenue Agency - Agenzia delle Entrate (“ADE”) aimed at clarifying the interpretation of the regulations, as part of its supervisory activities, the Board of Statutory Auditors has held various meetings, attended by the heads of the functions BancoPosta, Legal Affairs, Administration, Finance and Control (“AFC”), AFC/Fiscal, Group Anti-Money Laundering and the Independent Auditors, in order to monitor the activities carried out by the Company and conduct an in-depth examination of the impacts of the regulations enacted from time to time on the activities carried out by Poste Italiane, including through the BancoPosta function, paying particular attention to the fiscal/tax, legal and accounting profiles, as well as aspects related to the risk and liability of assignees.

As part of this activity, the Board of Statutory Auditors, during 2023, continued to monitor the status of the seizure orders of the tax credits assigned in its tax coffers, notified to Poste Italiane in its capacity as purchaser of the tax receivables, even if a bona fide third party.

During the course of the various meetings held, the Board took note of the losses recorded on tax credits and positively assessed the methodological framework used to determine the Provision for Risks and Charges, also in consultation with the Statutory Auditor, noting that the 2023 methodological approach was based on an update of the approach used for the financial statements for the year ended 31 December 2022, taking into account the facts and circumstances known up to the date of preparation of the financial statements.

In particular, the Board of Statutory Auditors examined in detail and endorsed the approach used to define the provision for risks and charges, which was based on a legal and accounting analysis performed by the Company, also with the support of external consultants, aimed at assessing overall the potential risks to which Poste Italiane might be exposed in the event that the tax credits acquired over time by the Company were to derive from fraudulent conduct.

The determination of the aforesaid provision necessarily entailed the use of a significant degree of professional judgment considering the current situation of significant uncertainty regarding the possible outcome of the proceedings and initiatives under way by the Judicial Authorities and the Revenue Agency and the actions undertaken by the Company to see its interests protected,

The Board of Statutory Auditors also noted that the Company, considering the continuing situation of interpretative uncertainty, prudently did not consider both credit losses and provisions for risks and charges to be tax deductible.

During 2023, the Board of Statutory Auditors monitored the administrative and accounting structure put in place by the Company to comply with “IFRS 17 - Insurance Contracts” - which came into force on 1 January 2023. This standard has brought a major change to the methodologies for measuring, evaluating and representing insurance contracts, in the presentation of the profitability of the insurance business and, more generally, at the level of the entire company’s operations, thus representing the most significant change in the last 20 years; its implementation project, carried out with the help of a leading advisory firm, has required huge investments, also from a technological perspective. In fact, the application of IFRS 17, whose objective is to make the results of insurance companies harmonised and comparable throughout Europe, has led to extremely significant changes in the representation of the insurance sector’s results, moving from a presentation of results



by volume (premiums written and claims expenses) to a representation more focused on contract margins.

Lastly, the Board of Statutory Auditors monitored the adequacy of the information provided in the Financial Report with regard to detailed information on insurance risks and financial risks related to contracts falling within the scope of IFRS 17 as required by ESMA for listed companies (Public Statement ESMA 32-193237008-1793 “*European common enforcement priorities for 2023 annual financial reports*” of 25 October 2023).

The Board of Statutory Auditors, which already in 2022 had monitored the project and the main actions identified by the Company to implement the provisions of the Crisis Code, in order to consolidate and formalise, through a path of progressive application, a process and information flows set out in the current risk management model for the detection of possible signs of crisis or insolvency and loss of business continuity, continued to monitor the initiatives put in place over the course of 2023, both through a specific meeting with the Manager responsible for financial reporting aimed at receiving an update on the initiatives undertaken by the AFC function to comply with the Crisis Code of Group Companies, but also in the context of the exchange of information with the Control Bodies of the main Subsidiaries. The Board noted that the entire process for compliance with the Crisis Code was included in the SCIIF from scratch. The Board also took positive note of the publication of the operating procedure ‘Preventive Management of Business Crisis and Insolvency’, whereby roles, responsibilities, operating model, information flows and indicator monitoring reporting were formalised.

The Board of Statutory Auditors, while considering that the Poste Group, as a listed company, already has a structured control system for Group risks, and noting that the Parent Company has properly overseen its guidance and coordination activities, felt that in order to make the process effective it was essential for each subsidiary to identify its specific sector and/or business risks in order to define indicators modelled on the company’s situation, augmenting the warning indicators already defined by the Parent Company: therefore, during the course of the information exchanges with the Control Bodies of the Subsidiaries, the Board has always suggested identifying “customised” indicators that could enable the identification of specific sector and/or business risks.

The financial statements also contain information on any liabilities and costs that may arise from pending legal proceedings. The Board of Statutory Auditors, together with the relevant Company functions, examined in detail the methodology and process adopted in the analysis of litigation and in the analysis and evaluation of provisions for risks and

charges for major disputes, and it requested to be periodically and promptly updated on the evolution thereof.

In line with the recommendations contained in the joint Bank of Italy/Consob/ISVAP document No. 4 of 3 March 2010 and Consob Communication No. 0003907 of 19 January 2015, the goodwill impairment test procedure applied by the Group, in compliance with international accounting standard IAS 36 and the recommendations contained in the Organismo Italiano di Contabilità (Italian Accounting Standards Setter) document “Impairment and Goodwill” of May 2011, is submitted annually to the advisory opinion of the CCR and, subsequently, to the prior approval of the Company’s Board of Directors.

The explanatory notes to the half-yearly report as of 30 June 2023 and to the financial statements as of 31 December 2023 provide information and the results of the valuation process carried out by the Company: the Board of Statutory Auditors, through discussions with the Manager in charge of preparing the Company’s financial reports and with the independent auditors, during the meetings periodically scheduled as part of the scheduled exchanges of information for the performance of their respective duties, monitored said process and has no observations in this regard. In detail, following the identification of groups of assets able to generate cash inflows largely independent of those deriving from other assets or groups of assets, in addition to the Mail, Parcel & Distribution (“MP&D”) Cash Generating Units (“CGU”), the Payments & Mobile (“P&M”) and Net Insurance (sub-consolidated Net Insurance - Net Insurance Life) CGUs were identified, on which the Impairment test as of 31 December 2023 was performed consistently with: (i) the accounting standard IAS 36 ‘Impairment of Assets’; (ii) the indications of the relevant institutional bodies (ESMA, Consob); (iii) the Impairment Test Implementation Guidelines approved by the Board of Directors of Poste Italiane in 2016 and updated in 2023; and (iv) the organisational model of the Poste Group. The Board of Statutory Auditors verified that the Weighted Average Cost of Capital (WACC) and the Cost of Equity (Ke) used for the Impairment tests as at 31 December 2023 were determined using the method developed internally and revised with some methodological refinements compared to previous years. The Board noted that the refinements resulted in more conservative WACC and Ke values, which led to greater prudence in the impairment test exercise. The growth rate (‘g-rate’) was determined consistently with previous years (source: International Monetary Fund) and reference was made to the Strategic Plan 2024-2028 (approved by the Board of Directors on 19 March 2024) to estimate the value in use of the three CGUs. The discounting of the period’s operating flows was carried out for the MP&D and P&M CGUs

using the Discounted Cash Flow (“DCF”) method, which provides for the discounting of annual operating cash flows at a rate representative of the weighted average cost of capital, while for the Net CGU, in order to take into account the specific characteristics of the insurance sector in which it operates, the valuation method used was the Dividend Discount Model, which foresees the discounting of expected dividend flows, consistent with the maintenance of the capital requirements requested by the Supervisory Authorities, at a rate representative of the cost of capital. The scope of the MP&D CGU included Postel, Nexive, Sengi, MLK, SDA, Consorzio Logistica Pacchi, Poste Air Cargo, Patenti Via Poste, EGI, Poste Welfare Servizi, Consorzio Poste Motori, Plurima, Agile Lab and Sourcesense, and the terminal value was estimated by projecting in “perpetuity” the cash flows of the last year of the explicit period (2028), adjusted for components that cannot be projected beyond the Plan period. The normalisations applied, determined through the continued use of the method used in the previous impairment tests, relate to personnel expenses (mainly redundancy incentives, alignment of labour costs to the exact headcount at the end of 2028), adjustment of amortisation and sterilisation of Polis project deferral.

The companies Poste Pay, LIS Holding and LIS Pay have been included within the scope of the P&M CGU, given that, following the completion of the integration and reorganisation processes of LIS Holding and LIS Pay, and taking into account the strong business and infrastructure interests established, their cash flows are closely interrelated within the sector.

The Board of Statutory Auditors, having also consulted with the Statutory Auditor, positively assessed the methodological framework underlying the impairment tests performed on the MP&D, P&M and NET Insurance CGUs and took note of the test results on the basis of which the appropriateness of the balance sheet values was confirmed (also following sensitivity analyses on WACC and  $g$ ). The Board of Statutory Auditors acknowledged that the Administrative Body carried out the periodic monitoring of the Impairment *test* referring to the MP&D CGU and approved the Impairment tests of the Mail Parcel & Distribution, Payments & Mobile and Net Insurance CGUs in March 2024.

The impairment test on the investment in Anima Holding S.p.A. - performed by taking into account that the future cash flows used in determining the value in use are those observable as consensus for the main balance sheet indicators (Revenues, Pre-tax Result and Net Profit) estimated by analysts for the next three years and available periodically on the

Company's website - did not show the need to make further write-downs at year-end after the one already made at 30 June 2022.

The Independent Auditor confirmed to the Board of Statutory Auditors its agreement with the overall impairment procedure, as well as the detailed application profiles. The impairment tests showed that the Enterprise Value was higher than the carrying amount, making impairment unnecessary.

The Independent Auditor has not reported any events or circumstances identified during the audit that might cast significant doubt on the entity's ability to continue as a going concern, nor has it reported any significant deficiencies in the internal control system on financial reporting and/or in the accounting system, or any significant instances of non-compliance, whether effective or assumed, with laws and regulations or the By-laws, that have come to light during its audit.

The Independent Auditor also issued on 4 April 2024 the Report on the consolidated non-financial statement pursuant to article 3, paragraph 10, Legislative Decree no. 254/2016 and article 5 Consob Regulation no. 20267 ("NFS"). Based on the work performed, the Independent Auditor stated that nothing has come to its attention that would cause it to believe that the Poste Italiane Group's Non-financial Statement for the year ended 31 December 2023 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.

The Board of Statutory Auditors, having taken note of Legislative Decree 254/2016 on the disclosure of non-financial information, supervised, in the exercise of its function, compliance with the provisions contained therein with regard to the preparation of the NFS as part of the 2023 Integrated Report, approved by the BoD on 19 March 2024. As provided for in Article 3(7) of Legislative Decree No. 254/2016, the Board of Statutory Auditors, in line with its functions and duties assigned to it by law, monitored compliance with the rules governing the preparation and publication of the NFS within the scope of the integrated report. In particular, the Board of Statutory Auditors monitored the adequacy of the organisational structures adopted by the Group in relation to the strategic objectives pursued in the socio-environmental field and the existence of adequate rules and processes to safeguard the process of collecting, forming and representing results and non-financial information and, with reference to the latter aspect, also the compliance with the EU Taxonomy Regulation.

Through a specific meeting with the Independent Auditor, the Board of Statutory Auditors has overseen compliance with the provisions of Legislative Decree 254/2016, within the scope of the responsibilities assigned to us by law.

With regard to ESG, while also participating in the Sustainability Committee meetings, the Board of Statutory Auditors had the opportunity to continuously monitor the progress of the ESG plan, as well as the measures implemented by the Group and aimed at achieving the defined targets.

The Board of Statutory Auditors has verified that the disclosure required by ESMA in terms of reporting on climate-related issues has been provided in the 2023 Integrated Report and, in confirmation of Poste Italiane's commitment to combating climate change it should be noted that as of 2021 the Group has officially joined the supporters of the *Task Force on Climate-related Financial Disclosure* ("TCFD") and that Poste Italiane was one of the 320 organisations to adhere as *early adopters* to the new set of recommendations published by the TNFD to support organisations in identifying, assessing, managing and disclosing relevant issues related to nature (biodiversity, waste and water management, climate-altering agents, etc.), consistent with global policy objectives and international sustainability reporting standards. Finally, with the aim of reflecting potential future developments regarding climate change, Poste Italiane again this year carried out a review of climate scenarios using as a reference the documents drawn up by the main organisations working in this field.

In line with previous years, the indicators used for the preparation of the Integrated Report were reclassified according to SASB (Sustainability Accounting Standards Board) standards, with the aim of contributing to the development of a shared and universal framework for non-financial reporting. During 2023, the European Commission published EU Delegated Act No. 2023/2486 (*Taxonomy Environmental Delegated Act*), which supplements the Taxonomy Regulation (Regulation (EU) No. 852/2020) by setting additional technical screening criteria for determining under which conditions an economic activity can be considered to contribute substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and reduction of pollution or to the protection and restoration of biodiversity and ecosystems, and if it does not cause significant harm to any other environmental objective. In order to provide a clear and representative disclosure of the Group's business profile, actively contributing to the achievement of the European Union's sustainable development objectives, Poste Italiane has adopted a transparent methodological approach, which

includes a careful analysis of the Group's economic activities, as well as the regulatory framework of reference. For this reason, Poste Italiane has provided for a reporting method that allows both industrial operations (*Non-Financial Undertakings*) and financial operations (*Financial Undertakings*) to be disclosed.

In 2023, Poste Italiane continued its evolutionary path towards acquiring and consolidating its awareness of sustainability issues, developing a materiality analysis process aimed at identifying priority issues, based on the significance of the related impacts, to be included in the Group's Sustainability Strategy and to be formalised in terms of policies and targets. On the basis of the findings of the materiality analyses and, therefore, the priority areas and themes for action, Poste Italiane has outlined its ESG strategic plan, also taking into account the evolution of international sustainability principles. The update of the Guideline "The ESG Process in the Poste Italiane Group", in 2022, is part of the important path undertaken over the years by Poste Italiane to develop its business strategy, structurally integrating it with Environmental, Social and Governance (ESG) Principles and orienting the Group's efforts towards the creation of shared value for stakeholders and the consolidation of its reputation.

With a view to continuous improvement, in 2023 Poste Italiane continued with the approach initiated in 2021 - and subsequently refined in the following years - aimed at anticipating the exercise of the principle of double materiality envisaged by the *Corporate Sustainability Reporting Directive* (CSRD) before its entry into force, set for FY 2024. Therefore, the Group maintained the alignment of its materiality analysis methodology to the provisions relating to the 2021 update of the GRI standards for impact materiality (inside-out perspective), taking into account the provisions of EFRAG. In this respect, the Company has already started to apply the outside-in perspective on a voluntary basis.

According to the impact materiality perspective, the Company has examined the current or potential significant impacts on people and the environment directly related to its activities, products and services, including upstream and downstream activities in its value chain. Furthermore, from the perspective of financial materiality, it considered sustainability risks and opportunities that may positively or negatively affect future cash flows, thus determining the creation or erosion of corporate value in the short, medium or long term, influencing its development, performance and positioning. In order to identify current and potential positive and negative impacts, an in-depth scenario analysis was performed on the Group's activities, its business relations, the sustainability context in which it operates and the expectations of its stakeholders.

Finally, as part of the Strategic Risk Assessment, which is conducted annually by the Group Sustainable Development, Risk and Compliance function with the aim of identifying and assessing risks from an integrated perspective that may undermine the full achievement of the strategic objectives defined in the Poste Italiane Strategic Plan, emerging risks have been broken down in line with the common metrics defined by the WEF in relation to the achievement of the SDGs, and for each emerging risk, sustainability pillars and potentially impacted capital resources have been associated.

During 2023, the Poste Italiane Group confirmed its position as one of the leading companies in Environment, Social and Governance issues at national and international level, obtaining multiple ESG awards.

During the year, and even before the regulatory framework was defined, the Board of Statutory Auditors held a specific meeting with the Statutory Auditor to discuss the CSRD, which Poste - as a PIE with more than 500 employees - will have to comply with starting with the financial statements as at 31 December 2024, even though some indicators will not yet be legally binding at that date. The CSRD has, in particular, introduced the obligation for companies with similar characteristics to those already subject to the Non-Financial Reporting Directive to report sustainability information by including it in the management report. This obligation will apply as of the financial year beginning 1 January 2024; consequently, the figures for the financial year 2024 will be included in the management report prepared in 2025. The sustainability information required by CSRD is to be reported using the European Sustainability Reporting Standards (ESRS), developed by EFRAG, with the aim of creating a single, mandatory reporting standard at EU level and, at present, will be subject to limited assurance by an Auditor. During the meeting with the Statutory Auditor, the Board was informed of the main aims of the CSRD - whose general objective is to contribute to the transition towards a fully sustainable and inclusive economic and social system - and of the specific innovations and requirements that will be introduced to meet the expectations introduced by the CSRD; the changes that will be made to the Report that the Auditor will issue downstream of his work were also examined, which will in any case remain within the scope of Negative Assurance, since it is expected that the assurance standard will be adopted in a Reasonable form by 1 October 2028. The Board of Statutory Auditors, in noting that Poste, also with the support of a leading consulting firm, has launched a project to change to the new regulations, extended to all Group companies, aimed at issuing an attestation on the integrated report and thus on what will

be the sustainability report, will continue to monitor the progress of the project activities. In addition, a specific induction session was held on this topic for Directors and Auditors. The Board of Statutory Auditors held a specific meeting with the Poste Italiane Group's Data Protection Officer ('DPO'), during which it was informed that the Group has adopted a document framework on the protection of personal data available to all Poste Group employees in the 'Privacy' section of the corporate intranet, consisting of a series of Guidelines and Procedures, divided by area, based on the specific type of compliance required by the GDPR. These safeguards, with a view to uniform management of personal data, compliance and continuous improvement, guarantee the compliance with the GDPR provisions, ensuring respect for the principles enshrined therein.

*5. and 6. Information on any complaints presented pursuant to art. 2408 of the Italian Civil Code and petitions*

During the 2023 financial year, no statements were received pursuant to Article 2408 of the Italian Civil Code, but only one notification, sent by a shareholder to report a press release concerning the start of the investigation against Poste Italiane S.p.A. by the Antitrust Authority, a matter that the Board of Statutory Auditors is monitoring.

In this regard, it should be noted that the commencement of the investigation against Poste Italiane S.p.A. by the Antitrust Authority had already been communicated to the Board of Statutory Auditors on 8 February 2024, in compliance with the information flows provided for by the Poste Italiane Internal Control and Risk Management System (SCIGR).

Furthermore, during the year and up to today's date, the Board of Statutory Auditors has received various reports of disservices from customers/third parties, which cannot be configured as complaints pursuant to art. 2408 of the Italian Civil Code, following which it asked the Company to carry out the necessary investigations with the competent functions aimed at obtaining clarifications on the events subject to reporting. On the basis of the checks carried out on the reported facts, which the Company took prompt action to manage and resolve, the Board did not find any irregularities to be reported to the Shareholders' Meeting.

*7. and 8. Oversight of the independence of the Independent Auditor. Disclosure of any additional non-audit engagements or ongoing relations with associates of the Independent Auditor and the related costs.*



The Board of Statutory Auditors has received the Independent Auditor's annual declaration verifying its independence, drawn up pursuant to art. 6, paragraph 2, letter a) of Regulation (EU) 537/2014 and paragraph 17, letter a) of ISA Italia 260, which confirms compliance with the ethical principles required by articles 9 and 9-bis of Legislative Decree 39/2010, not having identified situations that could compromise the Independent Auditor's independence in the period from 1 January 2023 until the date of issue of the declaration (4 April 2024).

Annexed to the notes to the Company's separate financial statements is a section entitled "Disclosure of fees paid to the Independent Auditor in accordance with art. 149-*duodecies* of the Consob Regulations for Issuers", which includes a table showing the fees payable to the Independent Auditor, Deloitte, and companies within its network for the year under review.

In view of:

- ✓ the independence declaration issued by Deloitte pursuant to art. 6, paragraph 2, letter a) of Regulation (EU) 537/2014 and paragraph 17 of ISA Italia 260 and the transparency Report prepared by it and published on its website pursuant to art. 13 of the above Regulation;
- ✓ the engagements assigned to the Independent Auditor and companies within its network by Poste Italiane and Group Companies;

the Board is not aware of any situations in which the Independent Auditor's independence has been compromised.

In line with Regulation (EU) no. 537/2014 and pursuant to the Group's "Guidelines for the assignment of engagements to the Independent Auditors" most recently updated on 11 May 2022, the Board of Statutory Auditors, during the 2023 financial year and until the issue of this Report, issued a favourable opinion on the following additional tasks entrusted by the Group to companies belonging to the network of the Independent Auditors:

<b>Engagement</b>	<b>Amount</b>	<b>Company</b>
Extension of the activities entrusted to Deloitte Consulting under the scope of the "Sector actions in the field of multi-bank counting rooms" Project	€ 40,000 (plus VAT)	Deloitte Consulting S.r.l.

Engagement of auditing the Solvency Financial Statements and limited audit of the Solvency Capital Requirement ('SCR') and Minimum Capital Requirement ('MCR') with reference to Net Insurance S.p.A.	€ 48,000 (plus VAT and out-of-pocket expenses up to a maximum of 5% of the fees)	Deloitte & Touche S.p.A.
Engagement of auditing the Solvency Financial Statements and limited audit of the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR") with reference to Net Insurance Life S.p.A.	€ 22,000 (plus VAT and out-of-pocket expenses up to a maximum of 5% of the fees)	Deloitte & Touche S.p.A.

In addition, the Board received information on the appointment of Deloitte as Independent Auditor for the three-year period 2023-2025 for the following newly acquired companies:

Engagement	Amount
Net Insurance S.p.A. (Audit of annual financial statements, review of reporting package and review of half-year report for the nine-year period 2023-2031)	€ 96,000
Net Insurance Life S.p.A. (Audit of annual financial statements, review of reporting package and review of half-year report for the nine-year period 2023-2031)	€ 64,000
Sourcesense Platforms S.r.l. (Statutory audit of the annual accounts for the three-year period 2023-2025 )	€ 11,000

The assignment of engagements to the Independent Auditors is governed by the "Guideline for the assignment of engagements to the Independent Auditing Firm" ("Guideline") issued in 2017 in order to ensure the transposition of the European regulatory evolution, aimed at safeguarding the independence requirement of the entity entrusted with the statutory audit of the accounts and to provide guidance on the assessment process when Poste and its subsidiaries confer engagements to the Independent Auditors, its network or related entities, subsequently updated on 11 May 2022. The Board also examined the additions

(for both the statutory audit engagement and the ‘non-audit services’) that determined the change in the Auditor’s fee as at 31 December 2023 compared to the fees paid at the beginning of the mandate in 2020.

The Board of Statutory Auditors, with the support of the AFC function, has periodically monitored compliance with the quantitative limits for assignments to the Independent Auditor and its network for services other than auditing - which, as established by art. 4 paragraph 2 of Regulation (EU) no. 537/2014, must be capped at 70% of the average fees paid in the previous consecutive three years for the audit of the accounts of the audited entity.

In any case, based on the Guideline “Assignment of engagements to the Poste Italiane Group’s Independent Auditors - Poste Italiane Group”, except for reasons of opportunity related to the specific professional content and where the effectiveness requirements of the assignment to be assigned require it, it is not normally permitted to assign professional engagements classifiable as “Other services” to the Principal Auditor or to entities belonging to the Network of said Auditor.

#### *9. Disclosure of opinions issued pursuant to the law during the year.*

The Board of Statutory Auditors issued: (i) the opinion on the proposal formulated by the Remuneration Committee to determine the remuneration of the Chairman of the Board of Directors pursuant to Article 2389, paragraph 3, of the Italian Civil Code on 27 June 2023; (ii) the opinion on the proposal formulated by the Remuneration Committee for the determination of the remuneration to be paid to the members of the Internal Board Committees on 28 June 2023; (iii) the opinion on the economic and regulatory treatment of the Chief Executive Officer, pursuant to Article 2389, paragraph 3, of the Italian Civil Code on 27 September 2023. In addition, during the current year, on 27 February 2024, the Board of Statutory Auditors issued two further opinions on the contractual determination proposal concerning the new economic and regulatory compensation of the Chief Executive Officer, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, and on the proposal, to be brought to the attention of the Shareholders’ Meeting on a voluntary basis, to update the compensation to be paid to the members of the Internal Board Committees, pursuant to Article 2389, paragraph 3, of the Italian Civil Code.

*10. Disclosure of the frequency and number of meetings of the Board of Directors, the Executive Committee and the Board of Statutory Auditors.*

During the year, the Board of Statutory Auditors took part in a total of 79 meetings, meeting 37 times in the Board of Statutory Auditors (of which 10 meetings held jointly with the Control and Risk Committee), with an average duration of the meetings of around 3 hours and 30 minutes, participating in all the meetings of the Board and those of the internal Board Committees; more specifically, the Board attended 12 meetings of the Board of Directors, 10 meetings of the Control and Risk Committee (held jointly with the Board of Statutory Auditors), 6 meetings of the Sustainability Committee, 6 meetings of the Nominations and Corporate Governance Committee, 10 meetings of the Related and Connected Parties Committee, 7 meetings of the Remuneration Committee, as well as 1 Ordinary General Meeting.

Lastly, the Magistrate appointed by the Italian Court of Auditors to oversee Poste Italiane's financial management pursuant to Law no. 259/1958, art. 12 has been invited to attend meetings of the Board of Statutory Auditors with external relevance.

*11. and 12. Observations on compliance with correct corporate governance principles and the adequacy of the organisational structure.*

The Board of Statutory Auditors oversaw, within the scope of our responsibilities, the adequacy of the Company's organisational structure and, more generally, that of the Group as a whole, based on the information and constant updates provided by the Company on its organisational arrangements, as well as by dedicating a specific meeting to this issue with the Head of the Human Resources and Organisation function ("RUO"). The Board was fully informed of the main organisational changes that had taken place, most recently those affecting the first quarter of the year, which resulted in a new structure of responsibilities at the top management level, concluding a transformation project that had been under way for some time. In fact, starting from the 2017 financial year, the Group was characterised by an omni-channel transformation with precise growth guidelines in the main business segments, which saw the establishment of the Corporate Affairs function with the role of guiding, controlling and coordinating the corporate structure, based on coordination and integration of competences; thereafter, in a highly competitive market context such as the current one, it became appropriate to adjust the Company's organisational structure through a redistribution of responsibilities and competences among the top corporate governance functions in order to make it even more responsive to current operations, and therefore the

Board of Directors' meeting of 28 February 2024 approved the new organisational model that sees (i) strategic development and the preparation of corporate strategies concentrated, with particular reference to the “supervised” businesses, on the Chief Executive Officer and (ii) the management of the Group’s industrial businesses on the figure of the General Manager, appointed to report directly to the CEO, with the simultaneous elimination of the role of Co-General Manager as well as the Corporate Affairs function.

Furthermore, the Board took note of the main organisational operations that concerned: (i) the Postal, Communication and Logistics area, in which a matrix-based organisational model was introduced, with the identification of Business and Process Managers, and the tools available to the PCL function were further strengthened; (ii) the establishment of the new Group Logistics Strategy function, in consideration of the important role played by the logistics business in the overall strategy and transformation required to cope with the continuous, major developments of the relevant market; (iii) the strengthening of the Business and Public Administration Market function; (iv) the strengthening of anti-money laundering and anti-terrorism supervision, in line with the evolution of the regulatory framework of reference, through the redefinition of the perimeter of responsibility and the related structure of the Group Anti-Money Laundering function; (v) the establishment of the Premium and Private Marketing function responsible, inter alia, for activities relating to the analysis of characteristics and needs, the identification of the target market as well as opportunities for the evolution of the offer and service models for Private and Premium customers; (vi) the organisational strengthening of the ICT and Third Party risk areas for the recent changes in the supervisory regulations (40th update of Circular no. 285 of the Bank of Italy and the DORA Regulations); (vii) defining the scope of responsibility and organisational structure of the Group’s Strategic Marketing function, to which the Poste Group’s marketing structures functionally report.

With regard to the adequacy of the organisational structure, reference is also made to what has already been indicated in paragraph 4 on the implementation of the warning indicators set out in the Crisis Code. In this regard, in accordance with the guidelines of the National Institute of Chartered Accountants and Accounting Experts in its March 2024 document on the new report of the Board of Statutory Auditors, it is specified that the Board:

- did not make any reports to the administrative body pursuant to Article 25-octies of Legislative Decree No. 14 of 12 January 2019;
- it has not received any reports from public creditors pursuant to Article 25-novies of Legislative Decree No. 14 of 12 January 2019.

Therefore, taking the above into account, the Board of Statutory Auditors has not identified any elements that could lead it to deem the organisational structure inadequate.

### *13. Oversight of adequacy of the Internal Control and Risk Management System.*

With regard to the Internal Control and Risk Management System, the Board has noted the information on the system provided in the Report on Corporate Governance and the Ownership Structure on the Internal Control and Risk Management System.

The Board of Statutory Auditors met periodically with the Head of Poste Italiane's Internal Control function and, among other things, conducted in-depth discussions of the results of the activities carried out in 2023, during the various specific meetings; it also acknowledged, during March 2024, the "Group Report on Assessment of the adequacy of the 2023 Internal Control and Risk Management System ("SCIGR")", drawn up by Poste Italiane's Internal Control function, certifying that *"at the date of this report and for the relevant reporting period, the internal control and risk management system, taken as a whole, is fit for the purpose of mitigating the risks that threaten the successful pursuit of the Company's objectives"*.

In expressing this assessment, the Internal Control function, in addition to integrating the assessment results represented during the year by the other corporate control functions envisaged by the SCIGR, considered (i) the main developments in the SCIGR and, in particular, the initiatives to strengthen it, (ii) compensatory controls and improvement actions implemented and/or in the process of being implemented in response to activities carried out and findings relating to the SCIGR highlighted by the Control Function and/or BancoPosta's Internal Audit functions and the Audit functions of Group Companies, (iii) additional events with potential impacts on the SCIGR, including corporate project initiatives in specific operating areas, carried out or in the process of being progressively implemented, (iv) evidence deriving from the management of the Whistleblowing reporting system.

The audit results received by the Board, as well as the summary concerning the overall assessment of the SCIGR, showed that in 2023, the overall assessment value was an improving score that confirms an assessment of full adequacy, respecting the balance between effectiveness and the low cost nature of the control system.

The activities envisaged in the 2023 Audit Plan were completed by ensuring the planned levels of audit coverage of business processes, necessary to express the Overall Assessment

of the Internal Control System from a Positive Assurance perspective. In addition, a high level of coverage was also achieved of multiple processes concerning Group Subsidiaries, taking into account the supervision performed by the Audit functions of Group Companies, where present.

The control system of the 'Information Technology' area, which had a slightly declining adequacy rating last year, was strengthened by the completion of the Action Plans for the platforms for electronic document management (GECT) and for administrative-accounting management (SAP ERP S/4 HANA), as well as by the introduction of cross-sector controls, a new model for security updates, automatisms for vulnerability management, and standards for the security of cloud resources and micro-services. The areas to be strengthened lie in the area of IT security, whose weaknesses relate mainly to software obsolescence.

For Transport Network Management, although the PCL function was found to have initiated evolutionary initiatives, with the revision of the business model and the adaptation of the logistics network to the changed market requirements for traditional products and new value-added services, the audits carried out confirm an assessment of the control system at the limit of adequacy.

The Off-Premises Channel, attributable to the management of Business customers, which last year had shown an Internal Control System that was not yet fully adequate, in terms of monitoring revenue assurance objectives, although some developments are in progress, recorded a slight improvement, even though there are still some areas of weakness in the revenue assurance of the parcels sales contracts entered into by third-party networks or partner channels and in the integration between the various commercial channels, while the delivery and collection of parcels at lockers and tobacconists were more consolidated, thanks also to the computerisation of controls.

The management of parcels, despite developments in intra-group logistics with the automation of hubs, was at the lower limits of adequacy, as controls over the Group's marketing and sales processes, supplier management and revenue assurance, as well as the structuring of cross-sector monitoring, could be improved.

The Board of Statutory Auditors, also following the meetings held with the Control Bodies of the most relevant Group Companies, periodically acquired information on the risk areas present in the Subsidiaries as a result of certain reviews of the Group's organisational

structure. Based on the audit findings received by the Board, as well as the summary relating to the overall assessment of the SCIGR at the Subsidiaries, the Board noted that the Internal Control System of the Group Companies is still not homogeneous; for some Subsidiaries (in particular SDA, Postel, Poste Air Cargo, Nexive and MLK) the opportunity to improve certain aspects relating to the management of the Group's ESG areas was noted, while for BancoPosta Fondi SGR, for example, the need to update the ESG governance process model emerged. In Poste Welfare Servizi, an administrative service in the supplementary healthcare sector, areas for improvement emerged, mainly related to the monitoring of KPIs and business objectives and to controls to ensure the reliability of billing data.

Areas for improvement also emerged in the SDA Subsidiary with regard to remuneration, contributions and insurance of personnel employed at the agencies contracted by SDA, while for Nexive's partner branches, areas for improvement were highlighted in the application of controls at certain stages (stock and reporting of outcomes) and with regard to labour and OSH regulations.

With regard to MLK, areas for improvement have emerged that can be traced back to the control of the various process areas in terms of risk analysis and formalisation of activities, controls and related responsibilities, while an insourcing process is under way, aimed at transforming MLK into a specific technological competence centre.

On the other hand, there have been developments in the integration of Sengi into the Group and in the revision of processes with a view to making them more efficient (Lean Project), although actions to strengthen the control system have yet to be implemented.

In summary, while noting a positive process in progress, the evidence points to the need for further consolidation of the Action Plans to achieve control levels in the Subsidiaries in keeping with the Parent Company's standard.

The Board emphasises the importance of maintaining a constant focus on the areas of improvement identified and monitoring the development of the Control System in the Subsidiaries.

In 2024, it became necessary to adjust the Company's organisational structure through a redistribution of responsibilities and competencies among the top corporate governance functions in order to make it even more responsive to the current business and market environment and to achieve the challenging objectives of the new strategic plan more effectively. TO this end, in March 2024, the Board of Directors revised the top management



structure with the creation of the figure of General Manager, reporting to the Chief Executive Officer, with the responsibility of supervising and coordinating the activities of almost all organisational structures, thus eliminating both the previous role of Co-General Manager and the organisational structure, replacing the Corporate Affairs (“CA”) function in the role of directing, controlling and coordinating the corporate structure. In 2023, the Company continued the process of strengthening of the SCIGR as an enabling factor for the consolidation of the processes, which are based on the principles of integrity, transparency, legality, sustainability and value creation, consolidating the path undertaken for the development and continuous improvement of the governance and risk management model, to ensure that it is fully aligned with the principles defined by the Corporate Governance Code, with international regulatory standards, as well as with the objectives of integrity and full traceability of the activities that represent the key principles of the group; furthermore, as part of the activities aimed at developing the governance controls, Poste has defined an integrated process at Group level that makes it possible to strengthen or create operational synergies between the various specialised controls units and to guarantee unitary governance, also thanks to a clear definition of the roles and responsibilities of the players involved.

Also during 2023, multiple initiatives were implemented aimed at strengthening and continuing to develop the SCIGR; in particular, we highlight:

- the inauguration of the new fraud prevention centre with the aim of ensuring the security of transactions carried out on-line and in all post offices;
- the evolution of the third-party network development model, which was entrusted to the subsidiary LIS Holding, replacing the previous commercial oversight entrusted to the “Business and Public Administration Market” function, in order to exploit synergies in the challenges offered by the commercial services market;
- the updating of the “Group Process Model” in which the category of ‘hybrid’ processes is introduced for all companies, alongside business and staff processes, as they are both ‘enabling’ and ‘business’ processes, emphasising the focus on green issues;
- as part of Poste’s transformation towards the role of an ‘all-round’ logistics operator, the establishment of the “Transformation Governance” function reporting directly to the Head of the PCL function, with the task of overseeing innovative projects, ensuring consistency with the multi-year strategic plan and for objectives related to the green transition;

- the establishment within the “Business and Public Administration Market” function of two new sales areas dedicated to the offer of express courier and parcel products and services and the related business development, and two sales functions for healthcare logistics and digital solutions;
- as part of the development of services for the health and well-being of Poste’s employees, the creation of the “Medical Centre and Health Services” function;
- in PostePay, with a view to strengthening business functions in support of business plan objectives and risk and outsourcing controls, in line with supervisory guidelines, the establishment of the “Operating Systems and Outsourcing Governance” and “Energy Risk Management” functions;
- also at PostePay, as part of the growth and diversification path envisaged in the “SI24+” Plan, the strengthening of control functions, with the redefinition of the perimeters of responsibility of the “Risk Management & Compliance” and “Internal Audit” functions;
- in Poste Vita, the establishment of the “Operations Performance Management and Data Governance” function, with the task of ensuring the integrated monitoring of the performance indicators of the “Insurance Operations” function and the service levels provided;
- the reactivation of the Credit Transfer service, limited only to the ‘first assignments’ and the establishment of the “Legal Foreclosure and Construction Credits” function within Legal Affairs, which, among other things, is responsible for ensuring the monitoring and management of civil and criminal actions for the recovery of outstanding receivables arising from building bonuses and/or regulatory provisions.

In addition, the Board of Directors has implemented various organisational initiatives designed to strengthen the Internal Control System, through the approval:

- updating of the Internal Rules for the procedures for the awarding of works, services and supply contracts in the light of the new Public Contracts Code (Legislative Decree no. 36 of 31 March 2023), pursuant to Art. 4.1 of the Guidelines “Corporate Regulatory System 24 July 2023”;
- the updating of the “Group’s Anti-Money Laundering Guidelines”;
- the updating of the “Guidelines for Internal Auditing - Poste Italiane Group”;
- the updating of Poste Italiane’s Code of Ethics.

During 2023, the Group’s purchasing management, following the centralisation that started in June 2018, reached an advanced centralisation process and the Purchasing function has

now been consolidated as a reference point for the adoption of the Group Purchasing Policies, in planning and reporting, as well as in overseeing the entire purchasing process. Furthermore, during said year, Poste confirmed its position among the main economic and production companies in the country qualified in terms of sustainable management of purchasing processes and relations with suppliers, maintaining the certification on Sustainable Procurement (ISO 20400).

The Poste Italiane Group bases its purchasing processes on relationships geared towards full compliance with legality and transparency, monitoring compliance with current regulations and company directives to guarantee quality, worker protection and environmental standards, and in 2023 Poste updated the relevant internal regulatory tools in the area of Purchasing in line with regulatory developments relating to Legislative Decree no. 36 of 31 March 2023 as amended (Code of Public Contracts).

With reference to the Group's Business Continuity Management, during the meeting with the Heads of the Digital, Technology & Operations ("DTO"), Risk Management and Outsourcing Governance functions of BancoPosta ("RMGO") and CERT in the Business Continuity Management area, the Board of Statutory Auditors was informed of the acceleration in the implementation of the evolution roadmap shared in November 2020 due to Poste's increasingly important role in the provision of services to citizens and the need to meet increasingly stringent service levels.

The Board was able to confirm the important evolution of the Crisis & Business Continuity Management model at Poste, which, originally based on a structure by business area, thanks to the centralisation initiative started in 2020, has become a single Organisational Model for the Group that sees centralised governance extended also to the Obligated Parties and the adoption of advanced technological solutions to support Business Continuity and the underlying aspects in terms of IT security. In order to ensure an effective Business Continuity solution, there has been an evolution of the architecture, through the adoption of new technological solutions and new operating modes as well as technological renewal, removing the obsolescence of Hardware and Software systems and consolidating the IT infrastructure. The Board has been informed that the multi-business and multi-channel approach that characterises the Poste Group entails continuous evolution both from an infrastructural and an application perspective, which obviously requires engineering and customisation/automation throughout the value chain.

With regard to the implementation of the European Union's Digital Operational Resilience Act ('DORA') Regulation, Poste is well positioned as the Company already has a well-structured Group Business Continuity System in place and the organisation is also well implemented, so only minor adjustments are necessary. Therefore, it is believed that there will be a smooth transition from the old to the new platform that will come into operation in the year 2024.

Over the course of the various meetings held with the Board of Statutory Auditors, the Head of the Group Anti-Money Laundering function clarified the controls that support the qualitative and quantitative adequacy of the Group Anti-Money Laundering function and reported on the consolidation of the organisational structure of the anti-money laundering structures at central and territorial level. With reference to the "Activity Plan of the Group Anti-Money Laundering function" at 31 December 2023, 7 of the 9 initiatives identified in the 2022 Annual Report have been completed. In particular, the measures enabling the use of the Electronic Due Diligence Procedure were completed in line with the commitments undertaken and communicated to the Supervisory Authority following the inspections conducted in 2022 on BancoPosta and PostePay. With reference to the two re-planned initiatives, namely the updating of the Group Anti-Money Laundering Function's procedural system (Guidelines, Procedures and Operating Instructions) and the reporting tool, it should be noted that (i) the Group Anti-Money Laundering Guideline was approved by the Board of Directors on 18 October 2023 and the Group Anti-Money Laundering Procedure and Operating Instructions had already started the publication procedure at the end of March, (ii) for the reporting application, the initiative, although later than planned, is only aimed at increasing the efficiency of the control activities already carried out with the current tools in use.

The results of the consolidated assessment, carried out by the Group Anti-Money Laundering function for the year 2023, show that the level of "residual risk" to which the Group (consisting of Poste Italiane S.p.A. and all the Obligated Parties, with the addition from this year of LIS PAY) is exposed, in the opinion of the function is classifiable as "low", in line with the results achieved in the year 2022.

The Board of Statutory Auditors also noted that, as in previous years, in 2023 the drop in the volume of reports at Group Anti-Money Laundering level continued, due to (i) the lower contribution of those related to offences involving tax credits and (ii) the increase in investigation times due to the improvement of quality-improvement audits as per the specific indications received during the year from the UIF.

The Board acknowledged that in 2023, the Suspicious Transaction Reports (“SOS”) sent to the Financial Information Unit (“UIF”) amounted to 20,028 (a decrease of 24% compared to 2022), of which 49 SOS of terrorist financing (down 27% compared to 2022) and 59,316 initiative reports of the postal offices.

In addition, training of the target population continued; there were 107.4 thousand requests for judicial assessments (+11% compared to 2022). Of the eight anti-money laundering charges notified by the Ministry of Economy and Finance (‘MEF’) in 2023, only one relates to a failure to report SOS, while the others relate to charges for violations concerning failure to affix the non-transferability clause on cheques.

The Board was also informed that, with reference to the sanctioning procedure initiated against Poste Italiane S.p.A. for shortcomings in its organisation and controls in the area of anti-money laundering, with particular reference to customer due diligence obligations, which emerged during the course of inspections at the intermediary BancoPosta in 2022 focusing on the tax credits business, on 21.09.2023 the Directorate of the Bank of Italy served Poste Italiane S.p.A. with a notice informing it that no further action would be taken on the sanctioning process.

Finally, the Board discussed in detail with the Head of the Group Anti-Money Laundering function the improvement measures envisaged in the 2024 Plan and the relevant time-lines for their implementation.

On the subject of risk management, the Board of Statutory Auditors verified that the Company has continued its commitment to strengthening the Internal Control and Risk Management System (SCIGR) as an enabling factor for the consolidation of processes and procedures, which are based on the principles of integrity, transparency, legality, sustainability and value creation that inspire the Group’s work and that guide, day by day, the behaviour of its staff in the pursuit of sustainable success, as well as in the creation of shared value in the long term. Moreover, with the aim of ensuring alignment with the criteria set out in the Corporate Governance Code and with national and international regulatory standards, as well as with the objectives of integrity, transparency and full traceability of the Group’s activities, Poste Italiane has continued its commitment to the development and continuous improvement of its governance and risk management model.

Based on the Group Risk Management Guidelines and in accordance with the SCIGR Guidelines approved by the Board of Directors, integrated risk monitoring is performed on an ongoing basis by the Group’s Sustainable Development, Risk and Compliance function, through the analysis of the trend of the most representative indicators of the Group’s main risks, i.e., the “Top Risks” and the specific actions planned to address them. Risks,

indicators and management actions are identified through the Risk Assessment process, carried out on the basis of the ERM (Enterprise Risk Management) framework, and shared with the risk owners and risk specialists responsible for each risk area (financial and insurance risks, operational risks, IT security risks, etc.) the Risk Assessment has the objective of identifying and assessing risks from an integrated perspective that could undermine the full achievement of the strategic objectives defined in Poste Italiane's Strategic Plan, structured on the basis of the four segments of which the Group is composed (Mail, Parcels and Distribution, Financial Services, Insurance Services, Payments and Mobile). The Risk Assessment revealed (i) 35 Tier 1 and Tier 2 top risks (of which 7 in Mail, Parcels and Distribution, 4 in Finance, 7 in Insurance, 3 in Payments and Mobile and 14 across the board); (ii) 319 indicators associated with Tier 1 and Tier 2 risks and (iii) 57 management actions associated with Tier 1 and Tier 2 risks.

Within the Top Risks, for those considered most relevant to the Group, a predefined level of risk appetite or Risk Appetite Framework (RAF), consistent with the strategic objectives of the Plan, is approved by the Board of Directors. It should be noted that the actions taken during 2023 and the risk safeguards implemented through the definition of risk prevention and continuous monitoring measures were, on the whole, successful in containing the residual risk within acceptable levels.

With reference to the RAF 2024, which was approved by the Board of Directors in March 2024, acceptability and tolerance levels were defined for the Group's main risks resulting from the Risk Assessment process, the performance of which will be monitored through the analysis of the trend in specific indicators and corresponding management actions. The risks that constitute the main threats to the achievement of the Group's objectives, also taking into account reputational and ESG impacts, and for which the risk appetite for the financial year 2024 has been defined, include those related to the deterioration of the quality delivered, failure to meet customer needs and IT security, as well as risks related to the evolution of the macroeconomic scenario.

The RAF 2024, at Group level, following the strategic risk assessment process, was supplemented with a set of indicators, with respective thresholds, associated with the risk of an unfavourable evolution of the macroeconomic scenario, concerning Dividends, Liquidity and Financial Structure, Economic Performance, which also summarise the performance of the most relevant financial and insurance risks affecting BancoPosta, Poste Vita and PostePay. The qualitative and quantitative indicators identified with regard to the aforementioned risks have been approved by the BoD and will be monitored on a quarterly

basis, together with the treatment actions deemed appropriate to contain the exposure within the established level.

Within the framework of the Strategic Risk Assessment activities, the identified risks were categorised on the basis of the common metrics defined by the WEF, in relation to the achievement of the SDGs, with reference to the time horizon in which the most significant effects of these risks are expected to materialise, as well as based on the potential pervasiveness of the impact of these effects with respect to the individual Business Units. In addition, Sustainability Pillars and potentially impacted capital resources were associated with each emerging risk.

For the purpose of strengthening the governance controls and the continuous evolution of the Group's SCIGR, in 2023 the Integrated Compliance Model was strengthened at Group level, implemented with the specific purpose of guarding against the compliance risks to which the Group is exposed, as well as strengthening/creating operational synergies between the various specialised control units and guaranteeing unified governance in the management of compliance risks, also thanks to a clear definition of the roles and responsibilities of the players involved in the process activities.

The activities of the Group's Sustainable Development, Risk and Compliance function are supported by the Group's integrated GRC platform - *RSA Archer* ("GRC") IT application used by the Group to support its Risk Management and Integrated Compliance processes; during 2023, the GRC platform's functionalities were strengthened and extended; the adoption of this platform has fostered the dissemination of the Risk Management and Compliance culture at every level of the company, ensuring a coordinated and systematic management of the main issues relevant to the Company and is now considered the largest in Italy and among the best solutions implemented in Europe and globally, with particular regard to the number and relevance of the risk areas handled and the degree of integration between them.

With reference to Group risk management, the Board reiterates the recommendation to the strategic supervisory board to periodically monitor above all financial risks, especially interest rate risk, also on a multi-year perspective, periodically updating the assessment of said risks and constantly verifying the investment and hedging policies through a periodic investigation by the competent Control and Risk Committee also in conjunction with the activities of the managerial committees. In this regard, the Board, in view of the composition of the Group's securities portfolio, which shows a concentration on government securities, as well as the effects on equity as a result of the change in the fair

value reserve on securities held and the related effects on capital gains and unrealised capital gains, as in previous years, recommends that the Board of Directors and the Group Sustainable Development, Risk and Compliance function and RMGO function of BancoPosta should keep this area of significant risk under constant review as part of their periodic monitoring of the main drivers of the business plan and related sensitivity, assessing the effects of adverse scenarios and verifying the related safeguards and appreciating the level of residual risk, with specific focus also on a medium- to long-term basis.

Poste Italiane has defined the new ‘Strategic Plan 2024-2028’, approved by the Board of Directors on 19 March 2024 and presented to the market on 20 March 2024, whose main objective is to configure Poste Italiane as a platform company that evolves towards a diversified, integrated and sustainable business model, offering its customers an increasingly wider range of products/services. The Plan makes provision for the continuation of the transformation of the logistics segment, as well as developments of the offer in the insurance area, to support the net inflows of the Life segment and confirm its ambition to reduce the country’s current under-insurance condition compared to other countries, also by placing policies on third-party networks, through the integration of Net Insurance, acquired in 2023. In addition, benefiting from the growth of e-commerce and cashless payments, PostePay’s business is expected to evolve towards digital and innovative payment solutions and, at the same time, the Subsidiary will represent the integration layer on which to pursue the development of the telephony and energy offerings, to meet customers’ everyday needs within the PostePay ecosystem. The Group will continue to strengthen customer relations within the Post Office network, third-party networks and on digital properties by making omni-channel experiences easier.

In line with the previous Business Plan, the new Strategic Plan also hinges on ESG principles and responds to the challenges of sustainability by setting targets up to 2030, in terms of reducing the Group’s emissions and supply chain; these must be augmented by socio-economic elements such as developing people’s skills and enhancing staff to foster change, promoting the values of diversity, equal opportunities and inclusion, and identifying the expectations of all generations including young workers. It should be noted that in 2023, the Company maintained flexible forms of work (*smart working*), as an alternative to the traditional way of working in a face-to-face setting, while still ensuring flexible work for vulnerable staff.

The Poste Italiane Group’s Sustainable Development strategy is embodied in the ESG Plan, which has been renewed, taking into account the results of the materiality analysis, in a



synergistic manner with the new 'Strategic Plan 2024-2028' with specific short-, medium- and long-term objectives, in order to make the Group's path towards sustainable progress transparent and verifiable. The updating of the Sustainability Strategy was influenced by three main drivers: the definition of the new Business Plan; requests from rating agencies and regulatory developments. The ESG Plan confirms its subdivision into eight pillars: Integrity and Transparency, People development, Diversity and Inclusion, Creating value for the country, Green transition, Customer experience, Innovation and Sustainable finance, whose objectives are updated annually according to a process of continuous alignment with strategic guidelines, results achieved and best practices, to increasingly integrate Sustainability along the entire value chain.

During the year 2023, the Board of Statutory Auditors periodically met with the Supervisory Board ('SB') in order to acquire the appropriate information on the implementation of the Organisational Model 231 (also 'Model 231'), as well as relevant and general information on the adoption of the Organisational Model by the Subsidiaries. Furthermore, the Board was informed of the outcome of the supervisory activity carried out by the Supervisory Board in the year 2023 and, also taking into account the information flows transmitted by the Whistleblowing Committee, noted that no significant critical issues or violations of the Organisational Model 231 or the Company's Code of Ethics came to light.

In the periodic exchange of information with the Supervisory Board, the Board was informed that during the second half of 2023, following the new Risk Assessment and Gap Analysis 231 cycle conducted with the involvement of all corporate functions - with the aim of analysing the information contained in the Matrix for the Identification of Activities at Risk (MIAR) and identifying the need to update the OM231 - a further update of the Model 231 was carried out, which will be submitted to the Board of Directors for approval in April 2024. The main areas of updating the Model 231 relate to the transposition of new 231 regulations (extension of the catalogue of 231 offences), the new Code of Ethics (November 2023), changes to the Whistleblowing regulation, the Internal Control System (evolution of the Control Principles and Rules of Conduct - Special Parts of the Model), changes in view of the usability of the document (new Process Sheets).

In view of the increased size of the Poste Group as a result of the company acquisitions in the last two years, the Supervisory Board has for some time now raised the number of meetings with the Supervisory Boards of the Subsidiary Companies - in order to ensure a constant exchange of information with all the Boards, within the framework of the full separation of the respective areas of responsibility concerning the controls on the operation

of and compliance with the respective Models 231. As part of the initiatives promoted aimed at strengthening Group Compliance 231, a new Group Framework Agreement was entered into with an external supplier - with the involvement of most of the Subsidiaries - for specialist support for the evolution of Risk Assessment and Gap Analysis 231 and Model 231.

In this context, the dedicated IT system (GRC-RSA Archer) - mentioned above - was progressively updated on the basis of the evidence emerging from the monitoring of the 231 Risk Assessment and Gap Analysis activity.

The Board was informed about the initiatives undertaken by the Company on the subject of certifications, especially in the area of 'Anti-corruption' with respect to which in 2023 the Company obtained 'Quality and Corruption Prevention Management System' certification on the entire perimeter of company processes and sites. In addition, the certification for Gender Equality was also obtained in 2023.

The Board of Statutory Auditors monitored, also through specific meetings with the Whistleblowing Committee, the progress of the project to comply with the new regulations introduced by Legislative Decree no. 24/2023, implementing the EU Directive 2019/1937, as well as the "New Poste Italiane Group Whistleblowing Portal" Project. As part of these activities, the Board of Statutory Auditors took note of the analysis carried out to verify the possibility of modifying existing processes in order to make the Parent Company's IT platform ("Portal") usable by the smaller Subsidiaries to ensure that all Subsidiaries are compliant with the regulations under review.

The Board of Statutory Auditors verified that Poste Italiane had already complied with the new legislation in compliance with the legal deadline of 15 July 2023 for companies with more than 249 employees, monitoring the compliance activities of Group Companies as well, and was informed by the Whistleblowing Committee that Subsidiaries with between 50 and 249 employees had also aligned with the new legislation in compliance with the legal deadline (17 December 2023). In fact, within the terms of the law, the Institutional Whistleblowing Portal of Poste Italiane was implemented - for the benefit of Group Companies - equipped with encryption keys, with the consequent deactivation of the impersonal e-mail inboxes previously used for Group Companies, and the Privacy Policy for each Subsidiary was updated.

Lastly, the Board was informed that during the year, the Supervisory Board monitored the Project for the Review of Poste Italiane's Code of Ethics (previous version: April 2018), which was approved at the Board of Directors' meeting of 6 November 2023 and subsequently sent to the Subsidiaries for subsequent implementation.

In summary, in light of the overall activities carried out and considering:

- the organisational structure of the Group in general and of BancoPosta RFC specifically;
- the existing set of procedures and their continuous updating;
- the results of the verification and evaluation activities received by the Board of Statutory Auditors from the BancoPosta's Internal Control as well as the Internal Auditing functions;
- the results of the inspection activities carried out by the various Supervisory Authorities;
- the assessment results recorded during the year by the other corporate control functions provided for by the internal control and risk management system;
- the information acquired during participation by the Board of Statutory Auditors in the meetings of the Board of Directors and Board Committees;
- the exchange of information with the Independent Auditor, the Data Protection Officer ("DPO") and the SB pursuant to 231/2001;
- the main developments of the SCIGR and, in particular, the initiatives to strengthen it;
- the compensatory controls and improvement measures implemented and/or in progress in relation to the activities carried out and the findings relating to the SCIGR highlighted by Poste Italiane's Internal Control function;
- the compensatory controls and improvement measures implemented and/or under way in relation to the findings relating to the SCIGR highlighted by the BancoPosta Internal Audit functions and the Audit functions of Group companies;
- further events with potential impacts on the SCIGR, including corporate project initiatives in specific operational areas, implemented or in the process of progressive implementation;
- the evidence acquired from management of the Whistleblowing reporting system

the Board of Statutory Auditors is not aware of critical situations or events that might suggest shortcomings in the Internal Control System of Poste Italiane overall and of BancoPosta RFC in particular.

*14. Observations on the adequacy of the Company's administrative/accounting system and its reliability in representing operating activities*

The Board of Statutory Auditors examined and oversaw, within the scope of our responsibilities, the adequacy of the Company's administrative/accounting system in reliably representing operating activities, the effectiveness of the Internal Control and Risk Management System and the financial reporting process, by: (i) collecting information from the managers of the various functions, from the Independent Auditor and the Manager responsible for financial reporting; (ii) examining the annual Report by the Manager Responsible for the Internal Control System for preparing the accounting and corporate documents; (iii) participating in the meetings of the Control and Risk Committee, the Sustainability Committee and the Related and Connected Parties Committee; (iv) examining the results of the activities carried out by the Poste Internal Control Function and the BancoPosta Internal Audit Function; (v) examining the proposed Audit Plan for 2024, prepared by both Poste's Internal Control function and BancoPosta's Internal Audit function; (vi) examining reports prepared by Poste's Internal Control function and BancoPosta's Internal Audit function; (vii) information on news and notices of inspections and proceedings by Bodies and Supervisory Authorities, including independent, of the Italian government or European Community, for details of which, reference is made to the information given in the paragraph on "Main relations with the Authorities" of the notes to the financial statements.

The Board also notes the Attestations, dated 19 March 2024, of the separate and the consolidated financial statements for the year ended 31 December 2023 pursuant to art. 154-bis, paragraph 5 of the CLF and art. 81-ter of Consob Regulation 11971 of 14 May 1999, in which the Chief Executive Officer and the Manager responsible for financial reporting declare, among other things, that the separate and consolidated financial statements:

- have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union through EC Regulation 1606/2002, issued by the European Parliament and by the Council on 19 July 2002;
- are consistent with the underlying accounting books and records;
- give a true and fair view of the financial position and results of operations of the issuer and the companies included in the scope of consolidation.

The Chief Executive Officer and the Manager responsible for financial reporting also declare that the Report on Operations includes a reliable analysis of the operating and financial performance and situation of the issuer and the companies included in the

scope of consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

*15. Observations on the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to art. 114, paragraph 2 of Legislative Decree 58/1998.*

Also in 2023, the Board found, through a specific meeting with the Corporate Affairs function, the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to art. 114, paragraph 2 of the Consolidated Law on Finance, following revision of the “Guideline for Management and Publication of Confidential Information, and Maintenance and Updating of the Related Registers”, approved by the Board of Directors on 22 June 2017, revised on 2 October 2018 and last updated on 30 July 2020.

The Board of Statutory Auditors met periodically with the Boards of Statutory Auditors of the Group’s main Subsidiaries in order to verify the correct implementation of instructions issued by the Parent Company. In particular, the Board found that the implementation within the Group of the MAR Guidelines on Insider Management and Internal Dealing (including the insider procedure) is continuous and timely. For the Net Group, which was acquired in 2023, the transposition of the aforementioned Guidelines has already been planned, while for the companies newly established in early 2024 (MLK Fresh s.r.l. and Poste Logistics S.p.A.) the transposition is planned in the coming months.

In addition, as provided for in Article 151(1) and (2) of the Consolidated Law on Finance, the Board of Statutory Auditors acquired the reports of the control bodies of the main subsidiaries and/or the information transmitted by them following specific requests.

*16. Oversight of the statutory audit of the annual and consolidated accounts and observations on any key aspects that came to light during meetings with the Auditor pursuant to art. 150, paragraph 3 of Legislative Decree 58/1998.*

The Board of Statutory Auditors had effective and timely communication with the Independent Auditor, for the purpose of the mutual exchange of information useful for the performance of their respective duties, pursuant to art. 150, paragraph 3, of the CLF. The Independent Auditor did not find any acts or facts considered reprehensible or irregularities that required the formulation of specific reports pursuant to art. 155, paragraph 2, of the CLF.

On 4 April 2024, the Independent Auditor issued the Additional Report pursuant to article 11 of Regulation (EU) no. 537/2014, of which the annual confirmation of independence is

an integral part. The Auditor has not deemed it necessary to issue any letter of suggestions to the Company's management on the understanding that certain points for improvement are contained in the Report pursuant to article 11 of EU Regulation no. 537/2014. With regard to these points, the Board of Statutory Auditors recommends that the Directors evaluate them with a view to their subsequent implementation.

The 2023 Audit Plan was illustrated by the Independent Auditor to the Board at a specific meeting.

The Independent Auditor has not informed us of any events or circumstances identified during the performance of the audit that might raise significant doubts about the ability of the Company or the Group to continue to operate as a going concern, nor regarding material shortcomings in its internal control system over financial reporting and/or in its accounting system, or any significant doubts over instances of non-compliance, whether effective or presumed, with laws, regulations or statutory requirements identified during the performance of the audit.

The Reports on the Audit of the Separate and Consolidated Financial Statements include an illustration of the key aspects that, in the Auditor's professional opinion, were most significant in the audit of the Separate (Estimate of the recoverable value of the "Mail, Parcels and Distribution" business segment) and Consolidated Financial Statements for the year (Goodwill impairment test on the "Mail, Parcels and Distribution" CGU and on the "Payments and Mobile" CGU, Valuation of Liabilities for Insurance Contracts and First-time Application of IFRS 17 - Insurance Contracts).

The Auditor does not express a separate opinion on these key issues, for which the Auditor's Reports explain in detail the relevant audit procedures adopted, since they have been addressed in the audit and in the preparation of an opinion on the financial statements as a whole. The above key aspects were the subject of detailed analysis and updating during the periodic meetings that the Board of Statutory Auditors held with the Independent Auditor. The Board of Statutory Auditors also discussed these key issues in depth, as well as the main themes of the 2023 financial statements, with the Company's management in specific meetings.

#### *17. Oversight of application of the Corporate Governance Code for listed companies.*

Pursuant to art. 149, paragraph 1, letter c-bis of the CLF, the Board oversaw the procedures involved in effective implementation of the rules provided for in the Corporate Governance Code adopted by the Board of Directors.

- ✓ With regard to the activities provided for in the Corporate Governance Code, the Board of Statutory Auditors not only held 37 of its own meetings during the year, but also ensured its participation in all the meetings of the Board of Directors and internal Board Committees, in addition to general meetings of shareholders, for a total of 79 meetings.
- ✓ Given the complexity of the corporate transactions carried out, the number of related parties and their heterogeneity, the Board of Statutory Auditors has appreciated the strengthening of the process, starting from September 2022, through the integration of the quarterly report brought to the attention of the members of the Related Parties Committee and of the Board itself, with additional documentation signed by the Manager of the Proposing function in which the reference parameters for the ordinariness of the transaction are certified (in relation to the types set forth in the Consob Regulation and the provisions of the Bank of Italy) and the existence of conditions equivalent to market or standard conditions.
- ✓ The Board of Statutory Auditors, for matters within its competence, verified the contents of the “Report on Corporate Governance and the Ownership Structure”, prepared by the Directors in accordance with the instructions contained in the Regulations on Organised Markets managed by Borsa Italiana S.p.A. and in the Consolidated Law on Finance. Moreover, the Board of Statutory Auditors, during a meeting of the Nominations and Corporate Governance Committee and a Board meeting during which the communication of 14 December 2023 of the Chair of the Corporate Governance Committee of Borsa Italiana was discussed - addressed to the Chairs of the Boards of Directors (and, for information to the Chief Executive Officers and to the Chairs of the Boards of Statutory Auditors) of Italian listed companies - and which saw an in-depth analysis of the Company’s structure with respect to the four recommendations indicated in the aforementioned communication, noted that the Company’s positioning in terms of governance structure is fully aligned with best practice.
- ✓ The Board, for matters within its competence, has taken note of the contents of the Remuneration Report prepared by the Directors. In addition, the Board, through its participation in the Remuneration Committee meetings, also examined the MBO incentive scheme, as well as the Performance Share LTIP.
- ✓ In March 2024, the Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the BoD to assess the independence of Directors, noting that the assessment was carried out during the meeting of the Board of Directors held on 25 January 2024, following the preliminary examination and

favourable opinion expressed by the Nominations and Corporate Governance Committee at its meeting of 23 January 2024. The assessment was conducted in accordance with the provisions of the Guideline on the “Application criteria and procedure for assessing the independence of Poste Italiane S.p.A.’s Directors” (pursuant to art. 2, Recommendation no. 7, of the Corporate Governance Code), on the basis of (i) self-declarations issued by each Director, (ii) historical chamber of commerce records (“personal files”) of each Director, containing evidence of current offices and those no longer held and (iii) information obtained directly by the Company, with reference to any relationships and/or relations of an economic/financial nature existing between the Group companies, the Directors and any of their related parties, in line with the provisions on the independence requirements of art. 2, Recommendation no. 7 of the Corporate Governance Code.

In addition, the Board of Statutory Auditors noted that following the renewal of the Board of Directors appointed by the Shareholders’ Meeting of 8 May 2023, during the meeting in which the latter took up office, held on the same date, the Board of Directors verified that the non-executive directors met the independence requirements and that subsequently, at the meeting held on 31 May 2023, the Board of Directors verified the integrity requirements (pursuant to law and the Articles of Association) and the suitability requirements and criteria (pursuant to Ministerial Decree No. 169/2020) of the members of the Board of Directors and the heads of the main corporate functions (as defined in the same Ministerial Decree No. 169/2020).

- ✓ In February and March 2024, the Board carried out the assessment of the independence of its members, verifying the existence of the related requirements, contemplated in the Consolidated Law on Finance and in the Corporate Governance Code, also taking into account the results of the investigations carried out by the Company with regard to any outstanding economic or financial transactions and/or relationships with Group Companies.
- ✓ The Board of Statutory Auditors also took note of the activities carried out by the Company in order to implement the recommendations reported in the 11th Report on the Application of the Corporate Governance Code of the Corporate Governance Committee established in 2011 by the Business Associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. and the Association of Professional Investors (Assogestioni).



Pursuant to the Corporate Governance Code, the Board of Statutory Auditors was also consulted by the Control and Risk Committee in 2023 regarding the following:

- definition of the Audit Plan;
- evaluation of the results set out by the Statutory Auditor in the Report pursuant to Article 11 of EU Regulation No. 537/2014 concerning the separate and consolidated financial statements as at 31 December 2023;
- correct use of accounting standards and their homogeneity within the Poste Italiane Group for the purpose of preparing the consolidated financial statements;
- correctness of the decision-making process adopted by the Directors with respect to the distribution of an interim dividend for the year 2023 pursuant to article 2433-bis of the Italian Civil Code, paid in November 2023, verifying compliance with the conditions provided for by the regulations for the payment of the interim dividend, in line with Poste Italiane's economic and financial performance in the first half of 2023, as well as the outlook for the year 2023.

#### *18. Self-assessment process for the Supervisory Board*

Lastly, in compliance with the Bank of Italy's Supervisory Standards, Rule Q.1.7. "Self-Assessment of the Board of Statutory Auditors" (hereinafter "Rule") contained in the "Rules of conduct of the Board of Statutory Auditors of listed companies" published by the CNDCEC (National Institute of Chartered Accountants and Accounting Experts) in April 2018 and updated on 21 December 2023, art. 25.1 of the Company's Articles of Association, as well as in line with the "Regulation on the self-assessment process of the Poste Italiane S.p.A.'s Board of Statutory Auditors", approved by the same Board on 30 January 2020, in January, February and March 2024, the Board of Statutory Auditors carried out a self-assessment of its adequacy in terms of powers, functioning and composition, with reference to the 2023 financial year. On this occasion, unlike the previous year, the self-assessment was carried out with the support of an external consultant because Bank of Italy regulations recommend that the self-assessment be carried out with the support of an external consultant for at least one year within a three-year term.

The results of the replies to the questionnaires confirm, also for the second year of its mandate, a fully positive Self-Assessment of the Board of Statutory Auditors, in terms of qualitative-quantitative profiles and effective functioning, thanks to clear operational balances and coherence in the methods of dialogue/interaction between members that, in some cases, offer recommendations for further improvements.

The Self-Assessment process provides a very positive overall picture of the Board in terms of adequacy of composition, independence, functioning, exercise of powers, internal climate, role of the Chair of the Board, minutes, support of the competent secretariat. The support of the Board Secretariat also contributed positively to the effective performance of the tasks. In addition, a fully positive assessment has emerged regarding the detail of supervisory activities, expressly referred to for the purposes of the Self-Assessment pursuant to Bank of Italy Circular no. 285/2013.

Based on the joint assessment of the members of the Board of Statutory Auditors, a positive picture emerges of the relations between the Board of Statutory Auditors and the main Poste Control Functions (Internal Control) and, in particular, of BancoPosta (Compliance, Risk Management, Internal Audit), as with those with the Head of Anti-Money Laundering, the Manager responsible for financial reporting, the Independent Auditors and the Supervisory Board.

The results of the self-assessment conducted will be forwarded to the Board of Directors in accordance with the indications of the Consiglio Nazionale Dottori Commercialisti ed Esperti Contabili (National Institute of Chartered Accountants and Accounting Experts) in its document on the self-assessment of the Board of Statutory Auditors.

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***Supervisory Body's activities in the financial, insurance and payment areas of the Poste Italiane Group.***

The Board of Statutory Auditors met with the new Control Body of BancoPosta Fondi SGR during the year 2023 and on that occasion, among the various topics discussed, was informed about the Multi-Asset Funds (FMA) Project ("Project"), whose objective is the development in the SGR (asset management company) of fund hosting activities for Multi-Asset Funds. The Board of Statutory Auditors also received information on the subsidiary's organisational structure, which was found to be well structured and adequate, and noted the management's constant attention to the activities carried out, acknowledging the adequacy and functioning of the administrative-accounting system, as well as the latter's reliability in correctly representing management events. With regard to the System of Internal Controls, as of 2019, the SGR's Internal Audit function has been fully outsourced to BancoPosta's Internal Audit Function, and the SGR's 2023 Audit Plan, approved by its Board of Directors in February 2023, is in line with the planned timetable.

In addition, with reference to the SGR's economic and financial situation, the Board was informed that the Subsidiary recorded positive and improving results compared to the previous year, and therefore in this area there are no elements of attention to be reported.

Also in the ESG domain, with the regulatory changes that have taken place in the last two years, in particular the entry into force in 2021 of the EU2019/2088 "SFDR" Regulation (and related RTS) and the Taxonomy Regulation, the SGR is carrying out significant improvement activities in terms of sustainability governance, corporate and product strategy, procedural safeguards, monitoring and management of sustainability-related risks and impacts, engagement and voting activities, and internal and external communication on these issues.

Lastly, with reference to the new Business Crisis and Insolvency Code, the Board was informed that the Subsidiary continued to comply with the new regulations and, during the year, it adopted specific debt indicators, in order to detect any signs of debt exposure of the company potentially symptomatic of a state of crisis, in line with the provisions of Legislative Decree no. 83/2022.

Consistently with the gradual implementation process shared with the Parent Company, in order to further strengthen the monitoring and supervision of business continuity issues, in conjunction with the approval of the Half-Year Report as of 30 June 2023, with the resolution of the Board of Directors of 20 July 2023, the subset of indicators identified was integrated with the additional indicator of a forecast nature, in line with the requirements of regulations and leading practices in the *Debt Service Coverage Ratio* (DSCR), i.e. the ratio between operating cash flow and the cash flow to service debt.

The Board of Statutory Auditors has noted that both the specific debt exposure indicators and the specific indicator of sustainability of financial debt show that the Company does not have any facts/circumstances to report or specific areas of risk.

As part of its ongoing discussions with the Head of BancoPosta's Internal Audit function, to which BancoPosta Fondi SGR's audit activities are outsourced, the Board of Statutory Auditors noted that the activities carried out at the SGR confirmed an assessment of overall adequacy, also in light of the various strengthening initiatives adopted during the year in the area of business, organisation and control. In relation to the ESG governance process, the following needs were identified: (i) to update the current process model in order to incorporate organisational developments in ESG matters, (ii) to make changes to the regulations of the Management and Governance Committees, and (iii) to integrate the delegated manager agreement and the internal document system.

With reference to PostePay EMI Ring-fenced Capital, the Board of Statutory Auditors monitored the progress of audit activities, including through the meeting with the company's control body held in October 2023, during which the Board of Statutory Auditors received extensive information on the main elements relating to the functioning of the Internal Control System and governance, administration and organisation, the functioning of EMI RFC, as well as significant aspects relating to management and financial performance.

Based on the information received from the Control Body of PostePay, also during the exchange of information in October 2023, the Board also noted that a positive assessment emerged on the Internal Control System, the administrative-accounting structure and the organisational structure, highlighting how they are adequate for the size and nature of the business carried out by the Subsidiary. In addition, the Board of Statutory Auditors also received information on the new business of marketing electricity and natural gas supply services, noting that PostePay, in addition to the "Poste Energia 160" offer launched in June 2022 and reserved to employees and their relatives, in January 2023 launched the mass market offer with which it entered the external market, and that PostePay's control body also carried out its oversight activities in this area. With reference to the Environmental, Social, Governance ("ESG") aspects, the Board was informed that PostePay only offers and injects electricity produced in Italy from renewable sources, certified by GSE Guarantees of Origin, and that PostePay covers the CO2 emissions of gas through the purchase and sale of Green Certificates. In addition, since March 2022 PostePay has adhered to the Group's policy, also incorporating the various ESG Guidelines, and has drawn up an ESG Training Plan and initiated a number of actions to fully comply with the Group Guidelines, activities that will be implemented by March 2024.

With reference to the Italian legislation on Whistleblowing - Legislative Decree no. 24/2023, and to the regulations introduced by the Business Crisis and Insolvency Code ("Crisis Code"), the Subsidiary has complied with the new regulations and the Board has noted that the management of PostePay has already started the appropriate activities.

The Board, in the context of its discussions with the Head of Poste's Internal Control function, noted that the audits carried out by the PostePay Internal Audit function with reference to the process of adequacy of the organisational structures of the Subsidiary revealed some areas for improvement.

The Board of Statutory Auditors constantly monitored the activities of the LIS Group (LIS Holding S.p.A. and its Subsidiary LIS Pay S.p.A.) in depth. Group in which 100% was acquired by Poste Italiane, through its subsidiary PostePay - EMI Ring-fenced Capital on 14 September 2022, the LIS Group offers a wide range of services for the collection and payment of bills, MAV (payment by advice), PagoPA, and telephone top-ups, through a technological platform made available to 54,000 non-specialised points of sale located throughout Italy, of which 33,000 represented by tobacconists, and therefore this transaction consolidates PostePay's growth in the payments market. In this regard, from the information received from PostePay's control body, the Board was informed that, in view of the fact that € 28 million in profits were distributed in the year 2023, the investment is yielding the hoped-for results, even exceeding expectations.

With reference to the Poste Vita Insurance Group, the Board of Statutory Auditors held two meetings and, in particular, in positively assessing the exchange of information with the Poste Vita Control Body, it was informed that during the first half of 2023, "IVASS Regulation no. 131" was issued, which introduces amendments and additions to several IVASS Regulations to facilitate compliance with the directly applicable European provisions already adopted on sustainable finance. In this regard, PosteVita's Board of Directors approved an ESG Business Plan that also includes certain specific actions aimed at ensuring full compliance with sustainable finance provisions.

#### ❖ *Supervision of Activities and Inspections by Supervisory Authorities*

The Board of Statutory Auditors constantly exchanged information with the Control Bodies of the Group Companies and, specifically, in the year 2023 it held two meetings with the Control Body of the SGR, the first in March 2023 and the second in November 2023, meeting there with the new Control Body appointed on 26 June 2023. During these meetings, the Board of Statutory Auditors delved into the issue of integrating Environmental, Social and Governance ("ESG") risks within SGRs and received more information on the survey launched by the Bank of Italy, following the issuance of the document on "Bank of Italy Supervisory Expectations on Climate and Environmental Risks". In this regard, the Control Body of BancoPosta Fondi SGR pointed out that in December 2022 the Authority had published an Information Note containing the findings to emerge from the answers to the Self-Assessment Questionnaires, sent by the Intermediaries, which showed that, while there was a general focus on ESG issues from the Intermediaries' top management, in most cases there were widespread shortcomings,

with delays in the implementation, and often also in the planning of structural initiatives regarding the various company profiles concerned. For this reason, the Authority asked the Boards of Directors of all *less significant* banks to define and approve specific Action Plans for the effective integration of climate risks into the ordinary governance and risk management framework over the three-year period. In light of this, the SGR, in its capacity as a non-banking financial intermediary - although it has already embarked on a path of ESG integration - in aligning itself with the requirements of the Supervisory Authority, submitted to the Bank of Italy a document containing the following aspects: (i) the company's *as-is* situation with respect to expectations, (ii) the Action Plan for the inclusion of climate and environmental risks with related time-lines and priorities, and (iii) the assessment of the SGR's Control Body.

The SGR's Action Plan has a three-year horizon (years 2023 - 2025) and individual actions are indicated with three priority levels (1-3) and an indicative time-frame, subject to possible amendments based on changes in the context and regulations.

Also at the aforementioned meeting of March 2023, the Board of Statutory Auditors noted that the Action Plan was positively assessed by the SGR's Control Body, insofar as the same Plan responds to the intervention needs identified by the gap analysis carried out by the Bank of Italy, and precisely defines the adjustments that will be made over the next three years.

On the occasion of the aforementioned meeting, the Board received an update on the results of the inspections that the Bank of Italy had carried out during the year 2022, as well as a report on the inspection started in the year 2023; in particular, the Board noted that (i) at the outcome of the general inspection, conducted from September to December 2022 by the Bank of Italy pursuant to Article 114-quinquies. 2, paragraph 4, of the Consolidated Law on Banking "on the sustainability of the business model, the adequacy of governance and the functionality of the system of internal controls, with particular reference to transparency and anti-money laundering controls and the monitoring of outsourced activities", the Supervisory Authority delivered its Inspection Report on 27 March 2023 with a "partially favourable" opinion, which stems, in a context of high profitability and adequate capital resources, from the need to strengthen the monitoring of activities outsourced to the Parent Company Poste Italiane, the control of reputational risks and the action of the internal control functions, especially with regard to transparency and anti-money laundering. On the basis of the Inspection Report, Poste Pay drew up the document "Considerations regarding the findings reached and the Plan for improvement actions",

which was approved by the Subsidiary's Board of Directors on 27 April 2023 and subsequently forwarded to the Bank of Italy, in which, for each finding and observation, the Company's relevant considerations were formulated, giving evidence of the planned actions already completed and those under way, with the relevant implementation schedule. Also as part of the above-mentioned 'general' inspection, the Bank of Italy also carried out specific in-depth examinations of the money laundering risk management system and the processes aimed at fulfilling the anti-money laundering obligations in place for PostePay, mainly outsourced to Poste Italiane and implemented as part of the Group's anti-money laundering model. Following the checks, again on 27 March 2023, the Authority notified the commencement of sanctioning proceedings for the formal objection to deficiencies in the monitoring of anomalous top-up transactions of prepaid cards (administrative sanctioning proceedings of 4 April 2023 for breach of the provisions of Legislative Decree no. 231/07 and subsequent amendments). At its meeting of 4 May 2023, the Board of Directors of PostePay, in the presence of the subsidiary's Board of Statutory Auditors, unanimously approved the document entitled "Inspections conducted by the Bank of Italy from 29 September to 16 December 2022 - Counter-claims formulated in relation to alleged violations ascertained during the inspection"; (ii) inspections initiated by the Bank of Italy in November 2022 and concluded on 15 December 2022 concerning the process for handling disallowances of unauthorised payment transactions, as well as, from a fact-finding perspective, the company's approach to payment security; as a result, during the Board of Directors' meeting of 14 July 2023 the Bank of Italy delivered its Inspection Report, in response to which the Subsidiary submitted to the Supervisory Authority the document "Considerations in respect of the findings reached and Plan for improvement actions", which was approved by the Board of Directors of Poste Pay at its meeting in September 2023; (iii) during the period from 21 February 2023 to 2 March 2023, the Bank of Italy initiated a further inspection, pursuant to art. 146 of Legislative Decree No. 385 of 1 September 1993, in respect of which the Authority delivered an Inspection Report at the meeting of the Board of Directors held on 25 September 2023. The inspection, which can be traced back to a "system-based" fact-finding activity concerning the processes and systems enabling the PSD2 services of "passive open banking", found that the tools set up by the Intermediary for access by Third Parties were adequate, with some aspects that could be improved, in respect of which an Intervention Plan was defined, initiated by PostePay already during the inspection, which was transmitted to the Authority at the end of October 2023. In response to the above-mentioned three inspections, PostePay prepared specific

Action Plans, whose remaining actions are currently being implemented. The Board was also informed that in order to implement the improvement measures defined in connection with the aforementioned inspections, it was necessary to increase PostePay's staff, which led, during the first nine months of 2023, to the reinforcement of the Subsidiary's workforce, increasing the number of staff both in the Energy department and in the Control function area.

Lastly, during the exchange of information with Poste Vita's control body, the Board of Statutory Auditors was updated on developments in relation to the inspections initiated by IVASS between 2020 and 2021 against the Company; at the end of this inspection, the Supervisory Authority notified the Board of an inspection report in which shortcomings were found and a fine was imposed on the Company and the members of the Company's governing bodies, which was immaterial in relation to the Company's turnover. Moreover, IVASS, in the notified measure, acknowledged that PosteVita had already remedied the disputed deficiencies by the date of the conclusion of the investigation. The Board of Statutory Auditors, on the basis of the information acquired during the meeting with PosteVita's Control Body, noted that a particularly proactive approach had been adopted by the Directors on this issue and that no critical issues had emerged with regard to the progress of the improvement measures undertaken by the Company.

In addition, the Board of Statutory Auditors noted that in 2023 IVASS carried out an inspection on dormant policies (policies for which the Company has difficulty identifying the beneficiaries), which concluded with the issue of an Inspection Report with a number of findings, in relation to which PosteVita has prepared a Plan of Improvement Actions to reduce the current number of dormant policies and to strengthen liquidation controls.

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### **Oversight of BancoPosta RFC**

The Board of Statutory Auditors oversaw BancoPosta RFC in accordance with:

- Presidential Decree 144/2001 “Regulations governing the services provided by BancoPosta”, the relevant regulations contained in the Consolidated Law on Banking and in the Consolidated Law on Finance and the implementing regulations for banks, deemed applicable to BancoPosta by the relevant authorities, and in compliance with the BancoPosta RFC Regulation approved by the General Meeting of shareholders held on 14 April 2011 and amended by the Extraordinary General Meeting of 31 July 2015



and subsequently revised by the Board of Directors' resolution of 25 January 2018. As required by the Regulation, the Board of Statutory Auditors examined the specific issues regarding BancoPosta RFC separately, reporting the results in the minutes of its meetings;

- the Supervisory Standards issued by the Bank of Italy on 27 May 2014 and, more generally, those in Circular 285 of 17 December 2013, as amended.

As is known and verified on the basis of the information received from the Manager responsible for financial reporting, the Independent Auditor, management of BancoPosta and the Heads of BancoPosta's control functions, and the examination of the annual report of the Manager responsible for financial reporting, BancoPosta RFC's organisation and accounts have been unbundled with respect to the Company's operations. In preparing the Report for BancoPosta RFC, in compliance with the provisions of Law Decree 225/2010, converted into Law 10/2011, which introduced regulations applicable to BancoPosta RFC, requiring the accounting separation provided for in articles 2214 et seq. of the Italian Civil Code and preparation of a Separate Report, the Company uses the implementations developed within its accounting system, aimed at ensuring that transactions relating to BancoPosta RFC are recognised in a dedicated accounting system and separately from those relating to the Company's operations, for the purposes of application of the Bank of Italy's prudential supervisory authorities provided for by Law 10 of 26 February 2011.

Paragraph 2 of Bank of Italy Circular 285/2013 - part IV of the Standards for particular intermediaries of BancoPosta - Chapter 1 BancoPosta, section II - requires that, in addition to directly attributable revenues and costs, the charges incurred for the services provided by Poste Italiane in order to enable BancoPosta to operate should also be allocated to BancoPosta RFC, and that the allocation of these charges should be based on criteria that reflect the real contribution of the various functions to BancoPosta RFC results and to those of the Company as a whole.

Every six months, the Board verified the adequacy of the criteria adopted for valuing the activities carried out by Poste Italiane SpA for the management of BancoPosta RFC and, within the scope of our responsibilities as an oversight body, without responsibility for accounting controls, compliance with the applicable statutory and regulatory requirements. Based on the available data and information, the Board of Statutory Auditors believes that the level of control over management of BancoPosta RFC accounts is adequate.

In this regard, the Board of Statutory Auditors notes that, with effect from 2021, the Auditor has been engaged to annually issue a “limited opinion” which this year concerned the BancoPosta RFC Separate Report at 31 December 2023 - consisting of the balance sheet, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year ended on said date and the notes (“BancoPosta’s Report”), annexed to the Company’s financial statements in accordance with the provisions of section 8 of the BancoPosta RFC Regulation - in order to check the consistency of the data contained in the Report with those reported in the Company’s financial statements for the year ended 31 December 2023.

BancoPosta’s Report has been prepared in application of the International Financial Reporting Standards adopted by the European Union and the seventh update of Bank of Italy Circular no. 262/2005 – “Banks’ Financial Statements: Layouts and Preparation”, and of art. 2447-*septies*, paragraph 2, of the Italian Civil Code.

In view of the content and purpose of the engagement, the Auditor carried out a limited review of the BancoPosta’s Report in accordance with ISAE 3000 revised Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000 Revised”) and planned and performed procedures to obtain a limited level of assurance that the BancoPosta’s Report does not contain material misstatements. On 4 April 2024, Deloitte issued its audit report on BancoPosta’s financial statements, stating that *“based on the work performed, nothing has come to our attention that causes us to believe that the figures contained in the financial statements are inconsistent, in all material respects, with those reported in the Company’s financial statements for the year ended 31 December 2023”*.

With regard to the supervision of the financial reporting process of BancoPosta RFC, reference should be made to the observations and recommendations set out in paragraph 4 of this Report to the extent that they relate to said separate capital.

#### ❖ *Adequacy of Control functions and Activity Plans*

The Board of Statutory Auditors received periodic information from the BancoPosta Control functions and examined the quarterly *Tableau de Bord*, as well as carried out an in-depth analysis of the results of the overall verification activities carried out by these functions in 2023, as shown below.

➤ The Board met periodically, and on a systematic basis, with the **Risk Management and Outsourcing Governance function**, now called the Risk Management Function as a result of Service Order no. 7 of 9 February 2024 (“OdS 7/2024”), which reported, from time to time, on the monitoring and development of risks relevant to BancoPosta. In keeping with the Group’s new money laundering risk management model, as already mentioned above, from 2018, the Head of Risk Management has assumed the role of BancoPosta’s Head of Anti-money Laundering, and within the Risk Management (“RM”) function, the BancoPosta’s Anti-money Laundering Function was established. Within the Risk Management function, with the aforementioned Order No. 7/2024, two new functions were established (i) Operational and ICT Risks and (ii) Outsourcing and Third Party Risks into which, in line with the perimeters of responsibility, activities and staff previously operating in the Operational Risks function and in the Outsourcing Governance and BCM function were merged. In particular, the activities and staff dedicated to business continuity and incident management were merged into the Operational Risks function, renamed “Operational and ICT Risks”, with the aim of concentrating in a single structure activities and skills related to IT and cyber risk and BCM issues; at the same time, the function formerly known as “Outsourcing Governance and BCM” was renamed “Outsourcing and Third-Party Risks”, in line with the growing attention it intends to devote to supply relationships relevant to BancoPosta, in addition to internal service contracts (Guidelines) and outsourcing agreements.

Moreover, with Organisational Communication BP/01/2024 of 9 February 2024, a contact person for Business Continuity Management (‘BCM’) activities was established in the Operational and ICT Risk area, and the overall staffing of the Risk Management function was also increased with four new staff members, in line with the Bank of Italy’s recommendations.

During the various meetings, the Board of Statutory Auditors was informed of the activities carried out by the Risk Management function during 2023 and the actions planned for the year 2024. In particular, the Risk Management function was engaged, both in its capacity as *programme management* and for the many activities for which it was responsible (about one third of the total), in the execution of the Plan of Improvement Actions defined after the inspection conducted by the Bank of Italy between 14 March and 15 July 2022, a Plan approved by the Board of Directors in January 2023. All activities related to 10 of the 11 findings raised in the Inspection Report, whose implementation was planned in the year 2023 (a total of 67 out of 70 activities, i.e. 96% of all planned activities) were implemented

as planned and regularly certified by the Internal Audit function. The remaining three activities of the Plan, related to the area of Guidelines and Outsourcing, will be implemented by December 2024, as planned.

It should also be noted, as already anticipated, that the Programme of Actions defined downstream of the Bank of Italy inspection on the governance and management of operational and IT risks in 2017, which on the whole envisaged 107 actions, was completed at the end of 2023 on schedule with the closure of the last initiative of the *Data Centre Transformation* project and all actions were certified by the Internal Audit function.

The Board of Statutory Auditors, in agreement with the relative function of BancoPosta, monitored the performance of the RAF indicators during 2023, on a quarterly basis through the *Tableau de Bord* of BancoPosta's Risk Management function.

The Control Body also verified the levels of materiality of the risks for BancoPosta with particular regard to risks of high relevance, relating:

- to the 'Financial Leverage', which is structurally higher than that of a traditional bank due to the composition of BancoPosta's assets: the Leverage Ratio, also as a result of a capital strengthening of € 100 million through the subscription of an Additional Tier 1 instrument by Poste, stood at 3.2% at year-end;
- to "Operational risks", which represent the most significant category in terms of capital requirements and absorption of the "Second Pillar"; capital absorption remains significant both in terms of minimum capital requirements, calculated proportionally to gross proceeds, and in the assessments made with the internal model for ICAAP purposes. The latter increased slightly in 2023. Losses recorded in the profit and loss account for the year amounted to about € 14.5 million, up compared to 2022, which was heavily affected by releases, but in any case in line with the Risk Appetite;
- to 'Interest Rate Risk', whose exposure, in terms of economic value, remained at levels consistent with the RAF target threshold (28%) except in the third quarter, when the operational strategy - illustrated to the Board of Directors in July 2023 - aimed at stabilising interest income over the plan horizon was implemented, which temporarily accentuated the asset-sensitive exposure. It returned to levels compatible with the Risk Appetite in December 2023;
- to the "Spread Risk", which is not relevant for capital requirements, but for unrealised gains/losses. In 2023, the BTP-Bund spread narrowed on a trend basis (from 214 points at the end of 2022 to 168 at the end of 2023), the portfolio carried at fair value (HTCS)

recorded declining implied capital losses at the close of 2023; however, the sensitivity of the value of the HTCS portfolio to this risk factor remains structurally high;

Medium risks include:

- Credit/Counterparty Risk: it increased at the end of 2023, maintaining an incidence on equity consistent with the Risk Appetite, especially in the absorption related to Counterparty Risk, which was affected by a temporary mismatch between the value of derivatives and the value of collateral paid by counterparties;
- a. Reputation Risk: there was a substantial decrease in complaints and appeals to the Banking and Financial Arbitrator, following a decrease in complaints with customers on the yields of Q/P series postal savings bonds (“BFP”) for the years 21-30. In this regard, Poste Italiane had already started, as of March 2020, to no longer comply with the decisions of the ABF, as it did not agree with the position of said Arbitrator, regularly unfavourable for Poste. Thus, reimbursements were only made following unfavourable rulings by the Ordinary Judicial Authority, which amounted to around 32% of the rulings up to 31 December 2023. The favourable rulings issued by the trial judges and the order of the Supreme Court of Cassation (Sec. I of 10 February 2022, which were followed by further orders of the same content) also prompted the ABF to agree on the correctness of Poste Italiane’s actions; in fact, in the third quarter of 2023 the ABF Coordination Board took a position in line with the principles set out by the Supreme Court of Cassation;
- Regulatory risk: this risk is decreasing as, following the transposition in 2020 of the EBA Guidelines on interest rate risk, the new rules for calculating counterparty risk, the Leverage Ratio and the Net Stable Funding Ratio (“NSFR”) came into force in 2022, without any particular impact on BancoPosta. The residual, structural exposure is linked to changes in the prudential rules for government bonds as well as the still existing margins of uncertainty regarding the effective date and calculation details of the new SMA regulatory approach for operational risks and the updated methodology for calculating counterparty risk;

In the year 2023, the following are classified as minor risks:

- the business risk (due to the balanced mix of revenues and costs that are mainly variable);
- the risk of involvement in money laundering or terrorist financing (in line with the results of the self-assessment);

- Liquidity risk (thanks to stable funding as predominantly retail and extremely liquid assets, the regulatory indicators remain very high and the Liquidity Coverage Ratio (“LCR”) is increasing).

As at 31 December 2023, all the metrics of the RAF were in line with the objectives set in the RAF itself, and during the year there was only one misalignment - at the end of September 2023 - concerning the Interest Rate Risk metric in terms of economic value, which was the subject of prior communication to the Board of Directors and a Risk Opinion by BancoPosta’s Risk Management, as explained above.

As at 31 December 2023, capital adequacy measures show a high Capital Ratio, although lower than at the end of 2022 (CET1 at 18.9%, compared to 20.3% in 2022; TCR at 22.1%, compared to 23.1% in 2022) and equity that continues to ensure a high Free Capital buffer compared to Pillar 2 absorption (47.1%, compared to 51.3% in 2022).

Economic performance measures were positive and stable, with the Return on Equity confirmed at 23% and RoRAC decreasing slightly to 36.3%.

Also in 2023, the exposure to operational risks was heavily influenced by the occurrence of events that occurred in previous years mainly related to “conduct risk” (internal fraud and events related to customers, products and professional practices) and the execution, delivery and management of processes. External fraud and business disruption and IT system failure are also relevant.

The composition of operational losses detected in 2023 shows a predominance of external fraud (30.8% of the total) followed by incorrect customer relationship management, products and professional practices, errors in execution, delivery and process management, and internal fraud.

In addition, releases in 2023 were lower than in 2022 and mainly related to ‘Errors in the issuance/duplication of postal savings bonds’ issued after 28 December 2000 and ‘Robbery of valuables in custody at Service’, while recoveries mainly related to bankruptcy disputes. The Risk Management function, as part of the process of defining the new Strategic Plan, estimated the impact of the scenarios on the risk profile *ex ante*, assessed the prospective adequacy of the capital and identified the risk appetite (“RAF”) of BancoPosta RFC consistent with the strategic objectives and guidelines at Group level and, in order to also confirm for 2024 the objective of maintaining a Leverage Ratio at least equal to 3%, an allocation of profits generated by BancoPosta is expected.

Consistent with the business model and strategic objectives, and in line with what was done last year, the Risk Management function developed the proposed RAF for the financial year 2024, which

- provides for an increase in BancoPosta's equity of € 60 million, through the allocation of part of the profits generated by BancoPosta, as proposed as part of the 2023 budget approval process;
- reflects the application of the updated collection behavioural model that impacts interest rate risk estimates;
- in establishing the CET1 Ratio and Total Capital Ratio capacity, incorporates the guidance received in 2022 from the Bank of Italy on additional requirements to the standard ones to be met (Pillar 2 Requirement and Pillar 2 Guidance);
- confirms, for the Leverage Ratio, the intention to keep the indicator at or above 3%, which is the regulatory minimum for banks;
- confirms, for interest rate risk in terms of economic value, a level of exposure that is structurally higher than the average for banks, for which the regulations establish attention thresholds (supervisory outlier test) of 15% and 20%, due to the profound differences in business models, and therefore in the capital allocation between the various risk categories;
- reflects, for the liquidity risk metrics, the effects of the planned pledge of securities for approximately €11 billion in favour of PostePay S.p.A. (planned as early as 2023 but not yet implemented, as it is awaiting feedback from the Bank of Italy).

Lastly, the Board was informed that, as of the date of preparation of this Report, the (i) ICAAP-ILAAP/2023 Report, which will be prepared by the Risk Management function and the (ii) Report of BancoPosta's Internal Audit function on the ICAAP/ILAAP 2023 process, were not yet available, which will be presented by the respective functions to the Board of Statutory Auditors and the Control and Risk Committee at the meeting of 16 April 2024 and submitted to the Board of Directors for approval at the meeting of 18 April 2024. During 2023, the Board continued to monitor the interest rate risk management strategies identified by the management company BancoPosta Fondi SGR, as manager of BancoPosta's securities portfolio. The strategy launched by BancoPosta in 2022 was the subject of a focus meeting with the Head of BancoPosta and the Head of BancoPosta's Risk Management function. The topic was also discussed at several joint meetings of the Board with the Control and Risk Committee, which were attended by the Head of the BancoPosta function and the Heads of BancoPosta's control functions. Over the course of

these meetings, the Board was informed on an ongoing basis about interest rate trends and the results of the strategy implemented by BancoPosta, which since last year has set itself the goal of reducing the weight of its “variable” portfolio, anticipating the downward trend in interest rates, protecting its interest margin in the coming years and creating the conditions for new capital gains. The Board of Statutory Auditors and the Board of Directors received further insight into the interest rate risk management strategy at the meeting of 24 July 2023, during which the actions taken were illustrated, which represent an adjustment to the projections of the 2023 Budget and the then current Business Plan and the associated Risk Appetite Framework.

In addition, during the meeting held in December 2023, the Board received further insights into the evolution of the exposure in terms of economic value and interest margin.

➤ The Board of Statutory Auditors met periodically, and on a systematic basis, with **BancoPosta’s Compliance function (“Compliance”)** and was informed at the March 2024 meeting of the results of the activities carried out by the aforementioned function in the year 2023, for each area of BancoPosta RFC involved in the Compliance process and for the cross-company disciplines monitored directly or indirectly by the function, of the results of the “Compliance Risk Assessment” carried out in February 2024, with an in-depth review of the weaknesses verified and the corrective actions planned in the year 2024 for their removal.

The Board was informed of the ‘Plan of Activities 2024’, which is related to the newly approved Strategic Plan, and which envisages mainly targeted initiatives: (i) in the area of Investment Services, the evolution of the service model offered in the post office and on other channels (on-line and telephone) together with the development of the New Service Model according to customer portfolios based on their characteristics and the strengthening of internal models for the management of ESG preferences (ii) in the area of Insurance Brokerage, the development of new service models both in post offices and on digital funnels and definition of further safeguards to strengthen distribution activities on the various channels; (iii) in the area of Banking Services and Postal Savings, the implementation of assessment activities aimed at further strengthening control over communications to customers pursuant to art. 118 of the Consolidated Law on Banking, as well as to improve the process of closing business accounts. Initiatives will also continue to boost the efficiency of the disallowance management process, as well as the planned implementation of assessments; (iv) in the area of Payments, the continuation of measures to strengthen fraud prevention controls (adoption of the Threat Metrix solution, including



the anti-malware component), the completion of upgrades to the SCT Instant platform and related processes, as well as the extension of the one-day disallowance operational process to SEPA Direct Debit (SDD) operations; (v) in the area of cross-company areas with Direct and Indirect Control, the consolidation of security, availability, continuity and third-party ICT risk controls, the implementation of the Plan for compliance with the European Union's Digital Operational Resilience Act ("DORA") regulation and the continuation of actions for the adaptation of corporate controls for other regulations with an impact across the board on business areas.

The results that emerged following the audits and actions carried out in 2023 were reported in the function's *Tableau de Bord* on a timely basis and did not reveal any critical issues that needed to be highlighted to the Board of Directors and Statutory Auditors separately from the aforementioned document.

During 2023, in line with the objectives outlined in the "2024 Sustain & Innovate Plus" Business Plan, the path of evolution of service models and products/services offered to customers and the related supporting partnerships continued.

In addition, during the year the Compliance function revised the methodologies related to the identification of the degree of riskiness of each regulatory perimeter area, formalising the new methodology for calculating Inherent Risk, Residual Risk with the aim of minimising discretion in risk assessment and having greater objectivity in assessments.

The Board of Statutory Auditors recalls that the Group has also adopted an Integrated Compliance Process, defined within the Group's Integrated Compliance Guideline and coordinated by a specific organisational unit. The activities of BancoPosta's Compliance function, in compliance with the autonomy envisaged by the reference legislation, are integrated within the scope of this process in line with the intent of the Group's Integrated Compliance Guideline to strengthen the Internal Control and Risk Management System ("SCIGR"), and to guard against the risks of non-compliance to which the Group is exposed, thereby fully implementing the principles of integrity, transparency and legality. The Compliance function continued its quarterly review of the adequacy and effectiveness of the process for handling complaints and appeals before the Banking and Financial Arbitrator and the Securities and Financial Ombudsman ("ACF"), carried out by the Financial Complaints Handling function in the DTO ("GRF") area. The activities carried out involved various areas (Banking and Financial Services, Postal Savings Services, Investment Services and Insurance Brokerage Services) and the results of the second-level

controls, always shared with the GRF function, showed during 2023 a substantial adequacy of the complaints and appeals management process, albeit in the presence of some areas for improvement related to the registration in the company database (correct input of the reason, correct valuation of the outcome) and to the contents of the letters of reply to the customer, not always in line with what the customer actually requested/complained about. In addition, the need to strengthen the tracking of corrective actions was noted.

With regard to complaints, a total of 28,851 complaints were received during 2023 within BancoPosta, and specifically, complaints relating to Investment Services activities amounted to 870, an increase compared to 2022 (increase of 13% in complaints received) and numerically insignificant compared to the total number of operational reports (less than 0.1%). The aforementioned complaints are mainly related to the investment advisory service (in particular customer reports on advice on insurance investment products); complaints were processed within the time limit provided for by the regulations (60 days) and the preliminary investigations conducted by the competent company structure showed that only about 4% of the complaints lodged (29 cases) were well-founded. With reference to complaints relating to the Insurance Brokerage segment, during 2023, Poste Italiane received 218 complaints and redirected approximately 606 preliminary investigations under its competence to Poste Vita and Poste Assicura (IVASS Measure no. 46/2016). There were 192 complaints composed, among those under its competence, while the backlog at 31 December 2023 amounted to 28 complaints (being processed within the regulatory time-frame); these complaints were processed within the time-frame stipulated by the regulations (45 days) and in 96% of cases were unfounded. In addition, the quarterly monitoring of complaints on CPI products initiated in 2020 and reported to the SFA Committee continued during 2023.

With regard to complaints relating to Banking Services and Postal Savings, in 2023, the majority of complaints related to Postal Interest-bearing Certificates and specifically complaints about yields and requirements (about 22% of the total) as well as about the conditions applied, including tax charges (about 16% of the total). In general, only 7% of the more than 28,800 complaints made in 2023 were well-founded; with regard to complaints processed within the time limits set out in the legislation, a performance in line with 2022 was recorded, equal to 99.9% of those processed. In addition, complaints related to the area of payment services showed an improvement compared to the previous year's survey (99% of the 7,600 complaints in 2023, compared to 98.7% of the 6,801 complaints

in 2022 for complaints composed within the terms). As of 31 December, the backlog of complaints not processed within the deadline was 5.

There was a decrease in the number of appeals before the ABF in 2023 (about 30% less than in 2022, 1,634 vs. 2,356), the effect of the substantial reduction in customer appeals on postal savings certificates series Q/P 21-30. In this regard, it should be noted that in the year 2023, the ordinary judicial authorities - Court of Appeal, Court and Justice of the Peace - consolidated their favourable orientation towards Poste, going from 32% favourable rulings in 2018 to 79% in 2022; the upward trend was also confirmed in 2023, the last quarter of which recorded a figure of 91% favourable rulings. The favourable rulings conform to the orders of the Court of Cassation, which confirmed the correctness of Poste Italiane's conduct, affirming that, by virtue of the provisions of article 173 of Presidential Decree no. 156/1973, customers were not entitled to a higher interest rate in the third decade of the life of the certificate.

In the area of the Banking and Financial Arbitrator, the changes that took place during the last quarter of the year also seem to point to the same outcome. In fact, based on the impetus injected by the July 2023 ruling and the consolidation of the Supreme Court's jurisprudence *in subiecta materia*, the first favourable decision to Poste Italiane was rendered by the ABF Coordination Board of Naples, which aligned itself with the principles set forth by the Supreme Court. This decision represents a turning point that leads to the conclusion that the long-standing issue is also concluded before the ABF, and this inference would seem to be supported by the fact that no further appeals have been lodged since the September 2023 decision.

With reference to fraud prevention and monitoring activities, relating both to the digital banking channel and to transactions performed with payment cards, in view of an increase in fraudulent attacks in 2023, additional security safeguards were put in place on strong customer authentication mechanisms, which provide for the activation of specific checks in the event of 'incorrect' entry of the OTP code sent by SMS or of the PosteID code. In order to make the entire authentication process even more robust, work was completed in 2023 to extend these controls to include passwords, and in particular to provide for similar block management and customer information methods. In addition, in order to combat fraud in the Post Office area, the operational limits on single top-up transactions on the current account (€ 5,000) have been implemented - at the end of 2023 - with the aim of introducing a daily cumulative limit on the individual card; in addition, the centres in Turin and Rome continue with their activities to combat risky transactions ordered by Post

Offices through the VTPIE platform. With regard to boxing fraud (theft of cards during the dispatch process), a registered dispatch service for debit cards was launched in October 2023, a service that will also be extended to booklet cards from October 2024.

In 2024, improvements in the area of fraud prevention will continue, which will cover several actions to be carried out on the Integrated Anti-Fraud Services Platform ('PIAF'). Ongoing fraud training initiatives were carried out, aimed at keeping sales personnel up-to-date on the evolving scenarios of the most commonly used forms of fraud.

With reference to the issues addressed here, during 2023, a number of important procedural, organisational and technological initiatives were completed to strengthen the ABF complaints and appeals handling process, and in early 2024, further strengthening activities on the disallowance handling process are expected.

The Board has been informed, during the year 2023, on the progress of all corrective actions planned in the areas of (i) Investment Services pursuant to MiFID2, (ii) Insurance Intermediation, (iii) Banking and Postal Savings Services, (iv) Payment Services pursuant to PSD2, (v) direct and indirect cross-sectoral areas (a series of initiatives for the consolidation of the company's oversight related to regulations with a cross-sector impact), (vi) Business Support and (vii) 'Cross-Sector Regulations' (initiatives for the consolidation of the company's oversight related to regulations with a cross-sector impact).

In the year 2023, the Compliance function performed *ex-ante* advisory activities in connection with the development and innovation of products and services under the "2024 Sustain & Innovate Plus" Business Plan.

With reference to Business Continuity Management ("BCM"), in 2023, the Board verified the implementation of actions in this area, with particular reference to the management of operational and IT risks, and took note of further actions taken. Specifically, the Board of Statutory Auditors noted that the continuous auditing activities on Business Continuity processes and solutions relating to the products and services attributable to BancoPosta RFC revealed a business continuity management system that was generally adequate for the ICT area and on the whole positive for the process area.

The results of the BCM tests - conducted by the functions involved - and the analyses carried out on the documentary system revealed areas for improvement with reference to the need to specify in the Disaster Recovery Plan the RPO parameters guaranteed for all the architectural solutions envisaged, to design and execute a test for the BPIOL service,

and to complete the activation of the Disaster Recovery site for the Enterprise Data Warehouse ('EDWH').

It should be noted that specialised audits of Business Continuity processes and solutions relating to BancoPosta's products and services are conducted annually by BancoPosta's Internal Audit Function on the basis of the Audit Plan, and the Board of Statutory Auditors has noted that the findings of the audit conducted by Internal Audit on the organisation and performance of testing activities, as well as on Business Continuity procedures, showed a generally positive assessment with some areas for improvement. The initiative was aimed at verifying, with a view to continuous auditing, the adequacy of the business continuity test plan for the processes and products managed directly by BancoPosta or delegated to PostePay and carried out by the relevant corporate structures, as well as the results thereof, as required by Bank of Italy regulations. The testing activities carried out during 2023 were audited.

The activities planned in 2024 in the area of Business Continuity *Management* will concern:

- the execution of the Business Impact Analysis and preparation of the Business Continuity Procedures according to the new model and in compliance with the BIA Business Continuity Procedure and Methodology, with the support of the new Archer tool;
- updating the BancoPosta Sector Plan to ensure compliance with the 40th update of Bank of Italy Circular 285;
- expansion of the scope of business continuity tests and continuation of tests with third parties.

The findings of the Internal Control Function's audits of BancoPosta's Financial Services showed an overall adequate assessment that nevertheless needs some action plans to make the solutions more effective. This assessment stems from the results of the business continuity tests performed during the year, the progress achieved on the IT infrastructure, and the progress of development initiatives, both those already completed and those still in progress. The action plans will allow the company's business continuity to evolve towards a cross-sector service, thus providing further added value for the entire Group.

The Board of Statutory Auditors monitored the issue of ICT Risk, noting that initiatives to strengthen the overall IT security management system and monitoring of ICT Risk continued in 2023.

In line with the ICT strategy, the DTO function continued its programme to adopt new technologies in the cloud and the Enterprise Data Warehouse (EDWH) migration project is nearing completion.

In this area, the Level II audits carried out during 2023 showed generally positive control systems, with areas for improvement already the subject of actions initiated and to be continued in 2024.

In relation to the DORA Regulation which, with the aim of achieving a high level of digital operational resilience for financial entities within the EU, introduces a harmonised body of governance, cyber security, ICT risk management and incident reporting measures, and requires all interested parties to adopt by 17 January 2025, certain technical and organisational measures, the Board of Statutory Auditors took note of the preliminary actions taken by the BancoPosta function aimed at assessing the organisational maturity of the current ICT risk management model and determining the impact that the DORA Regulation will have on BancoPosta.

➤ The Board met periodically and on a systematic basis with the **Internal Control function (“Internal Audit”)** of BancoPosta, which in 2023, conducted 22 audits, in line with the annual audit Plan, 13 IT audits, in addition to the 1,427 territorial audits delegated to Poste Italiane’s Internal Control function in respect of which the Internal Audit function directs the definition of the areas and checks to be performed, as well as those relating to administrative and accounting processes pursuant to Law 262/05 of interest to BancoPosta RFC. Moreover, with regard to the Improvement Action Plan defined following the inspections conducted by the Bank of Italy in 2022, the BancoPosta Internal Audit Function verified the implementation of the activities in terms of the suitability and effectiveness of the measures adopted and monitored the progress of the projects on a monthly basis, carrying out the necessary in-depth analyses.

As a result of the activities carried out, the Internal Audit function found a generally adequate Internal Control System for 2023, also taking into account the reinforcement achieved following the implementation of the improvement initiatives set out in the aforesaid Plan, which concerned, in particular, governance and control aspects, strategic planning processes, the structure of control functions and related support tools, as well as the processes of entrusting functions to Poste Italiane structures or to third parties. With regard to the control functions, in addition to the general strengthening of organisational structures, which was already implemented at the beginning of 2023, we highlight the

implementation, during the year, of actions aimed at refining methodological aspects, supporting information systems and management reporting.

The Board of Statutory Auditors, in the course of several meetings with the BancoPosta Internal Audit Function, took note of:

- completion by the Internal Audit function of the actions identified in the Improvement Action Plan in order to address the areas of improvement identified during the audit: the BancoPosta Internal Audit function, in addition to having been subject to an organisational initiative aimed at identifying two contact persons for auditing activities on the distribution network and IT activities, respectively, carried out project initiatives aimed at strengthening the methodology (regarding audit assessment and severity of audit actions) as well as improving the system supporting remote analyses; the strengthening of the activities of the Corporate Bodies and the internal board Committees through, inter alia, the holding of single-topic induction sessions for the Corporate Bodies, as well as in-depth meetings of the Control and Risk Committee, in which the Board of Statutory Auditors has always participated, aimed at ensuring an increasingly efficient discussion, within the collective body, of issues of interest;
- the enhancement of the Operating Guidelines and the related KPIs, as updated in conjunction with the renewal for the three-year period 2023-2025, which also took into account the Authority's findings in the aforementioned inspections;
- the establishment of a new Premium and Private Marketing function within BancoPosta with the aim of expanding the current service model to include all high-net-worth customers, identifying opportunities to develop the offer in conjunction with the Group's Strategic Marketing function;
- with reference to money laundering risk management, the formalisation of the new structure of the Group's Anti-Money Laundering function aimed at strengthening the system of existing controls through, inter alia, the strengthening of the Parent Company's role of direction, governance and supervision and the updating of some important governance policies, including the Group's Anti-Money Laundering Guidelines.

With reference to the sales channels, the territorial audits on Post Offices, delegated to Poste Italiane's Internal Control function on the basis of a specific Operating Guideline, confirmed a level of general positivity/adequacy of the control system, albeit with a progressive shift, compared to last year, of the incidence of positive assessments towards adequate assessments. In this regard, specific in-depth studies were initiated with the

competent Territorial Functions for those Territorial Areas that registered a higher level of inadequacy (e.g. Sicily and the Centre).

Overall, the audit results for the other territorial structures (branches and call centres) were positive. In 2023, corrective actions were implemented to strengthen, both procedurally and from a process perspective, the system of Level I and Level II line controls on the operations of Mobile Sales Specialists ('SCMs'), while the strengthening of IT systems supporting the tracking of Level I and Level II controls is being finalised. Furthermore, as of February 2024, the 'Control Dashboard' for the management of first- and second-level controls carried out by the competent functions of the Commercial Network was started on a trial basis.

With reference to the development of the offer, the new Marketing Plan 2024 was presented last December in the Financial and Insurance Services Committee, where the central role of postal savings is confirmed, with evolution of the offer for new targets and improvement of the customer experience, as well as Environmental, Social and Governance (ESG) issues, for which specific initiatives for further strengthening are also planned.

The Board of Statutory Auditors, with reference to the activities entrusted by BancoPosta to Poste Italiane, noted that the structure of the Operating Guidelines was confirmed in 2023 as per the previous renewal for the three-year period 2023-2025, with a further strengthening in a more challenging perspective of the target thresholds for 28 KPIs, defined after periodic analyses carried out by the outsourcing risk governance function.

There are 13 Guidelines in force in 2023, classified according to the regulatory definition into 7 FEI (Essential or Important Function), 3 No FEI (Non-Essential or Important Function) and 3 Control.

In 2023, following both the indications provided by the Supervisory Authority and the findings of the audit activities on the monitoring process of the entrusted essential or important functions ("FEI"), the gradual strengthening of the monitoring of the Guidelines continued, which led to the expansion of the automatic KPI calculation process and the consolidation of the workflow for the periodic review of the KPIs, as part of the evolution of the reporting tools and the sharing of results with the entrusted functions.

For the purpose of verifying service levels, a total of 380 KPIs were periodically monitored, the outcome of which as at 31 December 2023 was positive overall with approximately 96% of the performance indicators being in line with the defined targets; there was thus a 2% improvement over the previous year when 94% of the indicators were in line. In this regard, the Board was informed at various meetings held with the Head of the BancoPosta



function and the Heads of the BancoPosta control functions, and in particular at the meeting held on 5 December 2023, that the last activity envisaged in the Plan of Improvements relating to the automation of a set of 10 KPIs of the BancoPosta Guidelines, which was due to expire in December 2023, had been completed and certified by the Internal Audit function, in the same way as all the other actions provided for in 2023. The remaining activities in the ‘Contracting and Outsourcing’ area are already under way, with the last three actions in this area scheduled for completion by the end of 2024.

As a result of a reorganisation of activities, the Market Research Office, which previously operated within the DTO function, was merged within the Group’s Strategic Marketing function, and this led to the need to formalise a new set of Operating Guidelines, classified as “Non FEI”, to govern the activities for decision-making development and planning of marketing actions by BancoPosta, carried out within the Market Research Office.

Moreover, in continuity with previous years, the managerial incentive system (MBO) envisaged, among other things, synthetic performance indicators linked to the performance of the KPIs defined in the Operating Guidelines; for these KPIs, in 2023, the weight attributed to managers of the entrusted functions was increased, also following the findings of the aforementioned Bank of Italy inspection.

With regard to the processes subject to outsourcing to third parties, as set forth in the aforementioned Action Plan, the current model for the oversight and monitoring of KPIs in place on the activities outsourced to Poste Italiane was also extended to the outsourcing of FEIs. This was also confirmed by the audits conducted during the year on BancoPosta’s oversight of these activities, which revealed an overall systematisation of the monitoring of KPI performance; in this regard, it should be noted that an analysis of the contractual agreements with ICT third parties was launched in order to update them, where necessary, in line with the minimum contents established by the relevant regulations. The work of the Management Committees on the individual Operating Guidelines, which are important components of the monitoring system for the awarding of contracts, continued, and all supporting documentation was formalised and properly filed.

The Board noted that the audit activities carried out by Internal Audit on the monitoring process of the entrusted activities showed an overall positive trend.

Lastly, with regard to the procedural framework, the “Regulations for the Process of Assignment and Outsourcing of BancoPosta RFC” and the “Monitoring of Entrusting and Outsourcing SLAs” procedure have been updated, with additions concerning, inter alia, the process of periodic mapping, by the Entrusting Contact, of the KPIs on BancoPosta’s

Business Process Model, the formalisation of the criteria for identifying “penalty-type KPIs” and the formalisation of the criteria for applying and calculating penalties.

The Board, with reference to the 2023 Audit Plan, in the joint meeting with the Control and Risk Committee held on 18 March 2024 extensively reviewed the audit actions carried out in 2023 (Process Audit and IT Audit) with the related judgments, accompanied by the main corrective actions, indicating the actions with the highest severity, the progress of the work, the timing of implementation and the owners; the Board of Statutory Auditors also took note of the previous Audit Plans, which provide an update on the state of development of the main initiatives, as identified during the periodic monitoring activities.

The audit activities conducted in 2023 revealed areas for improvement regarding the control of digital channels, the placement, via web and app, of financial products, and although the fraud prevention systems were found to be advanced and integrated, the strengthening of the monitoring system and anti-fraud controls for credit transfers and SEPA pre-authorised debits (SDD) through fine-tuning of data extraction methods, of the rules of the monitoring indicators of pre-authorised debits to third-party banks and Poste Italiane customers, as well as the extension of PIAF functionalities to credit transfers at Post Offices, also in order to counter the most recent fraud scenarios involving the physical channel.

With regard to the management and placement of protection insurance policies aimed at both Retail and Business customers, given a general level of adequacy, there is a need to strengthen BP’s oversight of governance and monitoring activities for standard group policies, while with regard to the development and management of BancoPosta’s range of products and services given that the audits on the product governance and placement process for Mutual Investment Funds and Asset Management in Transferable Securities revealed an adequate system of controls, there is a need to strengthen the traceability of the various stages of the process in the dedicated document system, as well as to align ESG-related controls in the application supporting the provision of advice.

In addition, in the area of investment services, the audit activities revealed the need to continue the consolidation of the processes, including control processes, of the new channels, as well as the process of evolving information systems to support the business.

At the joint meeting with the Control and Risk Committee on 18 March 2024, the Board of Statutory Auditors examined the 2024 Annual Audit Plan and the 2024-2026 Multi-Year Audit Plan, which was subsequently approved by the Board of Directors at its meeting on

19 March 2024. At this meeting, the Board of Statutory Auditors received extensive information on all audits to be carried out by the Internal Audit function in the year 2024. The Board of Statutory Auditors has also noted that the resources allocated to audit activities, both in terms of numbers and in terms of professionalism, are to be considered adequate in relation to the activities envisaged in the Plan, as well as with respect to the constant evolutions of the processes/activities carried out by Poste, and has also been informed of the three-year audit coverage 2024-2026.

With regard to **BancoPosta's anti-money laundering** supervision, the Board recalls that the organisational model for the unitary management of the risk of money laundering and terrorist financing at Group level provides for BancoPosta to entrust these activities to the Group Anti-Money Laundering function, governed by an appropriate Guideline. The Board noted that during 2023, BancoPosta's Anti-Money Laundering Risk Management function carried out the following activities, in particular:

- update of the BancoPosta Anti-Money Laundering Guidelines;
- preparation of the Annual Anti-Money Laundering Report and execution of the Risk Self-Assessment Exercise;
- completion of the AML Survey Questionnaire 2022;
- support to the CA/ARG and Marketing Functions within BancoPosta in the review analysis of the offer on the business target;
- reporting of activities entrusted through the monitoring of KPIs;
- evolution of analysis models applied to level II controls and adoption of a cloud-based solution;
- support to business functions during the launch of new products to analyse the inherent risk and identify possible mitigation measures (financing, smart collection, investments);
- drafting of anti-money laundering operating protocols (POA) as part of the distribution agreements for products of partner companies subject to anti-money laundering regulations;
- continuation of the update of the due diligence of higher-risk customers.

As at 31 December 2023, seven out of eight initiatives listed in the 2022 Annual Report had been completed. In particular, the measures enabling the use of PEAV were completed in line with the commitments undertaken and communicated to the Supervisory Authority following the inspections conducted in 2022 on BancoPosta and PostePay. With regard to

the re-planned initiative, the Board ascertained that it aims to increase the efficiency of the control activities already carried out with the current tools in use, through the use of automated procedures.

The Board was informed that in 2023 there was a decrease in the number of reports sent to the UIF in the BancoPosta area, which was also due to a decrease in the number of reports related to tax credit offences. The regions with the most at-risk operations were Campania, Lombardy, Tuscany and Lazio.

In the course of 2023, specialised training was carried out on Post Office Managers (DUPs) of areas operating in higher-risk areas and on Back Office staff, with the continuation of mandatory courses in order to maximise the percentage coverage of basic training. The majority of the resources allocated were related to developments in PEAV and the streamlining of Anti-Money Laundering processes.

It should be noted that at the beginning of 2024, the Risk Management Function was involved in the risk self-assessment activity referring to 2023 and the preparation of the Annual Anti-Money Laundering Report that will be presented in April 2024 to the Board of Directors. In particular, the purpose of the exercise is to identify, analyse and assess the main current and potential risks to which BancoPosta is or may be exposed, due to: (i) the unique regulatory and operational characteristics; (ii) its significant size and widespread territorial presence; and (iii) the procedural, organisational and infrastructural complexity.

In this regard, the Board was informed, during the March 2024 meeting attended by the Head of the Risk Management function, that in line with last year, a “low” residual risk value emerged for 2023, defined on a scale of 4 residual risk values (“Not Significant”, “Low”, “Medium” and “High”), based on the combination of the inherent risk and vulnerability ratings.

With reference to the risk of money laundering, the Internal Audit function reported that during the year 2023, the project for the implementation of the “Pratica Elettronica di Adeguata Verifica” (PEAV) (Electronic Due Diligence Procedure) continued, aimed at progressively strengthening (i) the customer profiling process following the introduction of the update of the due diligence on a periodic basis according to the risk profile, (ii) the integration with the device channels in order to ensure real-time monitoring of all operations as well as the adoption of any reinforced measures for the assessment of the merits of operations. Also based on the Audit activities conducted by the Internal Audit function, an overall adequate control system emerged, given the significant complexity of

the project, with the need for specific action plans referring, for the most part, to the need to finalise the new organisational model to ensure the timely updating of the due diligence questionnaires from a risk-based perspective and to strengthen the due diligence process and monitoring of the beneficial owner for legal entity relationships. The IT audits on the internal control system protecting the security of the information systems supporting the Due Diligence processes also revealed general adequacy, given the significant project complexity. Pending the completion of the new management model for the Due Diligence Questionnaire, campaigns were launched during the audit to update the profiles identified by the Group Anti-Money Laundering structure relating to high-risk customers with expired Due Diligence Questionnaires.

During 2024, the BancoPosta Anti-Money Laundering function will provide support: (i) in the evolution of the Electronic Due Diligence Procedure (PEAV); (ii) in the evolution of the models used for Level II controls; (iii) to the Business functions for ex ante risk assessments (new products, revision of existing products with respect to specific targets); (iv) in the continuation of updating activities in the area of Due Diligence on the basis of the new profiling engine; (v) in the progressive adaptation of new automatic anomaly indicators and in the enhancement of reporting functions. In addition, plans are in place to reinforce line controls in the area of funds transfer (including top-ups on digital channels) and with regard to new funding for investments. Lastly, plans are in place to update the Anti-Money Laundering Procedure and to cooperate with the Group Anti-Money Laundering Function and other Functions of Poste Italiane to define the Remote Onboarding procedure.

The Board of Statutory Auditors, as already illustrated, was informed of the completion of the corrective measures implemented by BancoPosta following the inspection carried out by the Bank of Italy in 2017.

The Board was also informed about the initiatives implemented in the IT/Information Security area, on sales channels, on the provision of investment services and on the distribution of insurance products, on the mobile channel (BancoPosta and PostePay mobile apps), as well as on strengthening actions in the area of on-line fraud and illegal events in the sales network.

In the course of 2023, the Board verified the results of the checks on the territorial sales network, assigned to Poste Italiane's Internal Control function on the basis of the specific Operating Guideline, which showed a generally adequate and gradually improving control system.

Following the update of the regulatory framework for the governance mechanisms of BancoPosta RFC (BancoPosta's Organisational and Operating Regulations, the Guidelines for Identifying Key Personnel in relation to BancoPosta RFC) approved in 2023, the following were also updated: the Regulations for the process of entrusting and outsourcing BancoPosta RFC, the Regulations of the Financial and Insurance Services Committee, the Information Security Act, the Guidelines for defining the Risk Appetite Framework and the assessment of the Most Significant Transactions of BancoPosta RFC, the Product Governance Guidelines for Poste Italiane's investment, insurance and banking products, and the Guidelines for the Provision of Investment Services.

With regard to operational incidents, the Board of Statutory Auditors has kept constant focus on those that occurred during the previous year, inviting BancoPosta and the DTO function to give priority to preventive interventions in order to avoid the occurrence of such events.

The Board, with reference to IT operational incidents within BancoPosta, was informed that during 2023 BancoPosta's BCM group was involved by the DTO in assessing 14 HIGH severity disruptions, of which 6 incidents with an impact on BancoPosta financial services, classified as serious by the Incident Management Unit, and reported to the Bank of Italy, in accordance with the relevant EBA regulations. The incidents that recurrently affected Financial and Payment Services, including those classified as non-serious, included incidents that made the BancoPosta APP and Instant Payment service unavailable on several occasions.

Actions initiated in 2023 and to be completed in 2024, with the aim of reducing the recurrence of events on these critical services, include:

- the strengthening of first-level system activities in the Service Control Room by adopting automatic tools capable of performing repetitive checks on the status of the infrastructures in use for the business-critical services provided;
- the continuation of the routine 'health check' of the new architectural/infrastructural components such as Kafka, Mongo DB and OpenShift in order to verify the ability to guarantee scalability, consistency and performance of the application services delivered through these new functionalities;
- the implementation of actions to further improve the efficiency of the storage infrastructure.

In addition to the provisions for incident management in the financial sector, the control model for malfunctions in the event of an impact on PSD2c services was strengthened in 2023, with the publication of the procedure Management of passive BancoPosta PSD2 Open Banking services. During 2023, 7 PSD2 incidents were detected and reported to the Bank of Italy, of which 4 were platform-specific and 3 also affected direct services.

In 2023, in line with the provisions of the Group's Event and Incident Management Guidelines, the Financial Services Incident Management Procedure (BancoPosta), the DTO Monitoring procedure (IT Malfunctioning and Disruption Management Procedure) and the Real Estate Security Incident Management Procedure were updated. In addition, by outsourcing to the Group BCM, revisions of the incident management procedures of Physical Security, Fraud, Fund Movement, and Occupational Health and Safety were initiated.

In addition, the classification process set out in the incident management procedures, which provides for a pre-classification of the controls with the support of the Supervised entities and a subsequent final classification by the Incident Management Unit for incidents assessed as 'serious' by the control units, was duly applied during 2023.

The Board of Statutory Auditors recommends, as part of the IT interventions, to (i) make a further effort to accelerate the completion times of the IT remedial plans and (ii) complete the IT intervention plan in the Anti-money laundering area, as also reported by the Bank of Italy inspection.

❖ *Supervisory activities of BancoPosta's Supervisory Board and Inspections by the Supervisory Authorities.*

During the year, the Board oversaw BancoPosta, also with reference to compliance with the Supervisory Standards contained in Bank of Italy Circular 285/2013, and in close conjunction with the Remuneration Committee, correct application of the regulations governing the remuneration of the heads of the Company's Control Functions.

The Board of Statutory Auditors periodically reviewed the structure of the Guidelines governing the relations concerning functions outsourced by BancoPosta to Poste Italiane in order to oversee the criteria applied for the allocation of costs associated with Poste's activities for the management of RFC, since such costs must be allocated in accordance with criteria that reflect the real contribution of the various management activities to BancoPosta RFC results and to those of the company as a whole.

With regard to control activities contracted out to Poste Italiane functions, the Board of Statutory Auditors, in line with the relevant Supervisory Standards applied to BancoPosta RFC - Circular 285/2013, Chapter 1 BancoPosta, Section II, Par. 5, assessed the costs, risks and benefits of the contract on an annual basis. During a meeting with the Head of BancoPosta, the Board of Statutory Auditors acknowledged the management roles of the activities assigned by BancoPosta to other Poste Italiane's Functions via the Operating Guidelines, and the controls designed to mitigate the operating risks deriving from these assignments, and deemed the entire set of Operating Guidelines, which was subjected to validation on adequacy by a consultancy firm, to be adequate.

The Compliance and Risk Management functions have periodically prepared their respective reports on compliance risk and significant risk exposures for BancoPosta, and on the state of progress of the initiatives undertaken as a result of the commitments given to the Bank of Italy following the inspection conducted in 2017, aimed at analysing the systems for the governance, control and management of operational and IT risks as part of BancoPosta's operations in respect of which all initiatives were implemented by the end of 2023, in line with the time-scales set forth and with Consob. In this regard, the Board of Statutory Auditors ascertained the completion of the corrective action programme adopted following the Bank of Italy's findings, with the completion of the last initiative in the area of Data Centre Transformation, and all the initiatives were certified by Internal Audit.

In March 2023, Consob launched a thematic investigation into the processes and procedures adopted, or under development, with regard to ESG. The reply was provided on 19 May 2023.

In July 2023, Consob sent a request for specific investigations on: (i) customer profiling, (ii) concentration control, (iii) transparency measures on ex post costs and charges, and (iv) how to identify off-premises personnel. On 7 September 2023, feedback was provided within the deadline requested by the Authority. In January 2024, Consob requested unitary feedback on different areas of investigation including: (i) further update on the topics covered by the above-mentioned feedback of 7 September 2023 (profiling, concentration control, transparency measures on costs and charges, and identification methods); (ii) new Customer Service and Portfolio Model, to which feedback was provided on 23 February 2024.



As already mentioned, for the sake of completeness of information, we would also like to remind you of the inspection started on 14 March 2022 by the Bank of Italy, pursuant to Article 54 of Legislative Decree no. 385 of 1 September 1993, in Poste Italiane S.p.A. - BancoPosta RFC and completed on 15 July 2022, aimed at verifying the adequacy of the models adopted by BancoPosta with reference to: business management, governance and control systems - with particular focus on outsourcing and control functions (Compliance, Risk Management and Outsourcing Governance and Internal Audit) - the assessment of interest rate risk, as well as an in-depth examination of the new tax credit business and associated risks. Based on the Inspection Report delivered to Poste Italiane on 30 November 2022, a detailed Plan of Improvement Actions ('Plan') was prepared and approved by the Board of Directors in January 2023.

The Board of Statutory Auditors, in the course of various meetings held with the Head of the BancoPosta function and the Heads of BancoPosta's Control functions, constantly monitored the implementation of the aforementioned Plan, in order to verify the progress of activities and compliance with the timetable communicated to the Supervisory Authority.

In the course of its supervisory activity, the Board also took note of the communication notified by the Bank of Italy on 21 September 2023, provided during the Board of Directors' meeting of 27 September 2023, whereby the Bank of Italy informed the Company of its decision not to proceed with the sanctioning proceedings initiated by the Authority with regard to finding No. 10 (Initiation of tax credit business: AML issues); and No. 11 (Controls on risk profiling of due diligence).

The implementation of the measures was constantly monitored by the Board, which liaised with BancoPosta's Internal Audit Function, verifying that their progress was reported to the Bank of Italy on a quarterly basis, through *Tableau de Bord* and specific documents. In particular, the Board, at its meeting of 5 December 2023, held with the Head of the BancoPosta Function and the heads of BancoPosta's Control Functions, noted that the activities defined in the Plan of Improvement Actions are largely complete, with only three measures remaining to be completed by the year 2024. As of Q4 2023, the overall progress of the Plan is 96%, with 67 actions completed out of a total of 70 envisaged in the Plan. The three remaining actions, all pertaining to project No. 3 'Contracting and Outsourcing', whose activities have already been started, are scheduled (i) in June 2024 for the action relating to the completion of the monitoring and reporting of Important Essential Functions

(‘FEI’) outsourcing and (ii) in December 2024 for the automation of a set of KPIs of other Guidelines relating to an outsourcing contract.

The Board therefore noted the positive progress of the Action Plan with respect to the programme and that, as things stand, there are no critical issues or impediments to the realisation of the further 3 initiatives to be completed by the end of this year.

With regard to the procedures for managing the funds received by PostePay in exchange for the issuance of electronic money, which were the subject of a communication from the Bank of Italy in July 2022 regarding full compliance with the Supervisory Provisions, following discussions with the Authority aimed at identifying an operational solution, on 4 August 2023 BancoPosta and PostePay sent the Bank of Italy a draft of a revolving pledge agreement, which was also supported by the opinion of an external legal firm.

❖ *Observations concerning BancoPosta’s internal control system*

BancoPosta’s internal control system is based on:

- Control Bodies and Functions, involving, each for their respective competencies, the Board of Directors, the Control and Risk Committee, the Sustainability Committee, the Head of BancoPosta, the Board of Statutory Auditors, as well as the Company Functions with specific duties in this regard;
- information flows and coordination methods between the parties involved in the internal control and risk management system;
- governance mechanisms.

With regard to the governance mechanisms, during 2023 and up to the current date, the BoD has approved various regulations and guidelines designed to strengthen the nature and effective functionality of the overall internal control system over BancoPosta RFC:

- Update of the BancoPosta Organisational and Operating Regulations, the Product Governance Guidelines for investment, insurance and banking products and the Regulations for the Contracting out and Outsourcing Process;
- Report on ICT Adequacy and Costs - BancoPosta;
- ICT strategic policy document
- Update of the Anti-Money Laundering Guidelines - BancoPosta RFC;
- Approval of the BancoPosta RFC Risk Appetite Framework for 2023;
- Updated of the 2023 “Guidelines for BancoPosta RFC’s remuneration and incentive policies”;

- Update of the “Guideline for the identifying BancoPosta’s Material Risk Takers and Annual identification process of BancoPosta RFC’s Material Risk Takers”;
- Update of the collection behavioural model;
- Renewal of the three-year committed repo facility granted by Cassa Depositi e Prestiti S.p.A. in favour of Poste Italiane S.p.A. - BancoPosta RFC;
- Report on the analysis of operational and security risks in payment services;
- Guideline on limits and criteria for the selection of issuers for the public placement of bonds and certificates.

In summary, in light of the overall activities carried out and considering:

- the organisational structure of BancoPosta RFC, specifically;
  - the existing set of procedures and their continuous updating;
  - the results of the verification and evaluation activities received by the Board of Statutory Auditors from the BancoPosta’s Internal Control Function;
  - the results of the inspection activities carried out by the various Supervisory Authorities;
  - the assessment results recorded during the year by the other corporate control functions provided for by the Internal Control and Risk Management System;
  - the information acquired during participation by the Board of Statutory Auditors in the meetings of the Board of Directors and Board Committees;
  - the exchange of information with the Independent Auditors, the Data Protection Officer (“DPO”) and the SB pursuant to 231/2001;
  - the main developments of the Internal Control and Risk Management System and, in particular, the initiatives to strengthen it;
  - the compensatory controls and improvement measures implemented and/or under way in relation to the findings relating to the Internal Control and Risk Management System highlighted by the BancoPosta Internal Audit functions and the Audit functions of Group companies;
  - further events with potential impacts on the Internal Control and Risk Management System, including corporate project initiatives in specific operational areas, implemented or in the process of progressive implementation;
  - the evidence acquired from management of the Whistleblowing reporting system,
- the Board of Statutory Auditors is not aware of critical situations or events that might suggest shortcomings in the Internal Control System of BancoPosta RFC in particular.

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*19. and 20. Final considerations on the audit procedures performed and an indication of any proposals to be presented to the General Meeting pursuant to art. 153, paragraph 2 of Legislative Decree no. 58/1998.*

In accordance with Consob requirements, we declare that in the performance of our duties we have not been made aware of omissions, instances of negligence, irregularities or evidence of inadequacies in the organisational structure, Internal Control System or Administrative and Accounting System considered relevant for the purposes of this Report. On the basis of the supervisory activities carried out during the year, the Board of Statutory Auditors, considering the content of the reports prepared by the Independent Auditor and having noted the attestations issued jointly by the Chief Executive Officer and the Manager responsible for financial reporting, is not aware, to the extent of the scope of its activities, of any reasons preventing the approval of the financial statements of Poste Italiane and the consolidated financial statements of the Poste Group for the year ended 31 December 2023, as well as the proposal for allocation of the profit for the year, including the dividend distribution by the BoD.

Rome, 12 April 2024

for the Board of Statutory Auditors

Chairman

Mauro Lonardo

(original signed)

(This report has been translated from the original issued in accordance with Italian legislation)



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INDEPENDENT AUDITOR'S REPORT  
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE N. 39 OF JANUARY 27, 2010  
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of  
Poste Italiane S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of the Poste Italiane Group (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2023, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Poste Italiane S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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***Impairment test of goodwill allocated to the "Mail, Parcels and Distribution" CGU and "Payments and Mobile" CGU*****Description of the key audit matter**

The Group has recognized Euro 796 millions of goodwill under Intangible Assets in the consolidated financial statements as at 31 december 2023. In particular, this goodwill is mainly related:

- for Euro 459 millions to the cash generating unit ("Cash Generating Unit" - "CGU") "Payments and Mobile", resulting from the acquisition of the LIS group, and
- for Euro 213 millions to the CGU represented by the "Mail, Parcels and Distribution" business segment characterized by the persistence of negative economic results and the decline of the postal market in which the Poste Italiane Group operates, further aggravated by the current scenario characterised by a significant volatility of the main market factors and significant uncertainty with regard to economic expectations.

As required by IAS 36 "Impairment of assets", these goodwills are not systemically amortized but are subject to impairment test ("impairment test"), carried out at least annually, by comparing their carrying amounts with the recoverable amounts of the corresponding CGU.

"Mail, Parcels and Distribution" and "Payments and Mobile" CGUs were subject to the assessment of the recoverability of their carrying amount, inclusive of the goodwill as well as the other assets allocated to the CGUs, based on the 2024-2028 Strategic Plan approved by Poste Italiane S.p.A.'s Board of Directors on March 19, 2024 (the "2024-2028 Strategic Plan"). In particular, the recoverable amount was determined by estimating the "value in use" of both the CGUs, representative of the estimate of the future cash flows expected from the use of the assets included in the CGUs, including, in particular, with reference to the "Mail, Parcels and Distribution" CGU, the properties used as post offices and mechanization and sorting centers, as part of the ordinary company production process and taking into account the obligation to fulfill the Universal Postal Service and the economic conditions envisaged for the services rendered to BancoPosta's ring-fenced capital. These flows were discounted at an appropriate rate.

The impairment test carried out by the Company confirmed the recoverability of the goodwill and of the other assets attributed to the CGUs.

In the Appendix to Chapter 8 "Proposed shareholder resolutions and other information" of the Report on Operations and in Notes 2.5 "Material Information on Accounting Standards - Impairment of assets", 2.6 "Use of estimates", paragraphs "Impairment tests of goodwill, cash generating units and equity investments", "Mail, Parcels and Distribution CGU" and "Payments and Mobile CGU", and 4.4 "Operating Segments", as well as in Note A3 "Total Assets - Intangible Assets" of the consolidated financial statements, disclosure on the aspects described above is provided.

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Considering the relevance of the amount of goodwill recognized in the financial statements and attributed to the "Mail, Parcels and Distribution" CGU and "Payments and Mobile" CGU, the subjectivity of the estimates related to the determination of the cash flows expected of those CGUs, taking into account also the uncertainties related to the current macroeconomic environment and the key variables of the impairment model, we considered the impairment test of goodwill allocated to the "Mail, Parcels and Distribution" CGU and to the "Payments and Mobile" CGU a key audit matter of the Group's consolidated financial statements as at December 31, 2023.

**Audit procedures performed**

The main procedures carried out as part of our audit work, also with the support of Deloitte network experts, have included the following:

- identification and verification of the operational effectiveness of the key controls carried out by the Company over the impairment testing process;
- obtaining an understanding of the methods and assumptions adopted by the Company to carry out the impairment test;
- verification of the consistency of the methodological approach adopted by the Company, with particular reference to the identification of the CGUs and the determination of the related recoverable amounts, with respect to the requirements of the accounting policy IAS 36 "Impairment of Assets";
- analysis of the reasonableness, also by obtaining information from the Company, of the principal assumptions adopted to estimate future cash flows expected by the CGUs, also taking into account the uncertainties related to the current macroeconomic environment and the key variables used in the valuation model adopted for the impairment test;
- verification of the logical and mathematical correctness of the determination of the cash flows in the context of the impairment test mentioned above, as well as of the overall reasonableness of the calculation of the weighted average cost of capital ("WACC") and of the consistency of the assumptions related to the "terminal value", that is the value that represents the ability of the CGUs to generate cash flows, estimated beyond the explicit forecast period of the 2024-2028 Strategic Plan;
- review of the sensitivity analysis prepared by the Company;
- verification of the completeness and compliance of the disclosures provided by the Company in the consolidated financial statements with respect to the the applicable international financial reporting standards.

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**First application of the international financial reporting standard IFRS17 – Insurance Contracts****Description of the key audit matter**

The new international financial reporting standard IFRS 17 “Insurance Contracts” came into effect for reporting periods beginning on or after January 1, 2023, replacing the previous standard IFRS 4. Under the new standard the insurance contracts are measured based on the *General Model* or *Building Block Approach*, the *Variable Fee Approach*, a mandatory variant for contracts with direct participation features, or the *Premium Allocation Approach*, a simplified model for contracts with a coverage period of one year or less as well as for multi-year contracts for whom simplification linked to the model would not lead to a significantly different result of the Insurance Liabilities compared to that obtainable with the general model.

In Note 2.3 “New accounting standards and interpretations and those soon to be effective” the Group, as required by the international financial reporting standards, provides qualitative and quantitative information regarding the implementation of the new accounting standard, the measurement choices made during the transition, as well as the assessment of potential impacts resulting from the application of this new standard in the first reporting period of adoption. In particular, net of the tax effect, the first application of IFRS 17 resulted in an overall negative effect on shareholders’ equity equal to Euro 897 million respectively at the transition date, represented by January 1, 2022, and Euro 1,059 million as at December 31, 2022. It also determined for the 2022 financial year a positive effect on the net profit for the year equal to Euro 72 million and a negative effect on the total other comprehensive income equal to Euro 234 million.

The disclosure provided by the Group in the consolidated financial statements as at December 31, 2023, aims to enable its users to understand the impacts resulting from the application of the new accounting standard.

In consideration of the pervasive interpretative and operational complexities arising from the application of the new international financial reporting standard and the specific valuation methods adopted during the transition, the discretionary component inherent in the estimation process of insurance liabilities, particularly the Contractual Service margin, and the significance of the aforementioned effects, we considered the first-time adoption of the international financial reporting standard IFRS 17 a key audit matter of the Group’s consolidated financial statements as at December 31, 2023.

**Audit procedures performed**

In performing the procedures carried out as part of our audit work, also with the support of Deloitte network experts, we preliminary examined the implementation process carried out by the Group, focusing on the measurement choices made that are relevant to estimating the effects resulting from the first application of IFRS 17, particularly regarding insurance liabilities.



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The following main procedures were performed:

- obtaining and examining the methodological notes prepared by the Group with reference to the models and evaluation approaches followed and any further documentation produced and made available, with particular reference to the interpretative areas, also through collection of information, interviews with the competent functions and in-depth analysis with external consultants;
- analysis of the documentation to support the application choices made by the Group for the identification of the groups of insurance contracts in relation to the provisions of the standard and consequent valuation models adopted at the transition date and for the determination of the margin on contractual services at that date;
- reasonableness analysis of the main technical and evolutionary methods and hypotheses on which the estimates of future cash flows, the adjustment for non-financial risk and the margin on contractual services were based for the purposes of determining the impacts deriving from the first application of IFRS 17;
- verification of the correct determination of the impacts deriving from the first application of the standard and related accounting representation;
- verification of the completeness and compliance of the disclosures provided by the Company in the consolidated financial statements with respect to the the applicable international financial reporting standards.

### *Valuation of Insurance Liabilities*

#### **Description of the key audit matter**

As at December 31, 2023, the Group recognized in the consolidated financial statements in the item "Liabilities under insurance contracts" (the "Insurance Liabilities"), for a total amount of Euro 155,338 millions, of which Euro 155,086 million relating to Insurance Liabilities valued on the basis of the "General Model or Building Block Approach" and "Variable Fee Approach" valuation models, and Euro 252 million relating to Insurance Liabilities valued on the basis of the "Premium Allocation Approach" valuation model. These adopted valuation models are required by the new international financial reporting standard IFRS 17 "Insurance contracts".

In particular, the Insurance Liabilities, equal to approximately 57% of the Group's total liabilities and equity, are representative of the liabilities towards the insured parties deriving from the insurance contracts stipulated by the insurance companies of Poste Italiane Group.

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In Notes 2.4 “Changes to accounting policies” and 2.6 “Use of estimates”, paragraph “Insurance liabilities” the criteria and methodologies applied in determining the Insurance Liabilities by the Group are disclosed. In compliance with the provisions of the accounting standard IFRS 17, at the inception of an insurance contract or an investment contract with discretionary participation features, a liability or an insurance asset is recognized the amount of which is based on the the sum of the fulfilment cash flows necessary to fulfill the contract, on the determination of an adjustment to protect non-financial risks (Risk Adjustment), and of the margin on contractual services (Contractual Service Margin) which will be released throughout the life of the insurance contract.

The determination of Insurance Liabilities is based on complex estimation processes and requires the use of assumptions and hypotheses of a technical, demographic, actuarial and financial nature that include, among others, the forecast of future cash flows linked to the fulfillment of the contracts falling within the scope of application of IFRS 17, the determination of the discount rate to be applied in the present value calculation, the variation in the Group’s share of the fair value of underlying items, the risk adjustment for non-financial risk, and the quantification of the portion of the contractual service margin to be recognized in the income statement.

In paragraph 7.3.3. “Insurance Services Strategic Business Unit” of the Report on Operations and in Notes 2.3 “New accounting standards and interpretations and those soon to be effective”, 2.4 “Changes to accounting policies”, 2.6 “Use of estimates”, paragraph “Insurance liabilities”, B5 “Total Consolidated liabilities – Liabilities under insurance contracts” and C3 “Consolidated statement of profit or loss – Net revenue from insurance services”, disclosure on the aspects described above is provided.

In consideration of the significance of the amount of the Insurance Liabilities recorded in the consolidated financial statements and the complexity involved in the determination process of the discretionary component, including the margin on contractual services, we considered the valuation of Insurance Liabilities a key audit matter of the Group’s consolidated financial statements as at December 31, 2023.

**Audit procedures performed**

The main procedures carried out as part of our audit work, also with the support of Deloitte network experts, have included the following:

- understanding the key measurement models adopted by the Group in the assessment of Insurance Liabilities obtaining and analyzing methodological notes and conducting interviews with relevant business functions;
- understanding the process of determining Insurance Liabilities, which included knowledge of management, assumptive, and actuarial guidelines, as well as the processes for defining hypotheses and assumptions used by the Management;

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- identification and verification of the operational effectiveness of the key controls carried out by the Group in relation to the evaluation and determination process of the Insurance Liabilities;
- carrying out verification procedures in relation to the completeness and adequacy of the portfolios taken as reference and their underlying data;
- understanding the calculation methodologies of Insurance Liabilities and verification of the application of these methodologies in the actuarial calculation and projection models, which included, among others, the following main procedures;
  - verification of the reasonableness of the assumptions and technical hypotheses used in estimating expected cash flows;
  - analyzing the economic scenarios used and checking the correctness of the applied discount rates and verification of the correctness of the discount curve applied and the determination of the component relating to the *illiquidity risk premium*;
  - verification of the correctness of the calculation of the present value of expected cash flows;
  - verification of correctness of the calculation of the Risk Adjustment percentage, for groups of insurance contracts and of the consistency with what defined in the methodological notes;
  - analysis of the consistency with what envisaged by the principle of the criterion identified for the release of the margin on contractual services and verification of the correct determination of the coverage units for the purposes of using them for the definition of the release to the income statement;
  - verification of the reasonableness of the Group's share of the fair value of underlying items;
  - verification of the correct recognition of economic and financial impacts related to the Insurance Liabilities.
- verification of the completeness and compliance of the disclosures provided by the Company in the consolidated financial statements with respect to the applicable international financial reporting standards.

### Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the parent company Poste Italiane S.p.A. or the termination of the operations or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

### Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The shareholders' Meeting of Poste Italiane S.p.A. has appointed us on May 28, 2019 as auditors of the Company for the years from December 31, 2020 to December 31, 2028.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Poste Italiane S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the consolidated financial statements as at December 31, 2023, to be included in the annual financial report.

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We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2023 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information contained in the notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, may not be reproduced in the same way as the corresponding information displayed in the consolidated financial statements in XHTML format.

### **Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98**

The Directors of Poste Italiane S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of the Poste Italiane Group as at December 31, 2023, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of Poste Italiane Group as at December 31, 2023 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Poste Italiane Group as at December 31, 2023 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

### **Statement pursuant to art. 4 of the Consob Regulation for the implementation of Legislative Decree 30 December 2016, n. 254**

The Directors of Poste Italiane S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 30 December 2016, n. 254.

We verified the approval by the Directors of the non-financial statement.

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Pursuant to art. 3, paragraph 10 of Legislative Decree 30 December 2016, n. 254, this statement is subject of a separate attestation issued by us.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Marco Miccoli**  
Partner

Rome, Italy  
April 4, 2024

*This report has been translated into the English language solely for the convenience of international readers.  
Accordingly, only the original text in Italian language is authoritative.*



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INDEPENDENT AUDITOR'S REPORT  
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE N. 39 OF JANUARY 27, 2010  
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of  
Poste Italiane S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Poste Italiane S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2023, statement of profit or loss, statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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***Estimate of the recoverable amount of the "Mail, Parcels and Distribution" business segment***

**Description of the key audit matter** The Company's assets are partially allocated to the cash generating unit ("Cash Generating Unit" - "CGU"), represented by the "Mail, Parcels and Distribution" business segment affected by the persistence of negative economic results and the decline of the postal market in which the Company operates, further aggravated by the current macroeconomic scenario characterised by significant volatility of the main market factors and significant uncertainty with regard to economic expectations.

As required by IAS 36 "Impairment of assets", the "Mail, Parcels and Distribution" CGU was subject to impairment test by comparing the carrying amount of its assets with the recoverable amount of the CGU to ensure that the book value is justifiable ("impairment test") based on the 2024-2028 Strategic Plan approved by Poste Italiane S.p.A.'s Board of Directors on March 19, 2024 (the "2024-2028 Strategic Plan"). In particular, the recoverable amount was determined by estimating the "value in use" of the CGU, representative of the future cash flows expected from the use of the assets included in the CGU, including, in particular, the properties used as post offices and mechanization and sorting centers, as part of the ordinary company production process and taking into account the obligation to fulfill the Universal Postal Service and the economic conditions envisaged for the services rendered to BancoPosta's ring-fenced capital. These flows were discounted at an appropriate rate.

The impairment test carried out by the Company confirmed the recoverability of the value of the assets attributed to the CGU.

In the Appendix to Chapter 8 "Proposed shareholder resolutions and other information" of the Report on Operations and in Notes 2.5 "Material Information on Accounting Standards - Impairment of assets", 2.6 "Use of estimates", paragraphs "Impairment tests of goodwill, cash generating units and equity investments" and "Mail, Parcels and Distribution CGU", 4.4 "Operating Segments" and in Note A3 "Total Assets - Intangible Assets" of the separate financial statements, disclosure on the aspects described above is provided.

Considering the relevance of the amount of the carrying amount of the Company's assets allocated to the CGU "Mail, Parcels and Distribution", the subjectivity of the estimates related to the determination of the cash flows expected of the CGU, taking into account also the uncertainties related to the current macroeconomic environment, and the key variables of the impairment model, we considered the determination of the recoverable amount of the business segment "Mail, Parcels and Distribution", a key audit matter of the financial statements as at December 31, 2023.

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### Audit procedures performed

The main procedures carried out as part of our audit work, also with the support of Deloitte network experts, have included the following:

- identification and verification of the operational effectiveness of the key controls carried out by the Company over the impairment testing process;
- obtaining an understanding of the methods and assumptions adopted by the Company to carry out the impairment test;
- verification of the consistency of the methodological approach adopted by the Company, with particular reference to the identification of the CGU and the determination of its recoverable amount, with respect to the requirements of the accounting policy IAS 36 "Impairment of Assets";
- analysis of the reasonableness, also by obtaining information from the Company, of the principal assumptions adopted to estimate future cash flows expected by the CGU, also taking into account the uncertainties related to the current macroeconomic environment and the key variables used in the valuation model adopted for the impairment test;
- verification of the logical and mathematical correctness of the determination of the cash flows in the context of the impairment test mentioned above, as well as of the overall reasonableness of the calculation of the weighted average cost of capital ("WACC") and of the consistency of the assumptions related to the "terminal value", that is the value that represents the ability of the company to generate cash flows, estimated beyond the explicit forecast period of the 2024-2028 Strategic Plan;
- review of the sensitivity analysis prepared by the Company;
- verification of the completeness and compliance of the disclosures provided by the Company in the financial statements with respect to the applicable international financial reporting standards.

### Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the operations or have no realistic alternatives to such choices.

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The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

### Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The shareholders' Meeting of Poste Italiane S.p.A. has appointed us on May 28, 2019 as auditors of the Company for the years from December 31, 2020 to December 31, 2028.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Poste Italiane S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the financial statements as at December 31, 2023, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2023 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

#### Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Poste Italiane S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Poste Italiane S.p.A. as at December 31, 2023, including their consistency with the related financial statements and their compliance with the law.

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We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements of Poste Italiane S.p.A. as at December 31, 2023 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of Poste Italiane S.p.A. as at December 31, 2023 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Company and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Marco Miccoli**  
Partner

Rome, Italy  
April 4, 2024

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**INDEPENDENT AUDITOR'S REPORT  
ON THE CONSISTENCY OF THE DATA CONTAINED IN THE SEPARATE REPORT  
OF BANCOPOSTA'S RING-FENCED CAPITAL WITH THOSE REPORTED  
IN THE COMPANY'S FINANCIAL STATEMENTS**

To the Board of Directors of  
Poste Italiane S.p.A.

As entity in charge of the statutory audit of the accounts of Poste Italiane S.p.A. (the "Company"), we have undertaken a limited assurance engagement of the accompanying separate report of BancoPosta's Ring-fenced Capital - RFC, which comprise the statement of financial position as at December 31, 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements ("Separate Report"), attached to the Company's financial statements in accordance with the provisions of Section 8 of BancoPosta's RFC Regulation, in order to verify the consistency between the data contained in the Separate Report and those reported in the Company's financial statements at December 31, 2023.

#### Directors' Responsibility

The Directors of Poste Italiane S.p.A. are responsible for the preparation of the Separate Report in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/2015 and the provisions of art. 2447-septies paragraph 2 of the Italian Civil Code. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Separate Report that is free from material misstatements, whether due to fraud or error.

#### Independence and quality control policies

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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### Auditor's Responsibility

Our responsibility is to express a conclusion on the Separate Report based on the procedures performed. We conducted our engagement in accordance with *International Standards on Assurance Engagements - Assurance Engagements other than Audits or Reviews of Historical Information* ("ISAE 3000 revised") issued by International Auditing and Assurance Standards Board for limited assurance engagements. This standard requires that we plan and perform the review to obtain limited assurance as to whether the Separate Report is free of material misstatements.

The procedures performed have been based on our professional judgment and have included inquiries primarily of persons responsible for the preparation of the Separate Report, analysis of documents, recalculations, comparisons, reconciliations with the accounting records and other procedures to obtain supporting evidence.

In accordance with the above criteria, we have performed the necessary procedures in order to achieve the objectives of the mandate pointed out in the first paragraph. In detail, we have performed the following procedures:

- understanding, through interviews with the Management, of the criteria adopted by the Company for the preparation of the Separate Report and verification of their consistency with the provisions of the Bank of Italy Circular no. 262 of December 22, 2005 as amended and the provisions of art. 2447-septies paragraph 2 of the Civil Code;
- obtaining the reconciliation arranged by the Company between the data reported in the Company's financial statements and the data reported in the Separate Report;
- understanding of the methodology used by the Company for sharing common costs;
- verification that the data included in the Separate Report comply with the accounting records and the criteria adopted by the Company for the preparation of the Separate Report;
- verification that the data included in the Separate Report are consistent with the reconciliation prepared by the Company and with the methodology applied for sharing common costs;
- verification of the application of the accounting policies described by the Directors in the notes to the financial statements of the Separate Report;
- obtaining the representation letter, signed by the legal representative of the Company, with reference to the correctness and completeness of the information contained in the Separate Report and those provided to us for the purpose of carrying out our statutory audit.

The procedures performed are less in extent than for a reasonable assurance engagement conducted in accordance with *ISAE 3000 revised* and, consequently, do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

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### Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the data contained in the Separate Report are not consistent, in all material respects, with those reported in the Company's financial statements for the year ended December 31, 2023.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Marco Miccoli**  
Partner

Rome, Italy  
April 4, 2024

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INDEPENDENT AUDITOR'S REPORT  
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,  
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016, AND  
ART. 5 OF CONSOB REGULATION N. 20267/2018

To the Board of Directors of  
Poste Italiane S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5, paragraph 1, letter g) of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Poste Italiane S.p.A. and its subsidiaries (hereinafter "Poste Italiane Group" or "Group") as of December 31, 2023 prepared on the basis of art. 4 of the Decree, presented in the specific section of the report on operations and approved by the Board of Directors on March 19, 2024 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "*The European Taxonomy Regulation*".

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

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The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

### Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

During the year covered by this assurance engagement, our auditing firm applied *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (hereinafter *"ISAE 3000 Revised"*), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Poste Italiane Group;

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#### 4. understanding of the following matters:

- business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report;

#### 5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Poste Italiane S.p.A. and with the employees of the main entities of the Group and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company and subsidiaries level:
  - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for the following entities, Poste Italiane S.p.A., Poste Vita S.p.A. and SDA Express Courier S.p.A., which we selected based on their activities and their contribution to the performance indicators at the consolidated level, we carried out site visits and remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

#### Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Poste Italiane Group as of December 31, 2023 is not prepared, in all material respects, in accordance with article 3 and 4 of the Decree and the GRI Standards.

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Our conclusion on the NFS does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph “*The European Taxonomy Regulation*”.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Marco Miccoli**  
Partner

Rome, Italy  
April 4, 2024

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