

A network uniting the country

With our 159-year history, 12,800 post offices, 122,300 employees, total financial assets of €576 billion and 35 million customers, the Poste Italiane Group constitutes the largest service distribution network in Italy. Our activities range from logistics, letter and parcel delivery and financial and insurance services to payment systems and telecommunications.

The Group occupies a unique position in the country in terms of size, recognisability, reach and customer loyalty, making a major contribution to Italy's economic, social and productive fabric. Our activities, which in 2020 generated turnover of €10.5 billion, have a significant impact on the country's economy in terms of GDP, tax revenue, jobs and household income: in 2020, the total value of our direct, indirect and induced impacts on the Italian economy amounted to €12.2 billion in terms of GDP and €2 billion in terms of tax revenue. An estimated total of 191 thousand workers were employed along the production chain, resulting in the distribution of income amounting to €7.4 billion.

In March 2021, Poste Italiane launched the "2024 Sustain & Innovate" Business Plan (24SI), with the aim of extracting even greater value from our omnichannel distribution network and becoming the unique point of access to solutions responding to all the needs of our over 35 million customers. The Plan aims to grow revenue to €12.7 billion and increase net profit to €1.6 billion in 2024 (up 33% compared with 2020). It also envisages a competitive and sustainable dividend policy and more than €3 billion in investment, most of which focusing on innovation and the Group's industrial transformation.

The 2024 Sustain & Innovate Plan sets out the Group's pathway to becoming number one in the e-commerce parcel market, consolidating our leadership in digital payments and the main provider of financial and insurance services. The Plan also renews our

commitment to supporting communities and the country, alongside government institutions, and continues to put sustainability at the heart of our strategies, as demonstrated by our goal of making Poste Italiane a zero emissions company by 2030.

Listed on the Milan Stock Exchange since 2015, Poste Italiane's free float accounts for approximately 35% of the shares in issue; around 65% of the shares are held by the Ministry of the Economy and Finance, with a 29.26% stake, and Cassa Depositi e Prestiti, with a 35% interest.

Since April 2017, Maria Bianca Farina has been the Company's Chairwoman and Matteo del Fante its Chief Executive Officer and General Manager. Giuseppe Lasco was appointed Co-General Manager in May 2020.

Poste Italiane - Financial results for the first half of 2021

Poste Italiane closed the first half of 2021 with revenue rising to above pre-pandemic levels across all areas of business, confirming successful implementation of the new "24SI" Business Plan. The results are proof of the validity of the strategic direction set out in the Plan, the strength of the Group's physical and digital networks and our ability to keep pace with current changes by responding to emerging customer needs. At the same time, the Company has renewed its strategic role at the heart of the lives of citizens, families and businesses, continuing to pursue the creation of long-term value that will benefit the community and to work with the Government on the rollout of its vaccination campaign. This saw Poste Italiane deliver more than 15 million doses of the vaccine in the first six months of the year and develop an IT platform for booking appointments, which is in use in 8 regions. This has provided up to 37% of the Italian population with potential access to the vaccine, thanks to the technological and logistical solutions devised by the Company.

The Group reported a net profit of €773 million for the first six months of 2021, an increase of 42% compared with the same period of the previous year, reflecting a

diversified strategy that continues to create value. Operating profit of just over €1 billion was up 37.1% on the first half of 2020, driven by insurance products and growth in mail and parcels and card payments. Revenue was up 14% to €5.7 billion. Costs of €4.6 billion were up 9.8% on the same period of the previous year, as the cost of supporting growth was carefully offset by cost efficiencies.

The **Mail, Parcels and Distribution** segment recorded revenue of €1.8 billion in the first half of 2021, an increase of 24.1% compared with the same period of the previous year. The performance was driven by a pickup in the volume of letter post and strong growth in the B2C parcels segment. Letter post recorded revenue of €1 billion (up 10.5% on the same period of 2020), reflecting an upturn in volumes (up 13.8%) across all product lines. Total parcel revenue amounted to €704 million (up 48.8% on the first half of 2020), with volumes rising 41.4% compared with the same period of the previous year to reach 127 million items handled at 30 June 2021.

Over 1 million parcels a day were handled in the first half of 2021, with postmen and women delivering 39 million parcels, a 17.7% increase on the first half of 2020. The innovation and transformation of sorting facilities continued, with the opening in June 2021 of the e-commerce hub at Landriano, capable of the automated handling of 300,000 items a day.

Revenue from **Financial Services** (including revenue from distribution) amounted to €2.8 billion in the first six months of 2021 (up 2% on the first half of 2020), driven by the focus on investment products, primarily Life insurance products.

Total financial assets (TFA) had risen to €576 billion by the end of June (up €7 billion compared with December 2020), following a €5.8 billion increase in net inflows. Deposits were up €3.5 billion, with customers continuing to express a preference for cash and growth in business accounts.

The **Insurance Services** segment also recorded significant growth, with revenue up 42% compared with the same period of the previous year to €1 billion, thanks to volume growth. The Life business saw revenue growth of 46.8%, driven by increased sales of multiclass products, which now account for more than 64% of gross premium revenue.

The Poste Vita Insurance Group's Solvency II ratio was 288% at the end of June 2021, with transitional measures providing an additional buffer against potential market volatility.

The **Payments and Mobile** segment continued to see growth, with revenue of €399 million in the first half of 2021 marking a year-on-year increase of 18.3% and confirming PostePay's leadership in the rapidly expanding digital payments market. Revenue from card payments rose 22.7%, whilst mobile service revenue was up 8.7% year-on-year. This reflects the strong customer base, with 4.8 million users. The number of e-commerce transactions saw further growth, reaching 248 million (up 37.1% year-on-year), driving delivery of the digital strategy set out in the "24SI" Business Plan.

Poste Italiane - Financial results for 2020

The Poste Italiane Group responded well to the Covid-19 emergency that marked 2020, maintaining a strong financial profile, a solid balance sheet and robust cash generation. At a time of profound change, the Company rapidly adapted to keep pace with changing customer needs, with the transformation and innovation process launched in 2018 enabling us to achieve a strong performance, thanks to contributions from all areas of business. At the same time, we confirmed our irreplaceable role in society, making our physical and IT networks available when needed and strengthening our reputation and the trust placed in us by citizens and stakeholders.

The Group recorded revenue of €10.5 billion in 2020, with net profit amounting to €1.2 billion and operating profit of €1.5 billion, whilst costs were down thanks to effective cost management. Operating costs amounted to €9 billion for the full year (down 2% on 2019), after one-off expenses of €25 million linked to the emergency and an increase in the cost of early retirement schemes designed to speed up the pace of innovation and industrial transformation.

The business's resilience and the objectives achieved, above all in the final quarter of the year, enabled Poste Italiane to propose payment of a dividend of €0.486 per share for 2020, representing a 5% year-on-year increase. The proposal was approved by the Annual General Meeting of 28 May 2021.

Mail, parcels and distribution *Delivering innovation*

Poste Italiane is Italy's largest logistics provider, able to take advantage of the opportunities linked to the growth in e-commerce, thanks to our extensive payments and digital expertise.

This segment, which includes mail delivery, logistics, parcels and express delivery, has always formed a key part of Poste Italiane's identity and also includes Italy's Universal Postal Service. We provide these services via a unique network, consisting of approximately 30 thousand postmen and women and over 1,500 delivery centres.

The successful industrial transformation, our investment and the innovation process embarked on in recent years enabled the Group, in 2020, to sort approximately 2.3 billion letters (1.3 billion in the first half of 2021) and deliver 210 million parcels (127 million in the first half of 2021), delivering a record average of 1.3 million parcels a day throughout December, a significant proportion of which from international markets.

The segment generated revenue of €3.2 billion in 2020, with major growth in the parcels segment (up 36% over the full year, rising to 56% in the final three months)

more than offsetting, in the fourth quarter, the decline in letter post.

Volume growth was also significant, with 210 million parcels delivered during the year (up 41.7% compared with 2019) and the business to consumer (B2C) segment registering growth of 60% over the full year and 77% in the fourth quarter of 2020.

In 2020 and 2021, Poste Italiane has continued with the progressive transformation of the logistics and delivery network, with the aim of consolidating Italy's most extensive distribution network and improving its efficiency. June 2021 saw the opening of the Landriano e-commerce hub, occupying an area of 80,000 square metres and capable of the automated handling of 300,000 items a day. The new hub joins the major sorting centres located in Bologna and near Rome, enabling us to cut the unit cost per parcel.

The Joint Delivery Model (the new service model that also provides for afternoon and weekends deliveries) is now fully operational, with postmen and women delivering over 74 million parcels in 2020 (up 44% compared with 2019) and approximately 39 million in the first six months of 2021 (up 17.7% on the same period of the previous year).

Punto Poste, the new readily accessible network that complements the network of post offices, was significantly enlarged and, in December 2020, consisted of a network of approximately 10,800 delivery points, including lockers, offering a non-stop 24-hour, 7-day service, and participating physical collection points, such as tobacconists. The Company is also continuing to invest in modernisation of the vehicle fleet, making it more environmentally friendly with the introduction of electric and hybrid vehicles (including 800 three-wheeled electric vehicles for postmen and women, designed with occupational safety and parcel load capacity in mind). The aim is to arrive at approximately 27,000 low-emission vehicles by 2025, thereby achieving a 40% cut in vehicle emissions by the same year and helping Poste Italiane achieve our goal of being a zero emissions company by 2030.

2020 saw Poste Italiane build on the key partnerships entered into with specialist technology start-ups such as sender GmbH, which uses technology to maximise long-

distance road transport saturation and flexibility, and Milkman, a digital home delivery start-up, which has helped improve the e-commerce customer experience thanks to its offering of personalised last-mile delivery solutions. In 2021, the Group also acquired 51% of the voting shares issued by Sengi Express Limited – a leader in the creation and management of cross-border logistics solutions – to further drive growth in the international side of the business. The acquisition has boosted the efficiency of shipping services and the volume of parcels sent from China to Italian consumers.

Payments and Mobile

PostePay SpA, the new digital payments ecosystem

Poste Italiane is one of Italy's leading payment system providers, exploiting the Group's integrated multichannel distribution platform based on its physical post office network and latest-generation digital infrastructure.

PostePay SpA, the Group company specialising in the development and processing of mobile and digital payments, is the leader in payment systems, having issued approximately 29 million cards. There were 1.6 billion card transactions in 2020, including 397 million e-commerce transactions (248 million in the first six months of 2021). In order to speed up and drive a successful transition from cash to digital payments in Italy, the company has invested in the development of innovative solutions. One example is *Codice PostePay*, the QR Code digital payment service that allows merchants to collect payments using a QR code and shoppers to pay for their purchases using just their mobile phone, without the need for a POS terminal.

The Payments and Mobile segment registered revenue of €737 million in 2020, an 11% increase compared with 2019. Revenue growth rose to 15% in the last quarter of the year, driven by the new payment solutions offered by the Group and the growing volume of both online and offline transactions.

The number of digital wallets had risen to 7.4 million at the end of 2020 (8.4 million at the end of the first six months of 2021) and PosteID (Poste Italiane's national digital identity solution) was in use by 12.2 million customers in 2020 (up 197.3% compared with 2019), rising to 17.5 million by the end of the first half of 2021. The number of e-commerce transactions remained high at a total of 397 million in 2020, marking growth of 59% compared with 2019. During the same year, the number of customers registered with Poste Italiane's digital channels (the website and apps) rose to 27.1 million (31 million at 30 June 2021), with over 3 million people accessing Poste Italiane's digital channels each day (4 million in the first half of 2021) and Poste Italiane's apps downloaded 48.1 million times (60.1 million by the end of the first half of 2021).

Finally, at the beginning of 2021, PostePay SpA and Bancomat entered into an agreement aimed at further expanding the range of services offered to Poste Italiane's customers and accelerating the country's digital transformation, promoting the use of cashless transactions.

Financial and insurance products *Credibility is our goal*

Poste Italiane plays a leading role in the distribution of savings and loan products, thanks to our distribution network and the brand's long-standing reputation for dependability. We are the sole distributor on behalf of Cassa Depositi e Prestiti of postal savings products – Savings Books and Interest-bearing Postal Certificates – and offer our customers current account services, as well as asset management, insurance and third-party consumer credit products.

The Group is investing heavily in diversification of its offering in order to maximise the value of our distribution network. In the last two years, we have continued to extend our range of products and services, focusing not only on our long-standing relationship with Cassa Depositi e Prestiti, but also on distribution agreements with leading market

players, and on agreements with innovative partners, such as the one entered into with the start-up, Moneyfarm, an independent company specialising in digital wealth management. This strategy of expanding and diversifying the offering, which envisages a gradual shift towards the provision of fully digital, multichannel financial services across a range of digital channels, has already borne fruit. The strategy aims to enable Poste Italiane to successfully respond to all the financial and insurance needs of our customers, offering them the chance to access the best solutions available on the market. Poste Italiane is also helping to implement government initiatives designed to strengthen Italy's economic recovery, with purchases of tax credits amounting to €2.2 billion at 31 July 2021.

Despite the impact of the halt to commercial activity during the lockdown, the Financial Services segment recorded a solid operating performance in 2020, with clear signs of recovery in the closing months of the year: revenue of €1.3 billion in the fourth quarter of 2020 was broadly in line with the same period of the previous year, thanks to the campaign promoting new products from June onwards, whilst revenue for the full year amounted to €4.9 billion, a decline of 3.7% compared with 2019.

There was significant growth in total financial assets, which at the end of 2020 had risen to €569 billion, an increase of €32.5 billion compared with December 2019 and driven by retail net inflows of €15 billion. Deposits were up €13 billion, confirming customers' clear preference for cash.

Insurance services are provided by the Poste Vita group, which offers customers a range of solutions designed to meet demand for supplementary pensions and personal and property protection. The group is the leading Italian life insurance provider, generating revenue of €1.6 billion in 2020, broadly in line with the figure for 2019 and showing that the shock caused by the lockdown was made up for in full in the third and fourth quarters of the year, thanks to the restart of commercial activity.

In the life insurance segment, the focus continues to be on diversification, offering both capital protection and multiclass products and, in the last two years, speeding up the development of non-life products, in line with the planned diversification of the insurance offering.

At the end of 2020, the Poste Vita group's solvency (Solvency II) ratio was 279%, well ahead of management's goal of achieving a level of 200% over the life of the previous Business Plan.

Poste Italiane's ESG Plan ***Sustainability at the heart of the Company's strategy***

Over the last three years, Poste Italiane has embarked on an important sustainability path, with a view to turning market challenges into opportunities for the creation of shared value for the benefit of Italy's economic growth. The Company has drawn up an ESG (Environmental, Social, Governance) plan, including all the Company's specific quantitative and qualitative sustainability goals, and has undertaken specific actions designed to achieve the United Nations Sustainable Development Goals (SDGs).

As a result of these actions, the Company has achieved several objectives in a short period of time. First and foremost, the Company is now part of the "World" and "Europe" segments of the Dow Jones Sustainability Index, the most prestigious sustainability index that only includes companies deemed to be among the best in the world in terms of sustainable management of their business. This was followed by inclusion in other equally important indexes: the Bloomberg Gender-Equality Index (GEI), Euronext Vigeo-Eiris World 120 and the FTSE4GOOD index.

The Group has also been assigned an "A" rating by Morgan Stanley Capital International, one of the leading agencies that rates the sustainability performances of companies based on specific ESG criteria.

Poste Italiane's ESG Plan forms an integral part of the "2024 Sustain & Innovate" Business Plan, with the aim of delivering sustainable growth and participating in the country's efforts to promote sustainability and social inclusion. The plan is based around eight pillars identifying key topics for the Group: "People development", "Diversity and inclusion", "Support for local communities and the country as a whole", "Integrity and transparency", "Innovation", "Customer experience", "Decarbonisation of real estate and logistics" and "Sustainable finance".

People development

Poste Italiane is the country's largest employer, with approximately 122,000 employees. We recognise the importance of key topics and values, such as training, welfare, relations with social partners and occupational health and safety.

The Company is fully aware of the importance of human capital, including the part it plays in achieving the Group's objectives. For this reason, despite the health emergency, in 2020 we made every effort to ensure that people development initiatives continued, offering a total of approximately 5.9 million hours of training thanks to expanded use of remote learning. We also developed innovative communication channels to offer all personnel the opportunity to keep up-to-date with the Company's activities and initiatives. These included TG Poste, a daily news programme viewable on the Company's app, the Intranet, screens in post offices and on the NoidiPoste app, to which new functions have been added and which can now be accessed by former employees.

In 2020, Poste Italiane organised numerous initiatives relating to the prevention of occupational diseases and the protection of workers' health. In this regard, the supplementary Health Care Fund was extended free of charge to include specific cover for people contracting the Covid-19 virus. The first ever Poste Medical Centre was also opened in Rome to offer specialist consultations and diagnostic services for the prevention, treatment and wellbeing of employees and their families.

2020 saw Poste Italiane obtain certification of its Occupational Health and Safety Management System, in compliance with the BS OHSAS 18001 standard, in our post office network, the Mail, Communication and Logistics function, Business and Public Administration Sales, BancoPosta and the Chief Operating Office. The BS OHSAS 18001 management system (now ISO 45001) is a key element in our approach, as it allows us to control and mitigate the business risks related to health and safety at work. In the same year, Poste Italiane provided over 220,000 hours of training in Occupational Safety and, again in order to ensure employees' safety during the health emergency, rapidly implemented a one-time reorganisation resulting in the adoption of agile working practices for 16,500 employees, representing approximately 81% of the administrative staff operating at head office and area offices.

The Company also engages in ongoing dialogue with all our social partners, having committed to fully protect workers' rights and their right to freedom of association and collective bargaining. Following the spread of the Covid-19 pandemic, Poste Italiane and the labour unions entered into a series of agreements in 2020. These resulted in the implementation of preventive and support measures designed to guarantee the safety and protection of employees and their families, and contain the spread of the virus.

Finally, in January 2021, Poste Italiane was for the second year running nominated a Top Employer by the Top Employers Institute, the global certification company that recognises excellence in the conditions that employers create for their people.

Diversity and inclusion

Poste Italiane encourages the development of a corporate culture based on respecting and valuing diversity which, in all its forms and manifestations, is considered a source of wealth, capable of generating a competitive advantage for the entire Group. This is the reason why we have adopted a specific "Diversity and Inclusion Policy", setting out the principles we intend to promote and the four dimensions of diversity (gender, disability, the generations and inter-culturalism that we are committed to safeguard. The Company

also promotes the dissemination of the UN Guiding Principles on Human Rights and, in 2020, launched an online training programme for all personnel focusing on “Business and Protecting Human Rights”.

With women accounting for more than half of its workforce, Poste Italiane has a key role in supporting equal opportunities throughout the Italian economy. We are particularly committed to creating an inclusive culture that ensures our ability to harness and develop the Company’s talent pipeline. In 2020, over half of post offices were managed by a woman, whilst women account for 46% of middle and senior management and 44.4% of the Board of Directors. During the same year, Poste Italiane entered the top five in the gender equality ranking of companies listed on the Milan Stock Exchange’s FTSE MIB index, a league table produced by Equileap, an independent organisation. We were also recently recognised as one of Italy’s best employers for women in the Italy’s Best Employers for Women 2021 survey, produced by the German Quality Institute, ITQF, in collaboration with its Media Partner, “La Repubblica - Affari&Finanza”.

In 2020, Poste Italiane also launched a series of initiatives to promote the economic independent of women who are the victims of domestic violence, based on the employment of victims leaving women’s refuges. The Company has funded special retraining programmes and heightened awareness throughout the supply chain in order to encourage the creation of appropriate jobs. The initiative also makes a number of properties owned by the Group available to provide social housing for women who have been the victims of domestic abuse, with ten residential units earmarked for this purpose since the beginning of 2021.

In terms of recognition for Poste Italiane’s commitment to equal opportunities, the Company was, for the second year running, in the Bloomberg Gender-Equality Index (GEI), the main global benchmark index for investors looking for information on companies’ gender equality performance. Poste Italiane achieved a score that was significantly higher than the average for the companies ranked in the GEI, after an

assessment focusing on the following areas: female leadership and the talent pipeline, equal pay, inclusive culture and sexual harassment policies.

A further example of the Company's commitment to inclusion and harnessing diversity is the use of Italian sign language interpreters to translate the most important messages and news conveyed through the Group's digital communication channels into sign language. The interpreters also provide support for training activities and management interviews with personnel with hearing difficulties. Finally, in 2020, the Group continued with efforts to remove architectural barriers in offices located in towns with less than 5,000 inhabitants, making them more easily accessible to all.

Support for local communities and the country as a whole

Aware of our impact on Italy's economy and society, the Poste Italiane Group has always worked to promote the wellbeing of the country's citizens and its progress by provided quality services that help to achieve the Sustainable Development Goals contained in the United Nations 2030 Agenda.

Thanks to our widespread presence around Italy and the country's largest logistics network, the Group is in a position to connect government institutions, local communities and national services in order to contribute to the development of even the smallest population centres.

During the year marked by the pandemic, the Company made all its physical and IT networks available to support the country in combatting the Covid-19 virus. From the outset of the health emergency, we continued to provide the services that people need, working with government to identify procedures for the payment of pensions capable of protecting public health and avoiding the risk of people having to crowd together in post offices. This led to an agreement with the Carabinieri for the delivery of pensions free of charge to elderly people over the age of 75. The Group delivered over a billion items of

personal protective equipment in 2020 and, in the first six months of 2021, delivered over 15 million doses of vaccines.

Poste Italiane has also offered a new platform to trace and deliver vaccines free of charge, enabling citizens in participating regions to book their jabs online, or through their postman or woman, the call centre or a Postamat ATM. The new platform and the partnership between Poste Italiane and the Italian army, set up to rollout the nationwide vaccination programme, will enable up to 37% of Italy's population to get the vaccine thanks to the jabs booked through the new platform and delivered by Poste Italiane.

2020 also saw the Group carry out a range of initiatives and numerous projects designed to support small towns, in line with the country's recovery plan and in keeping with the seven commitments made in the previous year: these include the installation of 9,857 new mailboxes, 7,096 video-surveillance systems, 5,692 Wi-Fi hotspots in post offices, 1,327 new Postamat ATMs and 300 innovative smart mailboxes. The Company also involved more than 2,830 schools in the *Il Risparmio che fa scuola* financial education programme and introduced new green vehicles in 1,308 towns. An office responsible for delivering support to small towns has also been set up at Poste Italiane's headquarters, providing a point of contact for local authorities seeking to obtain information or to promote initiatives.

Integrity and transparency

Ethics and transparency represent the key values around which Poste Italiane has built its identity. These basic principles guide our approach to doing business and to managing relations with all our stakeholders. The Company therefore recognises the strategic importance of compliance with internal and external regulations and codes of conduct, as well as respect for rules and absolute fairness. This is the reason Poste Italiane's adoption of a Code of Ethics, an Organisational, Management and Control Model in accordance with Legislative Decree 231/2001 and an "Integrated Compliance Framework", enabling us to benefit from synergies between the various specialist areas

of risk and a uniform approach to their management. The Company's has also adopted a "Compliance Programme" to ensure conformity with antitrust and consumer protection legislation, accompanied by specific guidelines.

Poste Italiane confirmed its legality rating in 2020, having been assigned the highest possible rating of three stars by the Italian Antitrust Authority (AGCM) and putting us among the 7% of companies to have achieved this level of performance. During the same year, both Poste Italiane and the subsidiary, Poste Vita, were admitted to the "Collaborative Compliance Regime" by the Italian tax authority, following a positive assessment by the authority of the system for reporting, managing, controlling and mitigating tax risk. BancoPosta Fondi SGR also received ISO 37001 Anti-Corruption Certification in 2020, becoming the first asset management company to achieve such a milestone, in line with Poste Italian's aim of certifying every Group company by 2022.

A concrete example of the importance the Group gives to legality and transparency is the collaborative relationship with Italy tax police (*Guardia di Finanza*), which has led to the signing of a memorandum of understanding regarding efforts to combat economic and financial crimes. The agreement commits the Company to making the data it holds available to the tax police, above all data resulting from identity checks, which can be used to combat financial and tax fraud.

Poste Italiane also encourages sustainable supply chain management to ensure the sustainability, functionality and traceability of the goods and services procured. The Group applies specific environmental and social criteria in the selection of suppliers, requiring them to adhere to the principles and rules of conduct set out in the Code of Ethics, and verifying whether or not they meet ESG requirements by conducting sustainability audits. 75.9% of the Group's suppliers had an ISO 14001 or EMAS certified environmental management system in 2020.

Innovation

The Poste Italiane Group is a driving force behind innovation and digitalisation in Italy, ensuring that our services are accessible to everyone and the connection between people, businesses and the Public Administration. Thanks to our investment in technology and strategic partnerships, the Company has added new digital solutions to its traditional offering, continuing to guarantee continuity of service and broadening the range of products that can be accessed remotely.

The technological and digital revolution embarked on by Poste Italiane has not only involved the Company's offering but also all areas of business, working processes and the service distribution model, which is now omnichannel. All the Group's digital channels have had new functions added and are used by a growing number of customers: Poste Italiane's apps were downloaded 48.1 million times in 2020 and 27.1 million users were registered with the digital channels (the website and apps). PostelD (Poste Italiane's national digital identity solution) was in use by 12.2 million customers tripling the number registered at the beginning of the year and up 197.3% compared with 2019.

With the aim of promoting usage of digital transactions and reducing the use of cash, the Group has continued to develop innovative, increasingly easy-to-use payment solutions such as, for example, *Codice PostePay*, the QR Code digital payment service that allows merchants to collect payments using a QR code and shoppers to pay for their purchases using just their mobile phone, without the need for a POS terminal. PostePay SpA, the Group company specialising in the development and processing of mobile and digital payments, issued over 29 million cards in 2020 and recently launched Postepay Green, the new eco-friendly biodegradable prepaid card.

The innovation process has also impacted the traditional Mail, Parcels and Distribution segment, with major investment in logistics and delivery networks. This has resulted in further expansion of the large hubs for sorting parcels, an increase in air connections to

provide next day delivery throughout Italy, above all with regard to the south and the islands, and renewal of the vehicle fleet to make it greener.

The partnerships entered into with specialist technology start-ups are also significant. These include the partnership with sender GmbH, which uses technology to maximise long-distance road transport saturation and flexibility, and the launch of new initiatives, including the recent acquisition of 51% of the voting shares issued by Sengi Express Limited – a leader in the creation and management of cross-border logistics solutions – to further drive growth in the international side of the business. The acquisition has boosted the efficiency of shipping services and the volume of parcels sent from China to Italian consumers.

Finally, major partnerships launched in 2020 also include the agreement with Microsoft to accelerate the Company's digital transformation and develop advanced services for businesses and the Public Administration; the agreement with Volante Technologies, which aims to further develop the Open Banking platform; and the agreements with TIM and Open Fiber, aimed at offering private customers and businesses new ultra-broadband connections and services, with the goal of reducing the digital divide between different areas of the country.

Customer experience

Poste Italiane is committed to ensuring the excellence of its products and services and to providing a simple and safe user experience. Specific units were set up in 2020 with the aim of exploring new solutions based on user experiences and customer needs, and to constantly monitor the level of customer satisfaction, which was 82% in 2020.

2020 saw the Group further step up the introduction of artificial intelligence into Customer Services, with the launch of the "Poste" Digital Assistant, a solution that proved extremely useful in handling the very high number of standard queries received during the pandemic.

Poste Italiane also continued to engage in ongoing dialogue and discussions with consumer associations through the permanent working and advisory group dubbed the *Cantiere Consumatori*. The group, consisting of representatives from each association and from the Group, enables the parties to identify the best solutions to reconcile the needs of customers with those of the Company. Thanks to these initiatives, and continuous attention to improving services and working processes, the total number of complaints recorded by Poste Italiane in 2020 saw a significant reduction of 23% compared with the previous year.

Decarbonisation of real estate and logistics

Poste Italiane is aware of its responsibility for creating sustainable value for the communities in which we operate. We are committed to ensuring the efficient use of resources, mitigating our environmental impact and developing innovative solutions to support the transition to a low-carbon economy.

Over the years, the Company has adopted an Environmental Sustainability Policy, a document bringing together the principles and initiatives to which we are committed. The aim of the Policy is to put this commitment in writing and inform stakeholders about the steps that the Group is taking to cut the impact of our operations, above all in relation to logistics and transport and the use of buildings.

The Group's commitment to decarbonising our real estate continued in 2020. The Group plans to expand the capacity to produce our own energy, with over 600 new photovoltaic panel installations. In terms of electricity supply, more than 95% of Poste Italiane's requirements are met by fully renewable sources.

In the last two years, we have coordinated over 40 energy saving projects across the country, with the focus on reducing both emissions and consumption (gas and electricity). The process of converting our lighting to LED also proceeded in 2020, with 56% of the surface area occupied by the Group's buildings now lit by LED lamps, following the installation of a further 40,000 fixtures compared with 2019. Our

commitment also extends to close monitoring of our environmental footprint, using data collection and energy management platforms.

Also, with a view to reducing the environmental impact of our activities, the Group is implementing the planned replacement of our vehicle fleet, focusing primarily on those used for delivery and transport. The aim is to arrive at approximately 27,000 low-emission vehicles by 2025, thereby achieving a 40% cut in vehicle emissions by the same year and helping Poste Italiane achieve our goal of being a zero emissions company by 2030.

The Group's leadership in helping to combat climate change was recently acknowledged with Poste Italiane's assignment of an A- rating in the annual rankings drawn up by CDP (the Carbon Disclosure Project), the independent non-profit organization that specialises in environmental reporting and in the rating of companies' climate performance and strategies.

Sustainable finance

Poste Italiane also takes ESG criteria into account in our investment processes and decisions, encouraging a responsible approach to economic and social development within the Group and the country as a whole. The Company is convinced that the inclusion of such issues is necessary in order to achieve sustainable long-term performance, reduce environmental and social risks and act with transparency and integrity. This is also why, in 2019, the two Poste Italiane Group companies, Poste Vita and Bancoposta Fondi Sgr, signed up to the United Nations Principles for Responsible Investments (PRI), which aim to raise awareness among economic operators of the need to promote the integration of environmental, social and governance factors into investment processes. From the same year, the Poste Vita group also subscribed to the Principles for Sustainable Insurance (PSI), formally committing the insurer to include sustainability criteria relevant to the insurance sector in its investment decision-making

processes. These policies have established a general principle requiring the systematic assessment of investment transactions that also takes into account the environmental, social and governance profiles of the corporate or government issuers of the assets included in portfolios and of the related managers. For example, the policies exclude potential investments in sectors that violate the basic human rights set out in UN conventions. The responsible investment policies also envisage the establishment of structured processes for effectively managing and monitoring the approach adopted through specific roles, activities and instruments.

The Poste Italiane Group has also signed up to and applied the norms contained in the new EU Regulation 2019/2088 on ESG transparency. This aims to standardise the information provided to customers on sustainability risks and how environmental, social and governance factors are taken into account in investment decisions.

The Group has continued give shape to its responsible investment policies with specific products. Poste Vita's real estate fund, Diamond Eurozone Office (DEO), has, for example, obtained the highest rating in terms of sustainability from GRESB, an international organisation that analyses and compares real estate investments from an environmental, social and governance (ESG) perspective worldwide. The DEO fund achieved a five-star rating, with recognition as a Green Fund and an overall score of 86 out of 100. Poste Vita also holds an exclusive on the Diamond Core fund, a real estate investment fund whose underlying asset is a LEED Gold certified property that has obtained a credit facility classified as a "green loan", the first ever such loan in the Italian real estate sector. The Group's portfolio also includes investments in institutional investment funds with a strong focus on environmental sustainability. These include the Tages Helios fund, which specialises in investments in the photovoltaic sector, the F2i III fund, managed by Italy's leading producer of renewable energy, and the Ambienta II fund, whose investment policy is primarily inspired by criteria linked to the efficient use of resources and containment of the impact on pollution.

Through our subsidiaries, Poste Vita and BancoPosta Fondi Sgr, Poste Italiane is also participating in a series of initiatives aimed at mobilising capital to achieve sustainable goals internationally, and promote a sustainable recovery after the impact of the Covid-19 pandemic. These include the following: the Investor Statement on Coronavirus Response, promoted by the United Nations PRI, that intends to convince companies to adopt corporate welfare policies to mitigate the social effects of the health emergency; Climate Action 100+, an international, investor-led collaborative engagement initiative set up to ensure that the world's largest corporate greenhouse gas emitters take the necessary action on climate change; and, finally, the European Alliance for a Green Recovery, promoted by the PRI and the European Parliament's Environment Committee, which aims to create green investment plans together with more than 50 business leaders from the financial and insurance sectors and investment funds from ten European countries.